

## At a Glance

Symbol	Rating		Est.	Price Target	
	Prior	Current		Prior	Current
INITIATIONS					
<a href="#">VTL</a>	--	B		--	\$50.00
PRICE TARGET CHANGES					
<a href="#">EOX</a>	N	N	<div><div></div><div></div></div>	\$1.25	\$1.00
<a href="#">MHR</a>	B	B	<div><div></div><div></div></div>	\$8.00	\$7.00
<a href="#">WLL</a>	B	B	<div><div></div><div></div></div>	\$49.00	\$43.00
COMPANY UPDATES					
<a href="#">AXAS</a>	B	B	<div><div></div><div></div></div>	\$5.00	\$5.00
<a href="#">OAS</a>	N	N		\$13.00	\$13.00
<a href="#">AREX</a>	N	N		\$7.00	\$7.00
INDUSTRY UPDATES					

[Recreation and Leisure - Rec and Leisure:Crude Analysis; Looking at potential cost savings from Oil Rout](#)

[Self Storage REITs - REITs: The "Ki" to Self-Storage](#)

## Today's Events

12/17	Ameris Bancorp (ABCB) / Conference Call / Jennifer Demba / 2:00pm ET
12/17	WageWorks (WAGE) / Field Trip – Enrollment Center / Tobey Sommer / Tempe, AZ
12/17	Charles River Laboratories (CRL) / Field Trip – preclinical facility / Sandy Draper / Canada
12/17	Apparel Retailing / Philadelphia Mall Tour / Pam Quintiliano
12/17-18	KEYW Inc. (KEYW) / Tobey Sommer / West Coast
12/17	Newell Rubbermaid, Inc. (NWL) / Bill Chappell / NYC
12/17	Insurance / Mark Hughes / West Coast
12/17	Chemicals / James Sheehan / Midwest
12/17-18	Networking / Georgios Kyriakopoulos / Boston
12/17-18	Internet & Digital Media / Bob Peck / TX
12/17-18	E&P Oilfield Services / Chase Mulvehill / CT & NYC

## Morning Meeting Highlights

**Vital Therapies Inc. (VTL, \$22.00, Buy)** - ELAD Designed to Help (De)Liver; Initiating with Buy & \$50 PT - [Salveen Richter](#)

**Whiting Petroleum Corp. (WLL, \$26.04, Buy)** - Study Trims Resource Estimates and Target; Reiterate Buy - Our well study causes us to trim our resource estimates, with years of inventory declining from 20 to 16. As such, we reduce our target price from \$49 to \$43, generated by applying a 3.75x multiple (4.25x previously) to 2016E CFPS of \$11.50 (\$11.46 previously). The good news is Whiting can retreat to several areas where economics are better even in a low-\$70 oil price environment. Further, its balance sheet is better than some others in the play. Finally, the DJ Basin offers another relatively attractive place to put capital in our view, and downspacing there could boost inventory estimates. - [Ryan Oatman](#)

**Emerald Oil, Inc. (EOX, \$0.97, Neutral)** - Remaining Neutral Following Williston Well Study - Our well study suggests returns are skinny at current commodity and service prices. Accordingly, we trim the estimated size of the prize based on what we have found in this and other studies. Elsewhere, we adjust estimates for recent disclosures and lower 2016E capital spending. While we see an improved leverage and liquidity outlook, this comes at a relatively steep cost in the form of a higher share count. We lower our target from \$1.25 to \$1 as our target multiple declines from 2.75x to 2.5x and 2016E CFPS falls from \$0.45 to \$0.40. - [Ryan Oatman](#)

**Abraxas Petroleum Corporation (AXAS, \$2.66, Buy)** - Williston Well Study Confirms AXAS a Favorite Name - Our well study confirms our preference for AXAS in the small-cap Williston Basin space (and large-cap for that matter) as wellhead-level returns appear the strongest in our coverage. Additionally, with debt below 1x EBITDA, Abraxas is relatively well positioned to capitalize on potential opportunities to add to its acreage position at attractive prices. We lower estimates to account for guidance provided Monday afternoon though reiterate our \$5 target, generated by applying a 7x multiple to 2016E CFPS of \$0.68 (6.75x and \$0.74 previously). - [Ryan Oatman](#)

**Oasis Petroleum, Inc. (OAS, \$14.23, Neutral)** - Study Finds Bakken Outperforming Three Forks; Remain Neutral - Our well study highlights the stronger performance of the Bakken relative to the Three Forks, but the net effect to our view is relatively mild as we trim a mere year off of our inventory estimates. As such, we maintain our OAS target price of \$13, generated by applying an unchanged 2.5x multiple to unchanged 2016E CFPS of \$5.11. We remain on the sidelines in part because we continue to expect leverage to exceed 4x EBITDA by the end of 2016. - [Ryan Oatman](#)

