

THE MONTHLY RESEARCH CONFERENCE CALL

BACK TO SCHOOL: RETAIL'S OTHER SEASON



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Wednesday, August 14, 2019

11:00 a.m. ET

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WHAT'S NEW AT ARGUS

AUGUST 2019

■ Argus High-Yield Model Portfolio

- Even in growth markets, investors want income
- Argus High-Yield Model Portfolio: BUYs and HOLDs with 4%-plus yield
- Value stocks with attractive P/E, P/S, P/CF, and P/BV ratios
- Avoid sectors/companies in secular decline, or with unsustainable payouts
- Find it on website: Portfolio Strategy tab, Theme Portfolios

■ Portfolio Selector - Focus List

- Square Inc. - platform for payment and point of sale solutions to merchants worldwide
- Walt Disney - highest-quality content and evolving digital strategy
- The TJX Companies - financial strength, efficient cost structure, value merchandise
- Colgate-Palmolive - pursuing growth aggressively under new CEO
- Find it on website: Portfolio Strategy tab, Portfolio Selector

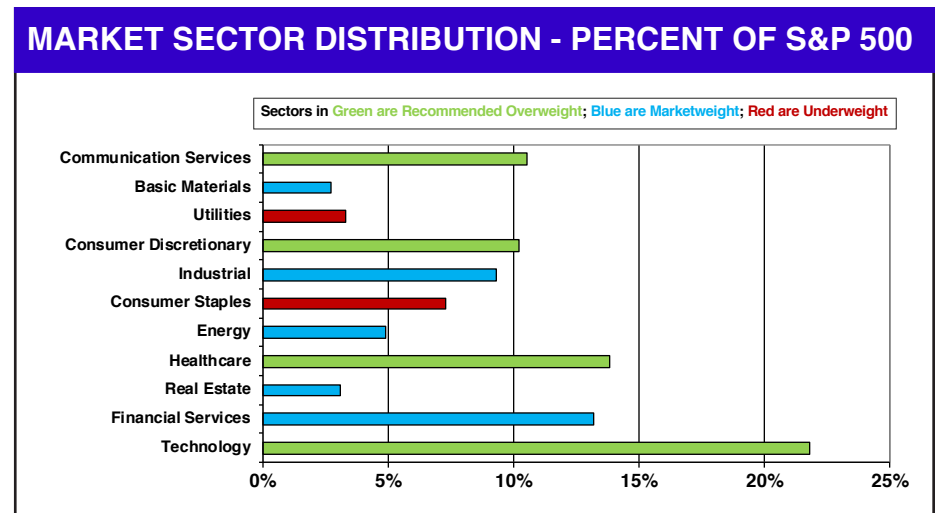
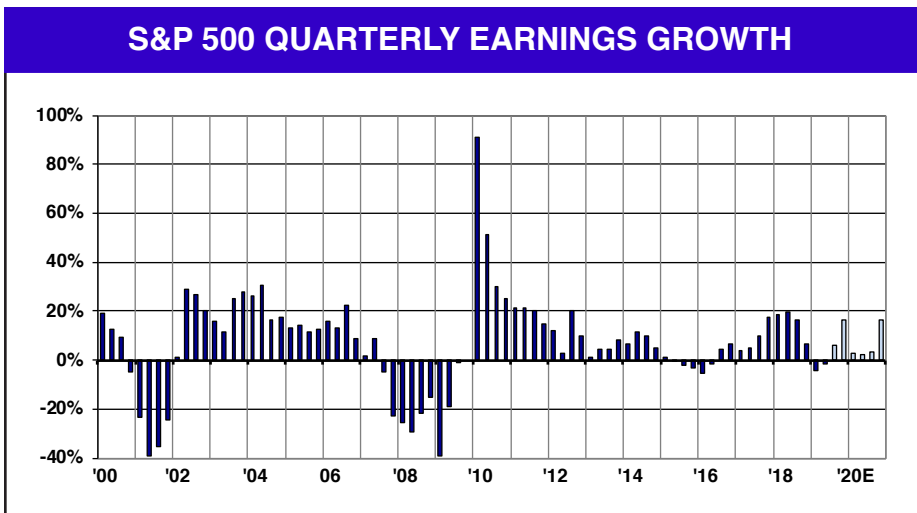
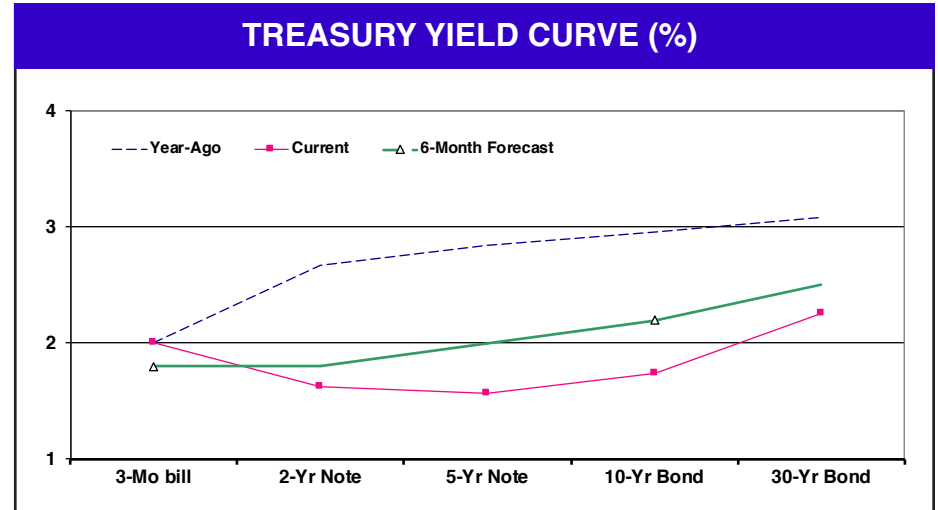
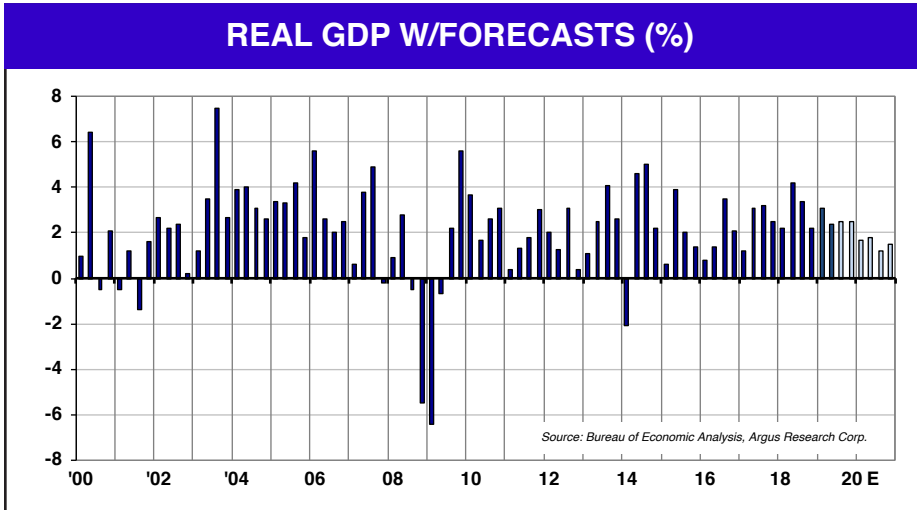
■ Analyst Quick Notes

