

Morning Meeting Notes

QuickNotes

Morning Call

US EQUITIES RESEARCH

Rating Changes

[Cellebrite](#) | BUY | CLBT US | Mkt Cap:USD2,120mn | Tomer Zilberman
Solid 4Q23 results and improved business momentum in 2024, upgrade to Buy

- We upgrade Cellebrite from Neutral to Buy and raise our PO from \$9 to \$12, now based on 5x CY25E EV/Sales vs. 4x prior
- We believe the risk of uncertainty around timing of deals and fluctuations around the transition to subscription are now..
- ..abated, and we see improved business momentum, driven by healthy demand and growth acceleration of new product initiatives

[Dropbox](#) | UNDERPERFORM | DBX US | Mkt Cap:USD11,191mn | Michael Funk

Bull thesis tipping, Downgrade to Underperform from Buy

- Downgrading DBX to Underperform (from Buy), as results/guidance suggest a negative inflection of risk/reward.
- DBX faced challenges during 4Q, with ARR and total paying users declining slightly Q/Q and mgmt lowering the '24 FCF outlook.
- The DBX bull thesis has played out, in our view. We lower our rev/FCF estimates on mounting headwinds, lowering PO to \$28.

[Santander Brasil](#) | NEUTRAL | BSBR US | Mkt Cap:USD21,443mn | Mario Pierry

Earnings momentum set to accelerate from lows, Upgrade to Neutral

- We upgrade Santander Brasil to Neutral from Underperform. We see the bank well positioned to deliver strong EPS growth in '24
- The inflection comes after the route adjustment started in '21, when SANB slowed down growth to curb increasing NPLs, and...
- expected normalization of Market NII. We increase our PO to R\$32 (US\$6.4/ADR), which provides potential upside of 12%

16 February 2024

Equity
United States

Investor Support
BofAS

Today's Events: Economic Indicators

N/A

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QuickNotes is a list of today's Global Research activities. Please use the links to read the full Research report before making investment decisions. The reports also contain important disclosures.

PO Raised

[Alkermes](#) | NEUTRAL | ALKS US | Mkt Cap:USD5,437mn | Jason Gerberry
4Q wrap: margin profile boosts '24 outlook, orexin pipe remains a key focus

- ALKS 4Q call was focused on management's commentary on orexin pipeline as well as outlook on Lybalvi and profit margins
- Post-Takeda's orexin update, ALKS remains bullish on NT2 opportunity. ALKS' Ph1 update in NT2: topline 1H, detailed data 2H
- Maintain Neutral but raise PO on better visibility to better profit margins

[Applied Materials](#) | BUY | AMAT US | Mkt Cap:USD156,145mn | Vivek Arya
AI driving growth inflection, raising est./PO to \$222

- Reiterate Buy and raise PO to \$222. Well leveraged across multiple AI enablers of HBM, advanced packaging, leading-edge logic
- Likes: record DRAM run-rate on HBM/incremental China, leading-edge logic visibility, solid cash flows and dividend growth
- Risks: GM headwind as China DRAM mix declines, mature node (ICAPS) slowdown, tougher ICAPS comps in FY24E

[AppLovin](#) | BUY | APP US | Mkt Cap:USD21,856mn | Omar Dessouky
4Q23 Result: Sequential growth in core business to continue, driven by AI Engine

- Size of 4Q23 beat slightly unexpected, but guidance for seq. growth thru 4Q24 paints LT growth picture, unexpected by market
- BofA sees eye-popping 50% Y/Y Software growth at 70% EBITDA margins in CY24 driven by continue AI engine improvement
- APP is top pick for 2024, Raise PO & CY24 ests, remains cheap at 10x EV/EBITDA, see re-rating potential & beat/raise cycle

[Casella](#) | UNDERPERFORM | CWST US | Mkt Cap:USD5,289mn | Michael Feniger
Capping a transformational year on a high note

- Capped off a transformational 2023 (big M&A year) with a solid Q4: EBITDA of \$82mn, in line with cons. Pricing a bright spot.
- 2024 guide: EBITDA of \$350-360mn (vs consensus: \$359mn). some caution in C&D volumes, yet pricing & margin expansion better.
- While CWST is a quality operator with attractive disposal assets, we believe valuation constrains relative upside vs sector.

