



ANALYST QUICK NOTES

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Consumer Momentum

John Eade

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Weekly Stock List: Consumer Momentum Companies

- President Trump's proposed tax-reform program offers several potential benefits for the Consumer sector of the economy. For one thing, filling out taxes is likely to be easier, as the plan calls for three tax levels, down from seven, and potentially simplifies deductions. For another, the tax plan reduces the highest tax rate level and doubles the standard deduction. For a third, investors may benefit from a potential reduction in the capital gains tax.
- These factors are all favorable for consumers, who have been driving economic growth since the recovery of 2009-2010 and are also benefitting from historically low unemployment rates.
- Here are five BUY-rated companies in Argus coverage that are all trading near 52-week highs and are likely to continue benefitting from the positive consumer trends.
 - Priceline (PCLN): Consumer Analyst John Staszak, CFA, recently raised his target price on this innovative online booking company to \$1,950.
 - Royal Caribbean (RCL): This leading leisure company recently topped 1Q EPS estimates and is another Staszak favorite.
 - GrubHub (GRUB): This small-cap online provider of restaurant pick-up and delivery orders also recently beat consensus expectations.
 - Cheesecake Factory (CAKE): Despite weakness in the casual-dining industry, Cheesecake Factory has now reported year-over-year increases in comparable-store sales for 28 consecutive quarters.
 - MGM (MGM) John Staszak's optimism about MGM reflects prospects for solid growth in Las Vegas, among other factors.

For more information on these companies, please see our Analyst Reports at www.argusresearch.com.

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