

# Weekly Trader

## Upcoming Market Opportunities and Events

**CANTOR**  
*Fitzgerald*

Monday, 26<sup>th</sup> August 2019

### Key Themes This Week

#### The Week Ahead

Last week saw markets set to post strong gains before China retaliated to President Trump's latest round of tariffs. The S&P 500 closed 1.2% higher on the week to Thursday. After China confirmed its intentions to tariff US goods and President Trump's twitter response, left markets finishing Friday down 1.44% on the week. Similarly, the Euro STOXX 600 was up 1.5% going into the close on Friday afternoon, dropping 1.5% from the day's highs. Investors will be watching the fallout from trade escalations, the G7 meeting and the Italian political stalemate.

Trade tensions have been lingering over markets for two years, since the process began with talks in April 2017. The first direct tariff measures on Chinese goods was introduced in March 2018. While last week's escalation signal that there may be some road to go before a resolution is found. The Chinese strategy to target a portion of Trump's political base, through tariffing agricultural imports, is important. We expect the Chinese to continue to use the US election to apply pressure to President Trump. In the more immediate future, Trump's warning to US companies to find an alternative to China is concerning. Chinese officials over the weekend attempted a more conciliatory tone, with vice premier Liu He quoted "China, resolutely opposes the escalation of the trade war". While the White House message has been somewhat less consistent with Mr Trump revealed he was having "second thoughts", which was later clarified to mean "he regrets not raising the tariffs higher". Continuing trade tensions and tariffs increase the downside risk to equity markets. The next pivotal step for markets will be confirmation that trade talks expected to take place in September will proceed. Both sides will be unwilling to be the side who refuses to take a seat at the table.

The G7 was dominated by positioning and posturing on Brexit. UK Prime Minister Boris Johnson was keen to highlight the size of the opportunity a trade deal with the US offered. While tempering expectations on the timeline required to deliver such an agreement, stating the US needed to "compromise" and reiterating the UK's NHS was not on the negotiating table. The finger pointing continued with European Council President Donald Tusk calling Boris Johnson "Mr No Deal". And Boris Johnson responded in kind, blaming the EU's refusal to step away from the Irish Backstop as the reason for a "no-deal". As the possible solutions to resolving the withdrawal phase dwindle over the coming weeks, we expect volatility in UK and Irish equity markets to increase.

In the wake of Matteo Salvini's collapsing of the Italian government. alternative majority needs to be presented to the President this week to avoid a general election. The Five Star populists will look to salvage a deal with the support of the preceding largest party, Matteo Renzi's Democratic Party. Italian yields have tightened in line with the broader market. However, fresh elections would likely see that move reversed as spreads over core bonds widens. The country's banking sector will likely be the biggest casualty of political uncertainty, which could spread throughout the Eurozone banking system.

On the data front, we will be watching final GDP readings for Germany, France, the Eurozone and the US. There is also a selection of confidence indicators during the week from Germany and the Eurozone.

On reflection on the closing days of the summer period, we retain a cautious outlook. We reiterate our call to increase defensive positions in equity markets. We continue to see value in Consumer Staples (**Danone, Coca Cola, Kerry Group**), Healthcare (**Pfizer, UnitedHealth, Sanofi**) and Utilities (**Engie, Greencoat**). We are also advising clients to hold a proportion of their portfolios in **Gold** through our Physical Gold ETF.

### Major Markets Last Week

	Value	Change	% Move
Dow	25629	-257.11	-0.99%
S&P	2847	-41.57	-1.44%
Nasdaq	7752	-144.23	-1.83%

MSCI UK	15662	-35.00	-0.22%
DAX	11595	-120.63	-1.03%
ISEQ	5724	-89.34	-1.54%

Nikkei	20261	-302.12	-1.47%
H.Seng	25576	-715.55	-2.72%
STOXX600	370	-3.51	-0.94%

Brent Oil	59.23	-0.51	-0.85%
Crude Oil	54.01	-2.20	-3.91%
Gold	1529	33.51	2.24%

Silver	17.5635	0.69	4.07%
Copper	254.45	-6.35	-2.43%
CRB Index	392.44	-5.79	-1.45%

Euro/USD	1.112	0.00	0.38%
Euro/GBP	0.9069	-0.01	-0.72%
GBP/USD	1.2261	0.01	1.11%

	Value	Change
German 10 Year	-0.668	-0.02
UK 10 Year	0.481	0.02
US 10 Year	1.446	-0.16