[Deere & Co](#) | NEUTRAL | DE US | Mkt Cap:USD104,621mn | Michael Feniger
Deere stumbles: coast isn't clear (yet) on what ultimately matters....2025

- Despite a solid Q1, DE cut its FY guide. While somewhat understandable (weak ag), historically rare to see DE cut this early.
- Revised guide likely captures downside risk as DE brings inventories in line but risk of another down year not off the table.
- We prefer CAT (Buy) to DE (Neutral) in large cap Machinery: 2024 story is ultimately 2025 (ag feels vulnerable)

DoorDash | BUY | DASH US | Mkt Cap:USD46,814mn | Michael McGovern
Shift to New Verticals limits near-term profit upside, supports L.T. growth, Buy

- Reported Rev/EBITDA of \$2.30bn/\$363mn vs. Street at \$2.24bn/\$356mn, with FY24 guide mostly bracketing prior expectations.
- Mgmt disclosed impressive results for New Verticals, supporting the growth thesis, New Verticals' orders accelerated in 4Q.
- DASH may suffer from high expectations, but growth and margin profile still rivals premier comps, Raise PO to \$139, Reit. Buy

HealthEquity | BUY | HQY US | Mkt Cap:USD7,102mn | Allen Lutz
Where the cash flows: Investor Day Preview

- HealthEquity's first investor day since 2019 will likely focus on capital deployment, growth, and the margin trajectory.
- We provide high level thoughts on different capital deployment opportunities within the note.
- We continue to view HQY as an earnings revision story. Reiterate Buy.

Huntington Ing Ind | UNDERPERFORM | HII US | Mkt Cap:USD11,283mn | Ronald J. Epstein
Uncle Sam sharing CapEx cost, near-term benefits limited – reiterate Underperform

- HII to receive advances on contract incentives, from the Navy, to offset increasing CapEx in 2024-2026
- Revenue recognition of the incentives to be spread over the life of multi-year contracts
- We see the high attrition rates at HII as a major risk to meeting critical milestones on submarines and shipbuilding

Knife River | BUY | KNF US | Mkt Cap:USD3,941mn | Sherif El-Sabbahy
More evidence the turnaround is taking hold

- Knife River reported another strong set of results and guided 2024 above the street, as EDGE initiatives drive performance.
- Price/cost is expected to remain favorable through 2024 with lower volumes. Focus will pivot more towards inorganic growth.
- Reiterate Buy: KNF remains undervalued vs peers with a favorable balance sheet, idiosyncratic margin levers, and M&A runway.

Orange | BUY | ORAN US | Mkt Cap:USD30,786mn | Titus Alexander Krahn
Good Q4, supportive guidance & Spanish M&A decision ahead – reiterate Buy

- Results underscore attractive story: Strong FCF growth, catalyst ahead (Spanish M&A decision), undemanding valuation - Buy
- Q4 EBITDAaL 2% yoy/ 1% ahead, OpFCF 20% yoy/ 8% beat. 2024 OCF guide (inc/ex Spain) supportive, slightly above consensus
- 2024-25 EBITDAaL/OpFCF estimates 1%, driving higher OCF. We are in line with 2024 OCF guide/ahead of 2025. Raise PO to E13.5



[Organon](#) | UNDERPERFORM | OGN US | Mkt Cap:USD4,759mn | Jason**Gerberry****4Q wrap: expense reduction to drive near-term financial performance, PO to \$15/sh**

- No major surprises on '24 guidance, though depth of R&D cuts offer EBITDA in the short term
- We wonder if cutting R&D softer tone on BD helps with short-term P&L optics while leaving diversification problem for later
- We increase our PO to \$15/sh (6x EV/EBITDA) to reflect improving sector multiples around low growth biopharma, but reit UP

[RELX PLC](#) | BUY | RELX US | Mkt Cap:USD79,190mn | David Amira**What's not to like? PO raised to 3,815p - reiterate Buy**

- FY23 results provide renewed confidence in the mid-term growth outlook. Two main highlights: 1) Incrementally bullish...
- Commentary on Lexis AI rollout, and 2) Guidance for a stronger long-term growth algorithm in Exhibitions. Shares on 18x...
- CY24E EV/EBITDA, c.20% discount to US peers for 11% 3yr EPS CAGR, expect the discount to narrow. PO raised to 3,815p, Buy.

