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## ANALYST QUICK NOTES

New products, M&A announcements, management shakeups, earnings surprises. Whatever the news, you want to know what Argus thinks. Our Quick Notes fill this need by providing real-time analysis of current news about Argus-covered companies or other market-moving events. Please check back regularly for new Quick Notes. **Important disclaimer information is on the last page of this document.**

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### New Additions to the Argus Focus List

John Eade

5/15/2017

#### Weekly Stock Lists: New Additions to the Argus Focus List

- Argus has published its latest Portfolio Selector, which features its popular Focus List of timely investment ideas. Each month, Director of Research Jim Kelleher, CFA, surveys the team of award-winning Argus Research industry analysts for their timeliest recommendations out of the company's fundamental universe of approximately 450 companies.
- The Focus List typically includes 30 stocks; turnover is high, as DOR Kelleher typically adds three or four new stocks per month. Performance information on the Focus List Picks is available in our bi-annual Argus Performance Review.
- Here are the latest additions; all are rated BUY:
  - Adtran Inc. (NGS: ADTN): Adtran produces a broad range of network access products for carriers and enterprises. We believe Adtran, with its cost-effective fast-follower strategy, may be well positioned for top-line growth amid carrier cost-consciousness. Based on valuation and our view that that recent revenue momentum is sustainable, we are recommending ADTN to a 12-month target price of \$25.
  - Fastenal (NGS: FAST): Fastenal sells industrial and construction supplies, including fasteners, at approximately 2,500 stores. Over the long term, we expect this mid-cap Industrial company to generate mid-single-digit sales growth and high single-digit EPS growth. The balance sheet is clean and management has focused on growing the dividend, which currently yields about 2.8%.
  - Travelers Cos. Inc. (NYSE: TRV): Travelers is a leading provider of auto, home and business property casualty insurance. Although first-quarter core underwriting margins were down from the prior year, they have now expanded sequentially for three straight quarters. We expect further gains as the company raises prices on auto insurance and expands its data analytics and digital initiatives.

- McDonald's Corp. (NYSE: MCD): McDonald's is the world's largest restaurant chain. Our recent ratings upgrade reflects our improved revenue expectations for 2017, driven in part by the launch of new promotional offers. We also believe income-oriented investors will be attracted to MCD's nearly 3% dividend yield and record of annual dividend increases. The MCD shares are this month's Director's Choice.
  - For more information on these companies, please see our Analyst Reports at [www.argusresearch.com](http://www.argusresearch.com).
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