



#### **ANALYST QUICK NOTES**

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**Marathon Oil Corp. (NYSE: MRO: BUY)**

**Target Price: \$52**

**Bill Selesky**

**2/13/2017**

#### **Marathon Oil reports 4Q16 financial results**

- We forecast 4Q sales of \$1.24b and an operating loss of \$0.13 per share.
- The Street (consensus) expects sales of \$1.19b and an operating loss of \$0.14 per share.
- Our higher revenue forecast is attributable to higher production rates in 4Q.
- We expect positive commentary on the 2017 outlook, oil prices and production.
- The bear case (that MRO cannot generate a profit at \$50+ oil) continues to pressure the stock.

#### **Recommendation:**

- For long-term investors, we reaffirm our BUY rating
  - At current oil prices, MRO should start to post profitable results during 2H17
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