[Rockwell](#) | NEUTRAL | ROK US | Mkt Cap:USD34,188mn | Andrew Obin**DEM #564: When the PMI finally inflects positively, industrial stocks should follow**

- The last six times the PMI index returned above 50, multi-industrial stocks saw on average 21% 1-year absolute returns...
- ...and 9% 1-year relative returns (versus the S&P 500). The ISM Manufacturing PMI was 49.1 in January versus 47.1 in December
- The sequential improvement in New Orders and inventories is consistent with our December PMI note

[Shake Shack](#) | NEUTRAL | SHAK.US | Mkt Cap:USD3,884mn | Sara Senatore**2/15 4Q Earnings Recap: SHAK, WEN, TXRH**

- SHAK: 4Q EBITDA beat flows through F24, raise PO to \$99.
- WEN: F24 EBITDA lower as investments weigh, lower PO to \$20.
- TXRH: F24 EPS unchanged, raise PO to \$160 on higher market multiple.

[Shockwave Medical](#) | BUY | SWAV US | Mkt Cap:USD8,719mn | Travis Steed**US peripheral stabilized at new normal, 2H acceleration in SWAV's hands**

- SWAV's 2024 revenue guide of \$910-930m (25-27% y/y growth) was slightly ahead of the Street's \$918m (25% y/y growth).
- Sales reps will turn back to peripheral later this year as new products launch, that helps drive 2H peripheral acceleration.
- The guide implies US peripheral 8% range for 2024 with 1-2% y/y growth in Q1 accelerating to low double digits in the 2H24.

[Sylvamo](#) | BUY | SLVM US | Mkt Cap:USD2,485mn | George Staphos
Post 4Q: Here comes the (2H) SON, For SLVM, (+) results/guide &... poof, +24%

- Off 4Q results, decrease '24 SON ests. -9% and raise SLVM ests. 30%. Raising SOTP in SLVM as well given Brazil discussion.
- SON: Est \$5.25 in '24 (was \$5.75), \$5.95 in '25 (was \$6.25). PO \$64. 4Q results/1Q guide below but trends should impr. in '24
- SLVM: Est \$5.75 in '24 (was \$4.40), \$5.50 in '25 (was \$5.40). PO \$65. SLVM 24% on in-line/pos results, land value discussion

[Texas Roadhouse](#) | BUY | TXRH US | Mkt Cap:USD8,942mn | Sara Senatore
2/15 4Q Earnings Recap: SHAK, WEN, TXRH

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[Toast](#) | NEUTRAL | TOST US | Mkt Cap:USD10,226mn | Jason Kupferberg
Moving parts net out modestly positive

- TOST's 4Q featured a clean top/bottom-line beat, but '24 guidance was somewhat mixed
- We think '24 GP guide was likely better than expected, while SaaS ARPU growth guide of MSD was in-line to slightly light
- Reiterate Neutral on SaaS ARPU pressure, increasing competition, and valuation

[Vontier](#) | BUY | VNT US | Mkt Cap:USD5,962mn | Andrew Obin
Moving in the right direction with 4Q23 results

- 4Q23 adj. EPS of \$0.80 was \$0.02 above Street. 2024 guidance of \$3.00-3.15 compares to \$3.09 consensus.
- Raising our 2024 adj. EPS to \$3.15 (9% y/y) and 2025 to \$3.54 (12% y/y).
- 4Q results show growth platforms are working with strong growth in cloud payments software and alternative energy sales.