Irish 10 Year	-0.035	0.04
Spain 10 Year	0.142	0.01
Italy 10 Year	1.344	-0.09

BoE	0.75	0.00
ECB	0.00	0.00
Fed	2.25	0.00

All data sourced from Bloomberg

## Opportunities this week

CFI Research Team

### Kennedy - Wilson



- Kennedy Wilson Europe was acquired by KW in an all share offer at 0.667 KW US shares when KW US traded at \$22.50 in 2017. This was opportunistic by KW US post referendum sterling weakness. At the time, we thought it was a very good transaction for KW US. KWE shareholders ended up with 36% of the merged identity post the transaction closing
- At the interim 2019 results, KW US reported \$7.7bn in gross asset value (\$410m net operating income) and \$2.4bn in fee bearing capital (\$70m in fees)
- Management guide that their pipeline of partially developed and development assets will generate an additional \$105m (+25%) in NOI through 2023
- Asset base consists of 28,892 multi-family units (14m sqft), 192 office units (12m sqft) and some non-core retail(4m sqft) and hotel assets(3m sqft). 94% occupancy
- Their portfolio is diversified across the US (48%), UK (24%), Ireland (23%) and Spain/Italy (5%). Office and residential assets make up over 80% of their assets
- KW generates \$70m a year in fees from investment management, brokerage and property services on \$2.4bn fee-bearing capital
- KW's \$5.7bn of net debt is 94% fixed or hedged at an average interest rate of 3.9% and 5.3 year term
- KW recorded \$713m in adjusted EBITDA on an asset base of \$16bn, paying out c.78% of income in a dividend in 2018 = 4%
- Initiated a \$250m buyback in 2018 which is ongoing. \$3bn market cap but trades at 0.77x book value on Bloomberg.
- Balance sheet and equity is undervalued as a function of how US GAAP accounts for real estate

Key Metrics	2019e	2020e	2021e
Revenue (\$'Mn)	658.0	681.0	N/A
EPS (\$)	1.78	1.44	N/A
Price/ Earnings	11.67x	14.48x	N/A
Div Yield	4.09%	4.28%	N/A

Source: All data & charts from Bloomberg & CFI

Total Return	1 Mth	3 Mth	YTD
Kennedy Wilson	-0.57%	-0.3%	17.3%

Source: All data & charts from Bloomberg & CFI

### GVC



- £3.5bn of net gaming revenue, **55% is generated via online. 60% of EBITDA profits come from online.** Flutter has NGR of £2bn
- Biggest markets are UK, Germany, Australia and Italy – has a presence in the US.
- 10x earnings and 7.5x EV/EBITDA – relative to net gaming growth of 5% in H1 2019 and online gaming growth of 17%. Trades with a c.6% dividend yield
- Acquisition of Ladbrokes Coral should help deliver synergies of cost £130m
- **GVC and MGM Resorts have agreed a JV (Roar Digital) which launches in September 2019 – we view this as a significant catalyst for GVC shares**
- Insiders have bought over £1m of stock over the last few months. Recent results much better than expected. Stock -50% since 2018
- **CEO bought £5m's worth of shares on Thursday of last week – showing commitment and conviction in the outlook of GVC**
- **Paddy Power Betfair results reported that the US gambling market was opening up much faster than expected**
- GVC recently reported much better than expected results and valuations are very compelling relative to Paddy Power Betfair
- Post acquisitions and IFRS 16, GVC has £2.3bn net debt and 2.8x net debt to EBITDA. Pre IFRS 16 this figure is 2.6x EBITDA

Key Metrics	2019e	2020e	2021e
Revenue (£'Mn)	3554.6	3639.7	3846.7
EPS (£)	0.61	0.76	0.94
Price/ Earnings	10.03x	8.1x	6.54x
Div Yield	5.76%	6.38%	6.94%

