



MID-DAY SUMMARY | EQUITY RESEARCH | October 29, 2013

Mid-Day Summary is compiled from research reports and summary comments published by ROTH Capital. Please click on the headline of each comment to access a copy of the full research report (including applicable disclosures).

Consumer

October Consumer Confidence Falls - King, CFA

Consumer

October consumer confidence declined to 71.2, below consensus of 75.0 and down from 79.7 in September. This is not surprising to us given some of the recent weakness in consumer spending and fiscal follies in Washington. Although we view consumer confidence as somewhat of a contra indicator over time, we remain selective with our Retail & Consumer Products stock picks. Our top ideas include: Plantronics (PLT, Buy), LeapFrog (LF, Buy) and American Apparel (APP, Buy).

Core Retail Sales Accelerate Modestly In September - King, CFA

Retail & Consumer Products

Overall retail sales declined 0.1% in September, slightly below consensus for flat sales, due to a 2.4% drop in auto sales. Sales ex auto and gas increased 0.4%, above August's 0.1% increase but in-line with consensus. Clothing chains reported a 0.5% decline, while general merchandise stores saw a 0.4% increase. With job and disposable income growth still fairly anemic, we expect retail sales (particularly for clothing stores) to remain challenging near-term. Late October/early November sales may benefit from anniversarying Hurricane Sandy, but Holiday spending is likely to be concentrated on gaming consoles instead of footwear and apparel. We remain selective with our retail stock picks and like Zumiez (ZUMZ, Buy) longer-term for its business model, cash flows, and underappreciated international growth opportunity, Tilly's (TLYS, Buy) for its meaningful unit growth potential, and American Apparel (APP, Buy) as an attractive turnaround story.

Healthcare

STML: Pressing the Accelerator for SL-401; LLS On Board; Reiterate Buy - Pantginis, Ph.D.

Stemline Therapeutics, Inc., Buy, \$50.00 PT, \$367.4 Mkt. Cap.(mil)

Lead product, SL-401, gets an important nod with a new collaboration with LLS. LLS will provide > \$3 million to support both clinical studies and increasing physician awareness for orphan indication, BPDCN. The drug is poised to enter pivotal studies in 2014 for BPDCN and AML. STML shares are off their recent highs and we believe are at a compelling valuation. Reiterate Buy and \$50 target.

UPI: Humana Provides Positive Coverage Decision for PTNS - Lewis

Uroplasty, Inc, Buy, \$4.50 PT, \$65.0 Mkt. Cap.(mil)

Uroplasty announced this morning that Humana, the sixth largest private insurer in the US, has written a positive coverage policy for UPI's Percutaneous Tibial Nerve Stimulation (PTNS) delivered via UPI's Urgent PC system for the treatment of overactive bladder (OAB) and associated symptoms. We view the announcement as an incremental positive for UPI as it increases its total addressable market and further supports Urgent PC's clinical utility and cost-effectiveness.

Resources

Earnings Calendar

Oct 29 (AMC): BBSI, ENTR, INVN, LMAT, NBIX, PSEM, PLT, ULTI
Oct 30 (BMO): SODA, LGND
Oct 30 (AMC): ATX, BBSI, CAVM, CTIC, GLUU, HDSN, MASI, PSMT, QUIK, SKUL
Oct 31 (BMO): GPX, ETRM, SNAK, THRM
Oct 31 (AMC): CALD, CODE, LTRX
Nov 1 (BMO): NSP
Nov 4 (BMO): CRIS
Nov 4 (AMC): BDE, JMBA, LF, PRTS, SAAS, VOLC
Nov 5 (BMO): CVU, ECTY, HL, REGN, RIGL
Nov 5 (AMC): BIRT, DEPO, ENPH, GSIG, IMGN, ININ, MSPD, WWWW, ZAGG
Nov 6 (BMO): POWR, SPDC
Nov 6 (AMC): ALXA, BREW, DGIT, INSV, LPSN, SCTY
Nov 7 (BMO): DII'B-T, DSCO, HYG-T, PHARM.AS, POZN, QLT, XWES
Nov 7 (AMC): ABTL, CPST, FC, GLPW, NES, NVDA, PXLW, RLJE, SLXP, SNTS,
Nov 9 (BMO): ARG-T

Upcoming Events

Nov 12:
ROTH-Sponsored Shop-Eat-Surf Exec Roundtable with Quiksilver (ZQK)
Dec 10:
ROTH Industrial Growth & Cleantech Corporate Access Day, Chicago