[Wells Fargo](#) | BUY | WFC US | Mkt Cap:USD264,993mn | Ebrahim Poonawala
Stress test scenario only half the story

- While it is good to see no major negative surprises in the 2024 stress test scenario, results could still surprise
- 2024 severely adverse scenario moderately better vs. 2023, CRE stress relatively unchanged, 4 exploratory scenarios vs. 2 YoY
- Potential for stable SCBs coming out of June could pave the way for accelerated buybacks, particularly positive for Citigroup



PO Lowered

[AMN Healthcare](#) | NEUTRAL | AMN US | Mkt Cap:USD2,934mn | Kevin Fischbeck

Q1 guide below consensus, cutting estimates

- Ex MSDR, Q4 revs were in line vs consensus. Adj EBITDA was 2.5% better on higher margins.
- However, Q1 guide was worse with revs 2% below consensus and adj EBITDA 7% below. Negative read through to CCRN.
- Q2 Nurse & Allied to be down HSD, worse than typical seasonality. Cutting EBITDA ests, rolling out 2026. Reiterate Neutral.

[Natwest Group PLC](#) | BUY | NWG US | Mkt Cap:USD23,591mn | Rohith Chandra-Rajan

4Q23 – good quarter, rebasing guidance

- Q4 PBT ex notables 13% beat, mainly provisions, also net interest income. £300m buyback small but significant
- Focus on below consensus 2024 income guidance and 2026 RoTE > 13%. We cut earnings 6-7% mainly lower NII
- 5.9x PE, RoTE approaching 14% 2026E, low-mid teens yield - Buy

[Opendoor](#) | UNDERPERFORM | OPEN US | Mkt Cap:USD2,240mn | Curtis Nagle

4Q beat but soft outlook, Retracts '24 Adj. net income positive goal, Reit. UP

- 4Q beat but miss on 1Q guide, Outlook suggests lower acquisition & resale vol in '24, adj. net income positive goal delayed.
- Lowering revenue ests. reflecting lower inventory turnaround but slightly raising gross margin on better spread performance.
- Cautious on OPEN business model, goal of \$10bn revenue & path to sustainable profitability. Reiterate UP & lower PO to \$2.75.

[Penn Entertainment](#) | BUY | PENN US | Mkt Cap:USD2,942mn | Shaun Kelley

Q4 Review: The stakes behind ESPN Bet are rising, lowering PO

- Penn Entertainment reported Q4 revenue/EBITDA \$1.40B/\$113M vs. BofA \$1.37B/\$203M.
- PENN's Interactive segment including ESPN Bet lost -\$334M, larger than our \$225M and more than 2x initial guidance of \$150M
- Reiterate Buy, but lower our PO to \$28 PO on higher digital losses (\$2/share)

[Sabre](#) | NEUTRAL | SABR US | Mkt Cap:USD1,135mn | Victor Cheng

Realistic outlook as Q4 disappoints

- Q4 disappoints as volumes declined 3.4pp QoQ, rev 2.8% below cons. However, we find FY24/25 guidance realistic.
- Company guided to flat GDS volume growth which we find conservative, although disintermediation remains a big downside risk.
- Reiterate Neutral on a somewhat balanced risk reward. PO to \$4.5 (from \$5) as we trim GDS volume growth in outer years.

[Sonoco Products](#) | BUY | SON US | Mkt Cap:USD5,766mn | George Staphos
Post 4Q: Here comes the (2H) SON, For SLVM, (+) results/guide &... poof, +24%

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[Traverse Therapeutics](#) | BUY | TVTX US | Mkt Cap:USD659mn | Greg Harrison
Filspari full approval set to strengthen launch: Thoughts post the 4Q23 call

- Traverse announced 4Q23 results in line with our expectations.
- The company remains on track to file an sNDA for the full approval of sparsentan in IgAN.
- Traverse anticipates topline data from the phase 3 pegtibatase program to be announced in 2026.