Source: All data & charts from Bloomberg & CFI

Total Return	1 Mth	3 Mth	YTD
GVC	-0.44%	8.81%	-3.12%

Source: All data & charts from Bloomberg & CFI

## Opportunities this week

CFI Research Team

### Gold



Total Return	1 Mth	3 Mth	YTD
SGLD LN	5.81%	16.96%	17.06%

Source: All data & charts from Bloomberg & CFI

- Given the continued deterioration in economic data, escalating trade tension, the earnings recession and elevated asset prices we maintain our cautious outlook.
- The trade war escalated further last week with Trump raising tariffs by a further 5% across all Chinese imports. This follows China imposing retaliatory tariffs on \$75bn of US imports and letting the Renminbi weaken further.
- Gold has proven the ability to outperform during challenging periods and acts as strong diversifiers within broader portfolios.
- Gold has historically acted as a safe haven, outperforming during periods of political uncertainty and sell offs in risk assets. It's also acts as an important inflation hedge.
- Tariffs may lead inflation to spike, potentially leading to a stagflation environment. Gold will offer protection in this scenario.
- Further interest rate cuts, as expected, will continue to support gold's higher price.
- The US treasury 2yr -10yr and 3m -10yr curve have inverted indicating an oncoming recession.
- Central bank buying remains high (374t purchased in H1/19)
- Gold's inflows remain high with the biggest 13 weeks of inflows (\$11.5bn) since Brexit. There has been inflows in 13 of the past 14 weeks.
- We have been advising allocating toward gold for [sometime](#). Despite its strong performance, which has led gold to reach its highest level since early 2013, we advise allocating within a broader portfolio. Dollar strength and a turnaround in trade/ economic data are potential headwinds.
- [Gold - Invesco Physical Gold ETF - KIID Link](#)**

### Kroger



Key Metrics	2019e	2020e	2021e
Revenue (\$Mn)	123286	126089	129887
EPS (\$)	2.18	2.31	2.44
Price/ Earnings	10.79x	10.19x	9.64x
Div Yield	2.51%	2.68%	2.96%

Source: All data & charts from Bloomberg & CFI

Total Return	1 Mth	3 Mth	YTD
Kroger	14.2%	0.94%	12.81%

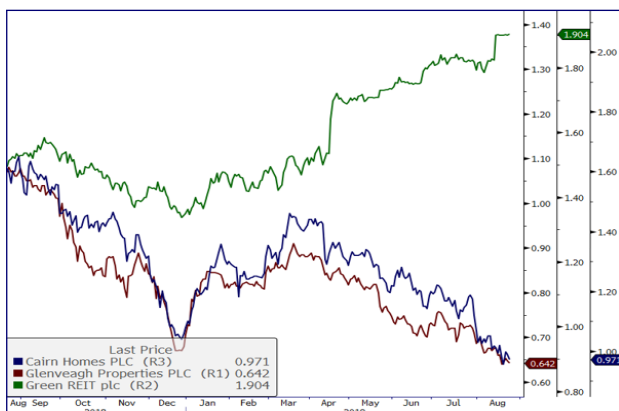
Source: All data & charts from Bloomberg & CFI

- Kroger is a retailer that specialises in supermarkets and convenience stores across the US. In total it operates over 2700 supermarkets and multi department stores, 252 jewellery stores and 35 food production manufacturing facilities.
- The US consumer continues to be highly resilient despite the difficult global economic backdrop. This is clearly evidenced by US retail sales growth of 0.7% last month.
- Retail peers have also performed well in the latest earnings season. Walmart, Sysco, Target and Lowe's have displayed strength.
- The grocery retail sector also possess defensive strengths particularly when it is trading at low valuations.
- Kroger is trading at an attractive price at present, after delivering an underwhelming set earnings recently. A lot of negativity is now more than reflected within the price.
  - Current 12m forward P/E ratio of 10.5x. This represents at 25% discount to its 5 year history, having traded at c.20x back in 2016. Walmart is currently valued at more than twice this valuation at 22.2x.
  - It is trading at 7x EV/EBITDA and has a c.10% free cash flow yield.
- Last quarter ex fuel identical ID sales were weaker than expected at 1.5%. However, management reiterated guidance (ex fuel ID sales growth of 2-2.25%) for the year and noted Q2 sales were trending better than Q1 moving toward full year guidance.
- Online has been growing substantially (+42%). Alternative profit stream are improving. It has recently partnered with both Ocado and Microsoft to improve efficiency and customer offerings.
- Consensus PT of \$26.24, implies 12% upside.