Non-Deal Roadshows

Oct 29-30: BDSI | Boston, CT, NY
Oct 31: BABY | SF
Nov 4-5: NVEE | Chicago
Nov 5-6: IG | NY, Boston
Nov 7 & 11: ATBEF | San Diego, SF
Nov 12: SPDC | Chicago
Nov 12-13: PSEM | Boston, NY
Nov 12, 13 & 15: PHARM.AS | NY
Nov 13-15: FARM | Toronto, NY
Nov 19: PTN | NY
Nov 19: PCCC | NY
Nov 19-22: SCTY | London, Zurich, Geneva
Nov 20: SUMR | NY
Nov 20-21: UPI | MN, Milwaukee, Chicago
Nov 20-21: AAOI | SF, Seattle
Dec 3-4: ININ | Seattle, Portland
Dec 4-5: MBII | Zurich, London
Dec 4 & 11: SNAK SF, Boston
Dec 4: PCYO | NY

URG: Reports Q3 results; Now a Producer - Reagor**Ur-Energy Inc., Buy, \$1.60 PT, Estimate Change, \$144.5 Mkt. Cap.(mil)**

UR-Energy (URG) appears to be in the middle of an increase in valuation on an EV/pound of resource multiple during its transitions from an exploration and development company to a uranium producer. Additionally, this revaluation time frame appears to be set to coincide with what we foresee as a sharp increase in uranium prices due to a combination of supply restrictions and demand growth.

Disclosures

Regulation Analyst Certification ("Reg AC"): The research analyst primarily responsible for the content of this report certifies the following under Reg AC: I hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Within the last twelve months, ROTH has received compensation for investment banking services from Stemline Therapeutics, Inc., Applied Optoelectronics Inc, American Apparel, BioDelivery Sciences International, Spansion, Inc., Marrone Bio Innovations, Inc., NV5 Holdings, Inc., Pharming Group NV (OTC: PHGUF), PowerSecure International, Inc., U.S. Auto Parts Network, Inc., Palatin Technologies, Inc., Pixelworks, Inc., SolarCity Corporation, Speed Commerce, Inc. and Gentherm Inc..

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A Research Analyst and/or a member of the Analyst's household own(s) equity options of Depomed Inc..

Shares of Uroplasty, Inc, Ur-Energy Inc., Alexza Pharmaceuticals Inc., American Apparel, Capstone Turbine Corp., Curis Inc., Cell Therapeutics, Inc., Discovery Laboratories, Entropic Communications, Inc., EnteroMedics Inc., Glu Mobile, Inc., Hudson Technologies Inc., Hecla Mining Company, InSite Vision, Inc, Lantronix, Inc., Mindspeed Technologies Inc., Nuverra Environmental Solutions, Inc, Pharming Group NV (OTC: PHGUF), U.S. Auto Parts Network, Inc., Palatin Technologies, Inc., Pixelworks, Inc., QLT Inc., QuickLogic Corp, Rigel Pharmaceuticals, Inc., Speed Commerce, Inc., Summer Infant Inc., World Energy Solutions, Inc. and ZAGG Incorporated may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.

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Shares of InSite Vision, Inc and Pharming Group NV (OTC: PHGUF) may not be eligible for sale in one or more states.

A Research Analyst and/or a member of the Analyst's household own(s) shares of Alexza Pharmaceuticals Inc., BioDelivery Sciences International, Depomed Inc., Global Power Equipment Group, ImmunoGen, Inc., InSite Vision, Inc, Insperty, Inc., Palatin Technologies, Inc., QLT Inc., Rigel Pharmaceuticals, Inc. and Santarus, Inc. stock.

On September 28, 2010, ROTH changed its rating system in order to replace the Hold rating with Neutral.

On May 26, 2011, ROTH changed its rating system in order to incorporate coverage that is Under Review.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 10/29/13	
			Count	Percent
Buy [B]	156	70.27	83	53.21
Neutral [N]	35	15.77	11	31.43
Sell [S]	2	0.90	0	0
Under Review [UR]	28	12.61	12	42.86

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

Ratings System Definitions - ROTH employs a rating system based on the following:

Buy: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return of at least 10% over the next 12 months.

Neutral: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

Not Covered [NC]: ROTH does not publish research or have an opinion about this security.

For important disclosure information regarding the companies in this summary report, please contact: The Director of Research at (800) 678-9147 or write to: ROTH Capital Partners, LLC, Attention: Director of Research, 888 San Clemente Drive, Newport Beach, CA 92660

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