[Wayfair](#) | BUY | W US | Mkt Cap:USD5,953mn | Curtis Nagle
4Q'23 preview: Online taking more B&M share but trends soften post Nov accel

- We preview 4Q/1Q online furnishings. Industry trends softened in Jan but improved in Feb & we see a return to growth in 2H.
- Early signs of top Etsy categories accel'ing 1QTD, though marketing pressures could be persisting from Temu/Shein.
- Lower 1Q ests for Wayfair but we see continued share gains and significant margin expansion potential in 2024.

[Wendy's Co](#) | UNDERPERFORM | WEN US | Mkt Cap:USD3,900mn | Sara Senatore
2/15 4Q Earnings Recap: SHAK, WEN, TXRH

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[West Pharma](#) | BUY | WST US | Mkt Cap:USD26,548mn | Derik De Bruin
Perfect storm of headwinds results in anemic FY24 guide, but LT thesis unbroken

- FY24 guide below expectation as WST sees a number of new headwinds, incl. continued destocking by several major customers
- WST may be penalized until business reaccelerates in 2Q/3Q, but the LT upside potential will support the premium valuation
- We cut ests, but our bullish thesis is unbroken, PO moves lower to \$400, Reiterate Buy



Significant EPS Change

[10x Genomics](#) | NEUTRAL | TXG US | Mkt Cap:USD5,610mn | Michael Ryskin
Another back-half weighted year as TXG hopes to regain momentum in '24

- TXG 4Q was in-line with preannouncement, and FY24 guide (\$680mn in revs) was broadly as expected after January commentary
- The key updates on the call were a soft start to the year (\$136mn-\$150mn in 1Q) and more cautious outlook given 2H23 pull-fwd
- Key product launches (VisiumHD, GEM-X) in '24 are already in the guide, and unclear if/when further upside materializes

[Alnylam](#) | BUY | ALNY US | Mkt Cap:USD18,568mn | Tazeen Ahmad
New statistical analysis for HELIOS-B pushes readout to mid-24

- ALNY announced new plans for statistical analysis of HELIOS-B, Topline results now expected in late June/early July
- Monotherapy subgroup now included in primary analysis (now at 33mos) and secondary endpoints streamlined
- We think changes make sense but timing raises questions, We are hosting ALNY mgmt next week and will look for clarity

[DraftKings, Inc.](#) | BUY | DKNK US | Mkt Cap:USD20,729mn | Shaun Kelley
First Take: November doesn't reign, but still raising 2024

- DraftKings reported Q4 revenue/EBITDA of \$1.23B/\$151M vs. our \$1.31B/\$184M and the Street's \$1.25B/\$181M
- While 4Q was not the typical beat and raise of the past several quarters, we think the fundamentals are solidly in-tact
- DKNK's 2024 revenue guidance moves to \$4.65-\$4.9B vs. \$4.5-\$4.8B prior, and EBITDA to \$410-510M, vs. \$350-\$450M, prior

[Generac](#) | NEUTRAL | GNRC US | Mkt Cap:USD7,782mn | Julien Dumoulin-Smith

Yes, a tough '24 ramp but hope & opportunity clear: Stay Neutral

- A tale of two end markets: HSB recovery underway, while C&I end market weakness pressures sales - reducing estimates
- See margin progression as the key debate - guidance calls for steep inflection through YE as on favorable mix, input costs
- On balance, moderating estimates across the board - PO to \$128 on revisions, roll-forward, Reiterate Neutral

[Globant SA](#) | NEUTRAL | GLOB US | Mkt Cap:USD10,147mn | Jason Kupferberg

Some moving parts in '24 guide

- Not surprised to see shares down modestly after hours on solid 4Q print but initial '24 revs guidance below BofAe/Street
- Initial guide could reflect some conservatism, as F24 revs guide implies y/y deceleration despite improving demand outlook
- Continue to believe GLOB is a unique provider of digital IT Services, but view current valuation (36x '24E P/E) as balanced

[RBC Bearings](#) | BUY | RBC US | Mkt Cap:USD6,880mn | Ronald J. Epstein
Bearing in mind the long-term story – Reiterate Buy