## Opportunities this week

CFI Research Team

### Irish Property



Key Metrics	2019e	2020e	2021e
Revenue (€Mn)	474.0	523.5	540.0
EPS (€)	0.08	0.10	0.11
Price/ Earnings	11.5x	9.47x	8.78x
Div Yield	5.80%	8.07%	8.39%

Source: All data & charts from Bloomberg & CFI

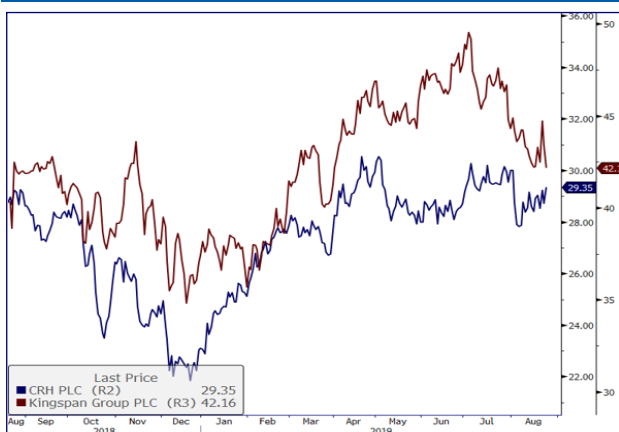
Total Return	1 Mth	3 Mth	YTD
Cairn Homes	-15.71%	-22.22%	-10.39%

Source: All data & charts from Bloomberg & CFI

Despite being both cyclical in nature, there has been a huge divergence between the performance of the Irish REIT's and the Irish homebuilders. We believed that the office REIT's have been somewhat supported by the Green REIT sale. Regardless, we also view the REIT's to be exposed to Brexit risk in the short term which is why the homebuilders have succumb to much pressure with many potential buyers of homes drying up, concerned about the job market and house prices post a hard Brexit. As such we think that the homebuilders now price in a hard Brexit and view them as more compelling than the REIT's

- Green REIT sale is expected to complete by end of November, with both parties agreeing to a price of €1.9135 per share and the acquisition subject to minimal regulatory approval. Green REIT trades at €1.90 implies less than 1% upside
- Our preferred commercial play would be via Kennedy Wilson US (KW US), which is a globally diversified high quality real estate company trading at a discount to book value and yielding 4%
- We continue to view Cairn Homes as an attractive investment and see fair value at €1.50 over 12 months and €1.65 longer term. Cairn Homes has been caught up in the Brexit sell off on concerns that a hard Brexit would be negative for Irish jobs and Irish banks. We view the current weakness, mainly sentiment related, to be a good opportunity to acquire the company shares which trade at a discount to market value and DCF valuation. Cairn Homes is expected to announce a maiden dividend in September which could be a catalyst. Please see our [latest note here](#).
- We also raised our recommendation on Glenveagh to a Buy post the sell-off in shares over the last few months. We view the valuations as compellingly distressed despite the company turning breakeven in H2 2019. Please see our [upgrade here](#).

### Irish Construction Materials



Key Metrics	2019e	2020e	2021e
Revenue (€Mn)	28794.2	28374.5	29304.5
EPS (€)	2.13	2.36	2.62
Price/ Earnings	13.8x	12.44x	11.22x
Div Yield	2.56%	2.70%	2.84%

Source: All data & charts from Bloomberg & CFI

Total Return	1 Mth	3 Mth	YTD
CRH	-0.10%	3.84%	29.88%

Source: All data & charts from Bloomberg & CFI

- On reflection post results from Kingspan and CRH last week we retain a cautious outlook on both names despite the strong performance of both companies in the first half of 2019.
- In the coming months we expect volatility across the Irish market to increase as Brexit nears the pivotal point of October 31<sup>st</sup>. As time ticks towards the deadline, we expect the options available to resolve the withdrawal phase of Brexit to dwindle.
- Renegotiation of the Withdrawal Agreement/Irish Backstop has been an irreconcilable difference and is most likely to remain as such in conjunction with parliament unlikely to allow a "no-deal" exit.
- A resolution by October remains unlikely and the uncertainty will cause volatility across Irish and UK markets.

#### Kingspan

- Kingspan has delivered strong start to 2019 but guidance warned against challenging European markets and challenging comps
- The absence of M&A will see top line growth rates likely fall
- Valuations are c. 5% from all time highs

#### CRH

- Similarly a strong start to the year with its portfolio management strategy delivering on margin expansion and value for shareholders
- Brexit/Trade Tensions having a negative impact on global economic activity should result in weaker construction activity.

