

## At a Glance

Symbol	Rating		Est.	Price Target	
	Prior	Current		Prior	Current
RATING UPGRADES					
<a href="#">PRI</a>	N	B	▲	\$50.00	\$62.00
PRICE TARGET CHANGES					
<a href="#">GMCR</a>	N	N	▲▼	\$110.00	\$135.00
<a href="#">SSI</a>	B	B	▲	\$20.00	\$22.00
<a href="#">WSM</a>	B	B	▲▼	\$83.00	\$85.00
COMPANY UPDATES					
<a href="#">HBHC</a>	B	B		\$40.00	\$40.00
<a href="#">AKAO</a>	B	B	▲▼	\$22.00	\$22.00
<a href="#">CEMP</a>	B	B	▲▼	\$18.00	\$18.00
<a href="#">EWBC</a>	B	B		\$42.00	\$42.00
<a href="#">GBDC</a>	N	N	▲▼	\$17.00	\$17.00
<a href="#">MRK</a>	B	B		\$72.00	\$72.00

## INDUSTRY UPDATES

[Electric Power and Utilities - Power/Utilities: Key Takeaways From SunTrust Utility Commissioner Seminar](#)

[Exploration & Production - Utica Trip Highlights Potential Winners](#)

[Healthcare IT - Highlights from a webinar on Cerner's acquisition of Siemens](#)

[Lodging - Lodging: October Global RevPAR Results](#)

[Lodging - Lodging: U.S. RevPAR +8.6% Y/Y Last Week](#)

[Recreational Vehicles - BC/HZO/MBUU: October Boat Sales](#)

## Today's Events

11/20	CNBC / GPS earnings / Pam Quintiliano / AMC
11/20	Malibu Boats (MBUU) / NDR / Mike Swartz / West Coast
11/20	AmSurg Corp. (AMSG) / NDR / David MacDonald / Boston
11/20	Everyday Health (EVDY) / NDR / Sandy Draper / Boston
11/20	Merck & Co. Inc. (MRK) / NDR / John Boris / NYC
11/20	Biotechnology / Analyst Mktg / Salveen Richter / Midwest
11/20	Biz & Gov Services, Human Capital / Analyst Mktg / Tobey Sommer / Canada

## Morning Meeting Highlights

**Primerica, Inc. (PRI, \$50.84, Buy)** - Upgrading to Buy - We raise our rating to Buy from Neutral and target to \$62 from \$50 following analysis of the latest data points and recent trip with senior management to investors in Atlanta. Primerica's salesforce should grow at an elevated pace in coming quarters, while consumers should be increasingly receptive to its Life insurance and Investment & Savings products; we are raising our 2015 estimate by \$0.05 to \$3.68 to reflect greater optimism in both segments. With PRI's high ROE, substantial fee income, and low investment leverage, the stock is particularly suited to current market conditions. - [Mark Hughes](#)

**Hancock Holding Company (HBHC, \$34.57, Buy)** - Strategy Unchanged Following Chaney's Departure - Following our investor conference call with new President/CEO John Hairston and CFO Mike Achary, we are reiterating our Buy Rating and affirming our 2014/2015/2016 EPS estimates. The call relieved more bearish fears that Co-CEO Carl Chaney left due to a change in HBHC's fundamental outlook. Mr. Hairston plans to stay the course on prior strategic initiatives with some additional rigor related to revenue growth efforts. - [Jennifer Demba](#)

**Exploration & Production** - Utica Trip Highlights Potential Winners - [Neal Dingmann](#)

**Electric Power and Utilities** - Power/Utilities: Key Takeaways From SunTrust Utility Commissioner Seminar - Based on the meetings we hosted with a number of state utility commissioners, we believe that authorized ROEs for utilities have bottomed (which is a positive signal for the sector). However, the upcoming EPA Carbon rules and greater emphasis on renewable power is causing uncertainty. - [Ali Agha](#)

## Other Focus Items Today

**Merck & Co. Inc. (MRK, \$59.89, Buy)** - IMPROVE-IT on-treatment results removes overhang - [John Boris](#)

**Golub Capital BDC, Inc. (GBDC, \$17.43, Neutral)** - F4Q14 Results and Conference Call Follow-up - Golub Capital BDC had an uncharacteristically active quarter on both an origination and exit basis, although management remains cautious and selective. We have increased our FY2015 NII/share estimate to \$1.31 from \$1.27, primarily reflecting a slightly higher portfolio yield forecast. - [Douglas Mewhirter](#)

**Keurig Green Mountain (GMCR, \$153.95, Neutral)** - Strong 4Q Results But Transition Year Ahead; Maintain Neutral - Following GMCR's F4Q14 results and FY15 guidance, we are updating our FY15 and FY16 estimates to \$4.18 and \$4.64, respectively. We are raising our price target to \$135 from \$110 but maintain our Neutral rating as many questions still linger around the upcoming Keurig Cold launch in fall 2015, and we believe the