- We continue to see RBC's long term strategy as intact and viable despite the near term headwinds
- RBC remains confident in ramping 737MAX kits despite the ramp freeze at Boeing
- We see an opportunity for RBC to increase Commercial Aero market share as other bearing suppliers struggle to meet demand

[Royalty Pharma](#) | BUY | RPRX US | Mkt Cap:USD13,360mn | Geoff Meacham
Thoughts post the 4Q call

- Royalty reported 4Q results in-line with the pre-announced range, we think 2024 guide leaves room for upside
- Despite expectations, there was limited discussion on CF risk, though RP remains confident in future investments
- We'd note that RP has updated its reporting metrics

[Trupanion](#) | NEUTRAL | TRUP US | Mkt Cap:USD1,466mn | Joshua Shanker
4Q23 beat on earnings and revenues, weaknesses in financial controls

- 4Q23 earnings beat as the medical loss ratio improved more rapidly than we had forecasted.
- The company announced two material weaknesses in financial controls while preparing its 2023 Annual Report.
- 2024 outlook for revenue was largely within our expectations while guidance for adj. operating income seems conservative.

[Ultragenyx Pharm](#) | BUY | RARE US | Mkt Cap:USD3,402mn | Tazeen Ahmad
Focus on upcoming AS update in mid-1H, Reiterate Buy

- RARE reports 4Q and FY23 results inline with pre-announced revenue ranges
- Mgmt guides to providing an update for the GTX-102 AS program in mid-1H
- We highlight RARE as one of our top 2024 picks given several pipeline catalysts that could offer upside to current valuation

Buy Reiterations

Consumer Discretionary

[Lowe's](#) | BUY | LOW US | Mkt Cap:USD158,004mn | Robert Ohmes
Bull vs. Bear: DIY challenged, but stock could see support in improving macro

- Home improvement spending remained soft overall in F4Q. Expect LOW's Pro initiatives to support share gains in this category.
- LOW faces difficult expense comparisons in 2024, but opex productivity initiatives & cost-saving measures provide an offset.
- While macro remains choppy, see signs of improvement from trough levels. See inside for bull vs. bear case analysis.



Financials

[Blue Owl Capital](#) | BUY | OWL US | Mkt Cap:USD25,205mn | Craig Siegenthaler

Brokers, Asset Managers & Exchanges

- Publishing our client question lists for Alts, Trads, Brokers & Exchanges before the 32nd Annual BofA Financials Conference
- The question lists are formed around key buy-side topics: bond reallocations, Alt fundamentals, Fed cuts & cash sweep revs
- A soft landing scenario favors the asset managers vs. exchanges while rate cuts provide a headwind for retail brokers

[U.S. Bancorp](#) | BUY | USB US | Mkt Cap:USD72,505mn | Ebrahim Poonawala

US Banks

- While it is good to see no major negative surprises in the 2024 stress test scenario, results could still surprise
- 2024 severely adverse scenario moderately better vs. 2023, CRE stress relatively unchanged, 4 exploratory scenarios vs. 2 YoY
- Potential for stable SCBs coming out of June could pave the way for accelerated buybacks, particularly positive for Citigroup

Health Care

[LabCorp](#) | BUY | LH US | Mkt Cap:USD18,859mn | Derik De Bruin

LCD and Central Lab progressing, but still waiting for ED to turnaround

- 4Q results in-line, FY24 sales and adj. EPS guides better than expected, on base LCD growth and Central Lab strength
- FY24 LCD margins to improve from temporarily depressed 4Q levels, Central Lab is steady, ED recovery likely in 2H
- We update our estimates and reiterate Buy rating as LH is making good progress and valuation is not demanding

Industrials

[Dun & Bradstreet](#) | BUY | DNB US | Mkt Cap:USD4,689mn | Heather Balsky

Good organic sales, but margins disappoint in 4Q

- DNB posted a mixed 4Q with an organic sales beat, but an EBITDA margin miss
- We maintain our \$13.50 PO but roll forward our valuation estimates to 2025 & use a 9x FY2 EV/EBITDA multiple (vs. 9.5x prior)
- We reiterate our Buy rating as we don't think valuation reflects the company's growth trajectory