Both names have attractive longer term investment case. However, for existing holders we are advising clients to reduce exposure ahead of an increase in volatility due to Brexit. Both names have outperformed the ISEQ year to date, but we expect Brexit volatility to offer an opportunity for clients to benefit from their longer term investment case at lower valuations over the coming weeks

# Cantor Core Portfolio - In Detail



## Cantor Core Portfolio

Date: 23/08/2019

Performance YTD	%
Portfolio	11.1%
Benchmark	15.4%
Relative Performance	-4.3%
P/E Ratio	16.66x
Dividend Yield	3.3%
ESMA Rating	6
Beta	0.93

Sectors Weights	Portfolio	Benchmark	+ / -
Consumer Discretionary	6%	9%	
Consumer Staples	11%	11%	
Energy	8%	6%	
Financials	8%	17%	
Health Care	15%	14%	
Industrials	12%	12%	
Information Technology	13%	11%	
Communication Services	7%	7%	
Utilities	9%	4%	
Materials	11%	6%	
Real Estate	0%	2%	

FX	Portfolio	Benchmark
EUR	52%	37%
GBP	9%	15%
USD	39%	40%
Other	0%	8%

Currency YTD %		
GBP	-1.03%	
USD	2.83%	

## Benchmark

### Weighted Average Contribution

Index	Currency	PE	Outlook	Weighting	Total Return Local	Weekly Return	Price	Total Contribution
STOXX Europe 600	EUR	18	Neutral	60%	13.5%	0.5%	371	8.1%
S&P 500	USD	19	Neutral	40%	15.1%	-1.4%	2847	7.3%
<b>Total</b>				<b>100%</b>				<b>15.43%</b>

## Core Portfolio

### Weighted Average Contribution

Stock	Currency	Yield*	Hold /Sold	Sector	Weighting	Total Return Local	Weekly Return	Price	Total Contribution
Alphabet Inc*	USD	0.0%	H	Communication Services	2%	10.4%	-2.2%	1154	0.5%
Verizon Communications Inc	USD	0.0%	H	Communication Services	5%	2.6%	-1.3%	55.9	0.3%
Ryanair Holdings Plc*	EUR	0.9%	H	Consumer Discretionary	4%	-20.2%	0.2%	8.57	-0.8%
Dalata Hotel Group Plc*	EUR	2.5%	S	Consumer Discretionary	0%	-5.3%	0.7%	4.43	0.8%
Amazon.Com Inc*	USD	0.0%	H	Consumer Discretionary	2%	16.5%	-2.4%	1750	0.9%
Glanbia Plc*	EUR	2.6%	H	Consumer Staples	4%	-38.2%	-7.0%	9.945	-1.5%
Walgreens Boots Alliance Inc	USD	3.6%	S	Consumer Staples	0%	-26.1%	-1.4%	49.32	-1.0%
Coca Cola Co	USD	3.0%	H	Consumer Staples	2%	15.4%	-1.2%	53.74	0.8%
Danone	EUR	2.6%	H	Consumer Staples	5%	31.8%	-1.5%	78.86	0.9%
Royal Dutch Shell Plc	GBp	6.8%	H	Energy	5%	0.8%	-0.6%	22.52	0.0%
Total Sa	EUR	6.0%	H	Energy	3%	-3.2%	0.8%	0.44	-0.4%
Lloyds Banking Group Plc*	GBp	6.8%	S	Financials	0%	2.0%	0.7%	0.50	0.8%
Allianz Se	EUR	4.8%	H	Financials	4%	18.0%	-0.5%	197.64	0.7%
AIB Group Plc	EUR	8.1%	H	Financials	4%	-35.9%	-9.7%	2.26	-1.4%
Sanofi	EUR	4.1%	H	Health Care	5%	5.7%	1.0%	76.73	0.1%
Unitedhealth Group Inc	USD	1.8%	H	Health Care	5%	-6.6%	-6.1%	230.66	-0.2%
Pfizer Inc	USD	4.2%	H	Health Care	5%	-19.2%	-0.9%	34.34	-0.8%
Vinci Sa*	EUR	3.1%	H	Industrials	4%	35.5%	0.1%	95.54	1.5%
Kingspan Group Plc*	EUR	1.1%	S	Industrials	0%	13.2%	-0.6%	42	0.9%
DCC Plc	GBp	2.2%	H	Industrials	4%	14.9%	3.3%	67.82	0.5%
Fedex Corp	USD	1.8%	H	Industrials	4%	-5.1%	-2.6%	1.52	-0.5%
Caterpillar Inc*	USD	3.3%	S	Industrials	0%	-8.4%	-2.0%	114.06	0.2%
SAP Se*	EUR	1.5%	H	Information Technology	4%	24.0%	-0.9%	106.38	1.0%
Paypal Holdings Inc	USD	0.0%	H	Information Technology	4%	26.1%	-0.1%	106.04	1.2%
Microsoft Corp*	USD	1.5%	H	Information Technology	5%	32.8%	-2.0%	133.39	1.7%
Smurfit Kappa Group Plc*	EUR	3.9%	H	Materials	3%	17.1%	-0.9%	26.5	1.2%
CRH Plc*	EUR	2.6%	H	Materials	3%	28.9%	1.1%	29.22	1.4%
Rio Tinto Plc	GBp	9.1%	S	Materials	0%	18.0%	-2.0%	39.25	1.0%
Newmont Goldcorp Corp	USD	1.4%	H	Materials	5%	17.3%	1.9%	39.30	1.1%
Engie	EUR	5.8%	H	Utilities	5%	13.4%	-0.3%	13.42	-0.2%
Greencoat Renewables Plc	EUR	5.3%	H	Utilities	4%	14.3%	1.3%	1.13	0.2%
JPMorgan Emerging Markets Trust	GBp	1.3%	S	Emerging Markets	0%	16.4%	-1.0%	9.90	0.2%
<b>Total</b>					<b>100%</b>				<b>11.12%</b>