**Self Storage REITs - REITs: The "Ki" to Self-Storage** - [Ki Bin Kim](#)

### Other Focus Items Today

**Magnum Hunter Resources Corp. (MHR, \$3.12, Buy)** - Financials and Operations Better Than Market Perception - Lowering PT from \$8 to \$7 due to lowered price deck despite solid current financial and operational position. Recent East Coast meetings revealed a number of investor misconceptions regarding the strength of Magnum's finances or the economics of many wells. Many people did not realize the company should soon have over \$175mm liquidity with no balances due. Recent well results by the company and nearby peers indicate that various wells on Magnum's ~118,000 Utica aces could generate over 50% returns even at today's commodity prices. - [Neal Dingmann](#)

**Approach Resources Inc. (AREX, \$4.68, Neutral)** - Provides 2015 Guidance and Wolfcamp C Result - [Ryan Oatman](#)

**Recreation and Leisure** - Rec and Leisure:Crude Analysis; Looking at potential cost savings from Oil Rout - Quantifying the input cost benefit from lower oil prices on STRH Recreation/Leisure coverage - [Michael Swartz](#)

STRH Highlighted Events

Date	Event	Details
12/17	Ameris Bancorp (ABCB) / Conference Call / Jennifer Demba	2:00pm ET
12/17	WageWorks (WAGE) / Field Trip – Enrollment Center / Tobey Sommer	Tempe, AZ
12/17	Charles River Laboratories Int’l, Inc. (CRL) / Field Trip – preclinical facility / Sandy Draper	Canada
12/17	Apparel Retailing / Philadelphia Mall Tour / Pam Quintiliano	
12/18	BancorpSouth (BXS) / Conference Call / Jennifer Demba	10:00am ET
1/7	Autozone, Inc. (AZO) / Field Trip – HQ / Robert Higginbotham	Memphis, TN
2/2	Smith Travel Research lodging outlook conference call / Patrick Scholes	2:00pm ET
2/5	Amphenol Corp. (APH) / Field Trip / Will Stein	Wallingford, CT
2/23	<b>2015 STRH Orphan Drug Conference</b> / Salveen Richter	NYC
3/5-6	<b>Healthcare IT Conference</b> / Sandy Draper	Park City, UT
3/19-20	Shell Drilling School, Group Dinners & TMS Tour / Neal Dingmann	New Orleans
5/12-13	<b>Second Annual Internet / Digital Media Conference</b> / Bob Peck	San Francisco
5/19-20	<b>Financial Services Conference</b> / Jennifer Demba / Will Curtiss	New York
6/17/15	<b>2015 STRH Vacation Ownership &amp; Exchange Conference</b> / Patrick Scholes	NYC

NDRs

Date	Event	Details
12/17-18	KEYW Inc. (KEYW) / Tobey Sommer	West Coast
12/17	Newell Rubbermaid, Inc. (NWL) / Bill Chappell	NYC
12/19	ZirMed (private) / Sandy Draper	Boston
12/16	Magnum Hunter Resources Corp (MHR) / Neal Dingmann	Boston

Analyst Marketing

Date	Event	Details
12/17	Insurance / Mark Hughes	West Coast
12/17	Chemicals / James Sheehan	Midwest
12/17-18	Networking / Georgios Kyriakopoulos	Boston
12/17-18	Internet & Digital Media / Bob Peck	TX
12/17-18	E&P Oilfield Services / Chase Mulvehill	CT & NYC
12/18	Building Prods Consumer Durables / Keith Hughes	NYC

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- **Buy** – total return  $\geq$  15% (10% for low-Beta securities)\*\*\*
- **Reduce** – total return  $\leq$  negative 10% (5% for low Beta securities)
- **Neutral** – total return is within the bounds above
- **NR** – NOT RATED, STRH does not provide equity research coverage
- **CS** – Coverage Suspended

\*Total return (price appreciation + dividends)

\*\*Price targets are within a 12-month period, unless otherwise noted

\*\*\*Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average Beta

Legend for Rating and Price Target History Charts:

D = drop coverage

I = initiate coverage

T = transfer coverage

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Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	283	52.60%	Buy	94	33.22%
Neutral	248	46.10%	Neutral	41	16.53%
Sell/Reduce	7	1.30%	Sell/Reduce	0	0.00%

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