[Vertiv](#) | BUY | VRT US | Mkt Cap:USD23,970mn | Andrew Obin
Industrials/Multi-Industry

- The last six times the PMI index returned above 50, multi-industrial stocks saw on average 21% 1-year absolute returns...
- ...and 9% 1-year relative returns (versus the S&P 500). The ISM Manufacturing PMI was 49.1 in January versus 47.1 in December
- The sequential improvement in New Orders and inventories is consistent with our December PMI note

Information Technology

[Apple Inc.](#) | BUY | AAPL US | Mkt Cap:USD2,842,824mn | Wamsi Mohan
Software

- Nvidia released its Chat with RTX AI app beta - a ChatGPT for your PC
- Chat with RTX runs locally (at the edge), potentially accelerating enterprise adoption and deployment of AI apps
- Beneficiaries include edge-AI companies, such as NVDA, MSFT and AAPL, and AI middleware companies

[Microsoft](#) | BUY | MSFT US | Mkt Cap:USD3,161,004mn | Brad Sills
Software

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[NVIDIA](#) | BUY | NVDA US | Mkt Cap:USD1,807,731mn | Vivek Arya
Software

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Materials

[Agnico Eagle](#) | BUY | AEM US | Mkt Cap:USD23,159mn | Lawson Winder
Strong finish to 2023 with solid Q4 results. Production guide in-line, reserves +10.5%.

- AEM reported Q4'23 financial results, detailed 2024 guidance, a 3-year production outlook, and a reserve/resource update.
- Q4'23 adjusted EPS, gold production and cash costs all beat while 2024-2026 gold production guidance was in-line.
- Though 2024 cash cost guidance was high, gold reserves were 10.5% yoy and there were many strong exploration updates. Buy.



Real Estate

[Digital Realty Trust](#) | BUY | DLR US | Mkt Cap:USD45,006mn | David Barden 4Q First Look: '24 core FFO/sh outlook slightly below Street as ATM gets tapped

- DLR reported 4Q23 results that beat on adj. EBITDA vs. BofA/Street and came in-line on Core FFO/sh vs. Street estimates
- 2024 revenue and Core FFO/sh guidance range is below Street estimates while adj. EBITDA guidance range is in line
- Key conf call topics include 1) '24 guidance, 2) recent ATM issuance, 3) releasing spreads, and 4) portfolio growth plans

Macro & Strategy

[US 1](#) | US 1 Committee Adding VNT to the US 1 List

[Follow The Flow](#) | Ioannis Angelakis Inflows into IG/HY stay supported

- Last week saw strong inflows into high grade funds, with inflows into high yield funds close to tripling. Outflows in govts.
- Expect inflows into credit funds to remain strong in 2024 given lower Euro rates vol on expectations of a ECB cutting cycle
- Growing risk of a pause in rally in single-Bs. Recommend barbellong longs in BBs with "no landing" hedges (smaller issuers)

[Latam Equity Quant](#) | David Beker The Carnival of zero flows

- US\$3bn inflows into EM equities this week, most of which went into China ETFs.
- No marginal buyer in Brazil: no EM inflows (ex-China), local funds posting small outflows, foreigners net sellers YTD.
- Ibovespa ex-commodities trades at 10% discount vs historicals.

[Deere & Co.](#) | Douglas Karson 1Q24 EPS Beat, But FY24 Net Income Guidance Missed Consensus

- Deere reported a strong 1Q24 EPS of \$6.23, beating Bloomberg consensus of \$5.27.
- FY24 net income is expected to be in the range of \$7.5bn-\$7.75bn (est. \$7.83bn), down 5% at the midpoint from prior guidance.
- Given the solid performance, strong demand, and positive fundamentals, we are maintaining Deere at OW.

Disclosures

Important Disclosures

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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