Street is vastly overestimating its short-term profitability. - [William Chappell, Jr.](#)

[Williams-Sonoma, Inc. \(WSM, \\$69.42, Buy\)](#) - 3Q: Efficiency and Share Gains - WSM posted a \$0.05/share beat to 3Q EPS and lifted the midpoint of 2014 by \$0.03 to \$3.15. The beat was accomplished mostly on the topline as SBR grew 9% (vs. our +6% estimate). As in 2Q, GM came in modestly lower than we projected, but the sales gain/expense control still drove a 40 bps improvement in OPM as well as the EPS beat. The WSM story continues to be one of execution in core brands, the potential to drive topline via Intl. and West Elm, and achieving greater efficiency with distribution, advertising and information. We are raising our 2014 estimate and our PT is now \$85 from \$83. - [David Magee](#)

[Stage Stores, Inc. \(SSI, \\$18.79, Buy\)](#) - Strong Execution Drives 3Q Beat - 3Q beat across metrics with sales/comps/ EPS of \$364.2M/2.3%/(0.16) vs consensus of \$360.7M/0.6%/(0.20) and F14 guidance (\$1.05-\$1.15 vs consensus of \$1.01) reiterated. Momentum has continued and we view improvements as sustainable. The company should benefit from ongoing store, merchandising and technology improvements, as well as markdown and size pack optimization, and focused inventory controls. We believe improved execution, a more optimized assortment and accelerated e-commerce growth could be drivers of upside. Reiterate Buy, raising PT to \$22 from \$20. - [Pamela Quintiliano](#)

[Achaogen, Inc. \(AKAO, \\$9.44, Buy\)](#) - A Little Model Maintenance; Phase III Timeline Remains On Track - Achaogen reported 3Q14 financials and provided clinical development updates last week. The ongoing pivotal Phase III study of plazomicin for CRE enrolled the first patient in 3Q and all U.S. clinical sites have been activated. We believe the earlier operational delay should have minimal impact on study completion and management continues to expect top-line data in 1H17. We remain bullish on Achaogen shares and reiterate our Buy rating. - [Edward Nash](#)

[East West Bancorp, Inc. \(EWBC, \\$36.59, Buy\)](#) - Conference Call Notes - Earlier this week we hosted an investor call with President & COO Julia Gouw and CFO Irene Oh. Next year should see a continued focus on expanding locations in China and the further buildout of the recently acquired Texas operations. In our view, management's 8-10% loan growth guidance likely has upside potential. - [Jennifer Demba](#)

[Cempra, Inc. \(CEMP, \\$13.93, Buy\)](#) - CEMPRA Cashes Another BARDA Check - The committed funding of \$16.0MM from BARDA under the existing contract for a Phase Ib study of solithromycin in pediatric patients further strengthens Cempra's balance sheet. We have updated our front-page EPS and revenue numbers based on the recent 3Q14 filing. Solithromycin has demonstrated a strong safety profile and a successfully completed pediatric program will entitle the drug candidate for an additional six months of exclusivity. We remain bullish on Cempra shares and

reiterate our Buy rating and a 12-month price target of \$18.00. -

**Edward Nash**

**Healthcare IT** - Highlights from a webinar on Cerner's acquisition of Siemens - Highlights from the webinar include: 1) the presenters think that Cerner will generate the ROI required to justify the acquisition and will be able to convert a substantial 50-60% of the Siemens base to Millenium; 2) we expect that the portion of the Siemens base which does not convert to Cerner will create an opportunity for Epic and Allscripts; 3) similar to what we heard at the Cerner Health Conference, the presenters think that the Cerner Revenue Cycle product is still experiencing challenges. We continue to view the acquisition as a means for Cerner to potentially outperform expectations. - **Sandy Draper**

**Lodging** - Lodging: October Global RevPAR Results - According to STR, local currency RevPAR in Europe grew 5.8% year over year in October, down from the +7.8% in September. However, growth in Europe in US\$ of -2.0% compares to +1.7% the prior month. Strength in France, Spain, Italy, Greece and the UK was offset by weakness in Germany, Russia, and Lithuania. Asia was down again this month, and has shown only four positive results in the past twenty months. - **C. Patrick Scholes**

**Lodging** - Lodging: U.S. RevPAR +8.6% Y/Y Last Week - Overall U.S. RevPAR grew +8.6% y/y last week, per STR, down from +9.1% the prior week. (2-yr stacked RevPAR was +7% vs +15% last week.) Group segment RevPAR and Transient segment RevPAR (individual business & leisure travelers) were both up high single digits, but slightly below recent pace. Economy and Upper Midscale were the strongest chain scales. Luxury, Upper Upscale, Upscale, and Midscale lagged the broader industry. Boston and LA led the Top 5 markets. NYC continues to underperform the industry. - **C. Patrick Scholes**