All data taken from Bloomberg up until 09/08/2019.

**Warning : Past performance is not a reliable guide to future performance**

\*Red Denotes Deletions

\*Green Denotes Additions

**Warning : The value of your investment may go down as well as up.**

\*Yields are based on the mean of analyst forecast

## From the News - Monday's Headlines

- **Global** Renminbi hits 11-year low on US-China trade tensions
- **US** Trump raises tariffs on nearly all Chinese goods
- **Europe** Brussels plans to simplify eurozone budget rules
- **UK** Johnson admits quick US trade deal will be a challenge
- **Ireland** Boris blues hit Irish business and consumer sentiment

## This Weeks Market Events

Monday	Tuesday	Wednesday	Thursday	Friday
<b>Corporate</b>	<b>Corporate</b>	<b>Corporate</b>	<b>Corporate</b>	<b>Corporate</b>
N/A	Bunzl	N/A	Total Produce Irish Continental Group Pernod Ricard Hays Best Buy Bouygues	Campbell Soup
<b>Economic</b>	<b>Economic</b>	<b>Economic</b>	<b>Economic</b>	<b>Economic</b>
DE Ifo Business Climate US Dur Goods Orders	DE Q2 Final GDP US Richmond Fed Manuf PMI GB Mortgage Approvals	DE GfK Consumer Confidence EA Loan Growth	JP Consumer Confidence FR Q2 Final GDP EA Confidence Data DE Inflation Data US Q2 GDP 2nd Est	DE Retail Sales EA Core Inflation IT Q2 Final GDP US PCE Price Index US Chicago PMI CA Q2 GDP

## Upcoming Events

02/09/2019 n/a

03/09/2019 DS Smith, Malin Corp, Dalata Hotel Group

04/09/2019 n/a

05/09/2019 Costco Wholesale

06/09/2019 n/a

02/09/2019 CN Caixin Manuf PMI, EA/DE/FR/IT Manuf PMI

03/09/2019 EA PPI, GB Construction PMI, US ISM Manuf PMI,

04/09/2019 CN Caixin Services PMI, EA/DE/FR/IT Services PMI, EA Retail Sales, US Trade Data

05/09/2019 DE Factory Orders, DE Construction PMI, US ADP, US ISM Non-Manuf IPM, US Factory Orders

06/09/2019 JP Household Spending, EA GDP 3rd Est, US Jobs Data

All data sourced from Bloomberg

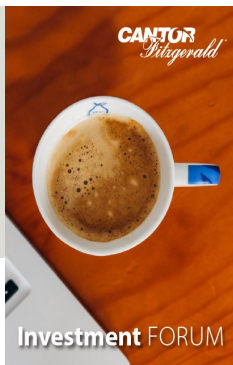
# Cantor Publications & Resources



## Daily Note

Each day we produce a market commentary outlining critical economic and company developments. We leverage off our global network of analysts and investment professionals to provide clients with critical insights from our local teams first thing in the morning.

