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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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### Additions to the Argus Focus List

John Eade

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

- Argus has published its latest Portfolio Selector report, which features the popular Focus List of timely investment ideas. Each month, Director of Research Jim Kelleher, CFA, surveys the team of 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 picks in the Focus List is available in our bi-annual Argus Performance Review.
- Here are the latest additions. All carry Argus BUY ratings.
  - Activision Blizzard Inc. (NGS: ATVI). Activision creates software games played on game consoles, personal computers and handheld devices. On valuation, ATVI's enterprise value/EBITDA multiple of 16 is near the peer median, though we believe that a higher multiple is warranted given the company's leadership in the fragmented gaming sector. We recently raised our target price to \$65.
  - Jacobs Engineering Group Inc. (NYSE: JEC). Jacobs Engineering is a mid-cap provider of technical, professional and construction services. The company has been restructuring its operations for several years and continues to face both macroeconomic pressures and weakness in important end markets such as oil and gas and mining. However, we are now seeing signs of a turnaround, as the company's bookings and earnings rose in the fiscal second quarter. Our target price is \$62.
  - Wynn Resorts Ltd. (NGS: WYNN). Wynn develops, owns and operates casino resorts in Las Vegas and Macau, including the recently opened Wynn Palace Macau. Despite stiff competition, results at the Wynn Palace have shown consistent improvement, with occupancy and room rates both rising in recent quarters. We recently raised our EPS estimates for both 2017 and 2018 and boosted our target price by \$10 to \$145.

- Devon Energy Corp. (NYSE: DVN). Devon Energy is one of the largest U.S.-based independent oil and gas producers. Devon has a strong balance sheet, with ample liquidity and no significant debt maturities until 2021. The stock trades at a discount to peers, though we believe that higher multiples are warranted based on the company's strong fundamentals. Our target price is \$51. The DVN shares are this month's Director's Choice.
  - These stocks replaced the following four stocks on the Focus List:
    - Adobe Systems Inc. (ADBE: BUY): Since inclusion in October 2016, the ADBE shares have advanced 32% while outperforming the benchmark by 21%.
    - Amazon.com Inc. (AMZN: BUY): Since inclusion in February 2017, the AMZN shares have advanced 25% while outperforming the benchmark by 20%.
    - Exxon Mobil Corp. (XOM: BUY): Since inclusion in June 2016, the XOM shares have declined 10% while underperforming the benchmark by 24%.
    - Sherwin-Williams Co. (SHW: BUY): Since inclusion in October 2016, the SHW shares have advanced 26% while outperforming the benchmark by 15%.
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