**Recreational Vehicles** - BC/HZO/MBUU: October Boat Sales - October powerboat sales rose 7% and are now up roughly 5% YTD, in line with our full-year outlook. While October represents just 5% of annual unit volume, we remain upbeat with the late-season momentum. Maintain Buy ratings on BC, HZO, and MBUU. - **Michael Swartz**

STRH Highlighted Events

Date	Event	Details
11/20	CNBC / GPS earnings / Pam Quintiliano	AMC
11/25	eCommerce: 2014 Holiday Season conference call w/ comScore Chairman Gian Fulgoni / Hosted by Bob Peck	1:00pm ET
12/1	BancorpSouth (BXS) / Conference Call / Jennifer Demba & Will Curtiss	2:00pm ET
12/2	Thor Industries, Inc. (THO) / Field Trip – Product Tour / Mike Swartz	Louisville, KY
12/3	STRH Lodging Conference / Patrick Scholes	Boston
12/4	BMRN Pipeline conf call series #1: Achondroplasia /Salveen Richter	11:00am ET
12/4	Medical Properties Trust (MPW) / Group Dinner / Eric Fleming	NYC
12/7	American Society of Hematology Expert Breakfast / Salveen Richter	San Francisco 8-9am PT
2/2/15	Smith Travel Research lodging outlook conference call / Patrick Scholes	2:00pm ET
2/23/15	2015 STRH Orphan Drug Conference / Salveen Richter	NYC
3/5-6/15	Healthcare IT Conference / Sandy Draper	Park City, UT
5/12-13	Second Annual Internet / Digital Media Conference / Bob Peck	San Francisco
5/19-20	Financial Services Conference / Jennifer Demba / Will Curtiss	New York
6/17/15	2015 STRH Vacation Ownership & Exchange Conference / Patrick Scholes	NYC

NDRs

Date	Event	Details
11/20	Malibu Boats (MBUU) / Mike Swartz	West Coast
11/20	AmSurg Corp. (AMSG) / David MacDonald	Boston
11/20	Everyday Health (EVDY) / Sandy Draper	Boston
11/20	Merck & Co. Inc. (MRK) / John Boris	NYC
12/1-2	Installed Building Products, Inc. (IBP) / Keith Hughes	West Coast
12/2	BioScrip, Inc. (BIOS) / David MacDonald	Boston
12/3	Armstrong World Industries (AWI) / Keith Hughes	Boston
12/3	Zions Bancorporation (ZION) / Jennifer Demba	Atlanta
12/3	BioScrip, Inc. (BIOS) / David MacDonald	NYC
12/3-4	Flamel Technologies (FLML) / John Boris	TX
12/3-4	First American Financial Corporation (FAF) / Mark Hughes	Canada
12/4	Pennsylvania Real Estate Investment Trust (PEI) / Ki Bin Kim	NYC
12/4-5	Everyday Health (EVDY) / Sandy Draper	West Coast
12/5	Flamel Technologies (FLML) / John Boris	Southeast

Analyst Marketing

Date	Event	Details
11/20	Biotechnology / Salveen Richter	Midwest
11/20-21	Biz & Gov Services, Human Capital / Tobey Sommer	Canada
11/21	Semiconductors & Components / Will Stein	Boston
11/21	Biotechnology / Salveen Richter	Mid-Atlantic
11/24	Insurance / Mark Hughes	NYC
11/24	Biz & Gov Services, Human Capital / Tobey Sommer	New York
11/25	Lodging & Lodging REITs / Patrick Scholes	Mid-Atlantic
11/25	Insurance / Mark Hughes	Boston
11/25	Biz & Gov Services, Human Capital / Tobey Sommer	Boston
12/1	Energy E&P / Neal Dingmann	NYC
12/1-2	Biz & Gov Services, Human Capital / Tobey Sommer	FLA & MO
12/2	Energy E&P / Neal Dingmann	Boston
12/2	Bank Team / Jennifer Demba & Will Curtiss	TN
12/2-3	Transaction Processing & Information Systems / Andrew Jeffrey	Midwest
12/3-4	Energy E&P / Neal Dingmann	Midwest
12/3-4	Consumer Products & Food / Bill Chappell	Canada
12/5	Pharmaceuticals / John Boris	TX
12/5	Biotechnology / Salveen Richter	West Coast

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3 designations based on total returns\* within a 12-month period\*\*

- **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

SunTrust Robinson Humphrey ratings distribution (as of 11/20/2014):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	287	53.75%	Buy	85	29.62%
Neutral	240	44.94%	Neutral	41	17.08%
Sell/Reduce	7	1.31%	Sell/Reduce	0	0.00%

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