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## Regulatory Information

### Issuer Descriptions: (Source: Bloomberg)

**AIB Group:** AIB Group plc attracts deposits and offers commercial banking services.

**Allianz:** Allianz through its subsidiaries, provides insurance and financial services.

**Alphabet:** Alphabet provides web-based search, advertisement, maps, software applications, mobile operating systems, consumer content and other software services.

**Amazon:** Amazon is an online retailer that offers a wide range of products.

**Caterpillar Inc.:** Caterpillar designs, manufactures, and markets construction, mining, and forestry machinery.

**CRH:** CRH is a global building materials group.

**Dalata Hotel Group:** Dalata Hotel Group owns and operates as a chain of hotels.

**DCC:** DCC is a sales, marketing, distribution and business support services company.

**Glanbia:** Glanbia plc is an international dairy, consumer foods, and nutritional products company. The Company conducts operations primarily in Ireland, the United Kingdom, and the United States

**Kingspan:** Kingspan is a global market player in high performance insulation and building envelope technologies.

**Microsoft:** Microsoft Corporation develops, manufactures, licenses, sells, and supports software products.

**PayPal:** PayPal operates a technology platform that enables digital and mobile payments on behalf of customers and merchants

**Pfizer:** Pfizer Inc. operates as a pharmaceutical company. The Company offers medicines, vaccines, medical devices, and consumer healthcare products for oncology, inflammation, cardiovascular, and other therapeutic areas

**Rio Tinto plc:** Rio Tinto is an international mining company.

**Royal Dutch Shell:** Royal Dutch Shell explores, produces, and refines petroleum

**Ryanair:** Ryanair Holdings plc provides low fare passenger airline services to destinations in Europe.

**SAP:** SAP is a software corporation that makes enterprise software

**Smurfit Kappa:** Smurfit Kappa manufactures paper packaging products

**UnitedHealth Group:** UnitedHealth owns and manages organized health systems in the United States and internationally

**Verizon:** Verizon Communications Inc. is an integrated telecommunications company that provides wire line voice and data services, wireless services, internet services, and published directory information.

**VINCI SA:** VINCI is a global player in concessions and construction with expertise in building, civil, hydraulic, and electrical engineering

**Danone:** Danone operates as a food processing company. The Company produces and markets dairy products, beverages, baby food, and medical nutrition products.

**Total:** TOTAL S.A. explores for, produces, refines, transports, and markets oil and natural gas. The Company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives, and resins.

**Newmont Goldcorp:** Newmont acquires, explores, and develops mineral properties.

**Greencoat Renewables:** Greencoat operates as an investment company. The Company invests in wind and renewable electricity generation assets.

**Sanofi:** Sanofi operates as a pharmaceutical company. The Company manufactures prescription pharmaceuticals and vaccines. Sanofi also develops cardiovascular, thrombosis, metabolic disorder, central nervous system, and oncology medicines and drugs.

**Engie:** Engie is a global energy and services utility company

**FedEx:** FedEx delivers packages and freight to multiple countries and territories through an integrated global network

**GVC:** GVC Holdings is an e-gaming operator in both B2C and B2B markets. The company's line of business includes the provision of internet gaming, sports betting, casino, poker and bingo services.

**Glenveagh Properties plc:** Glenveagh operates as a homebuilder

**Cairn Homes PLC:** Cairn Homes provides construction services. The Company design and build homes. Cairn Homes operates in Ireland.

**Kroger:** The Kroger Co. operates supermarkets and convenience stores in the United States.

**Kennedy Wilson:** Kennedy-Wilson Holdings, Inc. operates as a global real estate investment company

**None of the above recommendations have been disclosed to the relevant issuer prior to dissemination of this Research.**

**GVC:** This stock was moved to Outperform on 26 August 2019

**Kennedy Wilson:** This was moved to Outperform on 26 August 2019

**Kingspan:** Kingspan is a member of our core portfolio and we have an Outperform rating on the stock since 14/03/2016

**Glenveagh Properties plc:** We placed Glenveagh on Outperform on 23 August 2019

**Cairn Homes PLC:** We initiated an Outperform rating on the 30/11/2018

**CRH:** We have added CRH to our core portfolio on the 01/01/16, with a recommendation of Outperform

**Kroger:** Initiated with an Outperform rating on 26 August 2019



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