- Weekly Stock List: Focus List Changes
- Update on Market Technicals
- Weekly Stock List: Companies raising Guidance
- Weekly Stock List: High Yield Stocks
- Find it on website: home page, top center

■ Argus Performance Review

- Investars - Argus BUYs beat S&P 500 on 2-, 3-, 4-, & 5-year basis
- Bloomberg BARR (top 5 finishes) - all analysts in double-digits
- Model Portfolios - multiple portfolios topped benchmark on YTD, 1-year, and 3-year basis
- Portfolio Selector-Focus List - median return of PS-FL stocks beat benchmark by 140 bps
- Find it on website: home page, News & Media

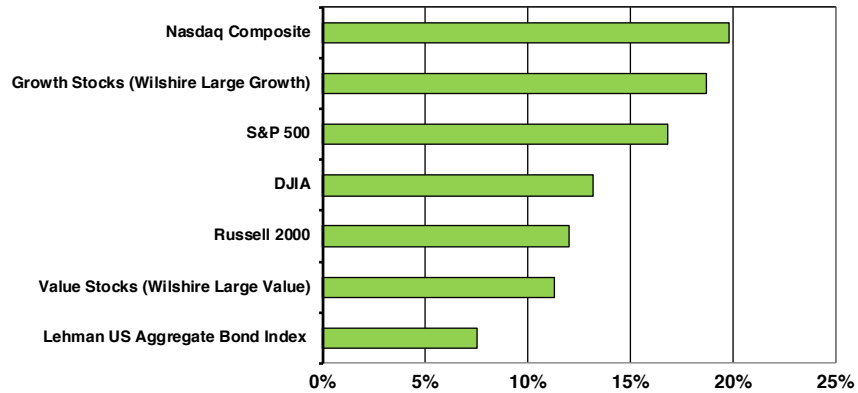
MACRO FORECASTS



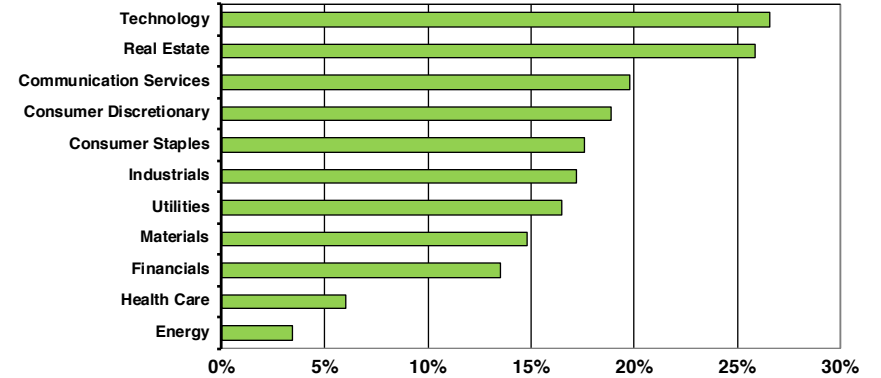
MARKET PERFORMANCE

DATA AS JULY 31, 2019

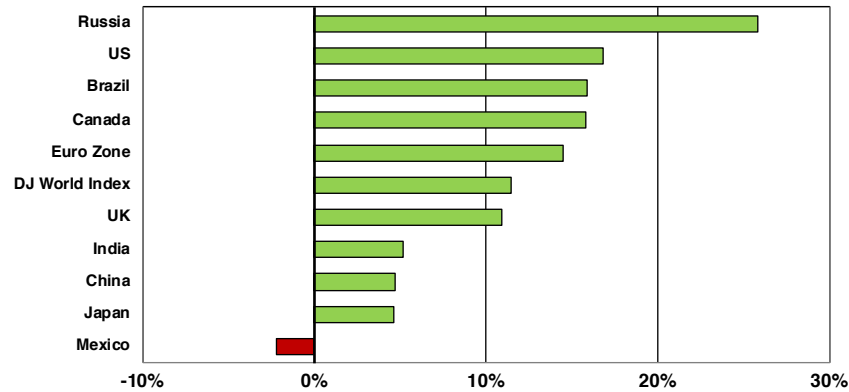
MAJOR INDEX



SECTOR



GLOBAL EQUITY MARKETS



RETAIL: BACK TO SCHOOL, HOLIDAY AND TOP STOCKS

■ 3 Takeaways:

- We expect Holiday 2019 retail sales to rise 3%.
- Back-to-school +2% to + 3%
- Prime Day 2019 (July 15 & 16) was Amazon's biggest event ever topping Black Friday and Cyber Monday 2018 combined.

■ Winning Strategies:

- Engage shoppers throughout season to drive traffic.
- Offer a stream of innovative products at many price points.
- Satisfy value-conscious customers at all income levels.

■ Strong employment, healthy consumer finances, and buoyant sentiment should offset macro concerns to make this a happy holiday season.

TOP STOCKS IDEAS

■ **Costco (COST)**

- \$315 target price.

■ **TJX (TJX)**

- \$62 target price.

■ **Walmart (WMT)**

- \$115 target price.

■ **Williams-Sonoma (WSM)**

- \$73 target price.

■ **lululemon (LULU)**

- \$200 target price.

■ **Kellogg (K)**

- \$70 target price.

■ **Home Depot (HD)**

- \$220 target price.

BACK TO SCHOOL: TECHNOLOGY

■ Smartphones

- “limbo” season ahead of 5G launch in 2020
- Target prices: AAPL (\$250), GLW (\$42)

■ PCs

- “New kid in town” AMC threatens Intel
- HPQ strong in commercial, high-value-added PCs
- Target prices: AMD (\$40), HPQ (\$300)

■ Memory

- Cycle trough in sight, demand and pricing better
- But trade/politics are lingering concerns
- Target prices: MU (\$52), STX (\$60), WDC (\$70)

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