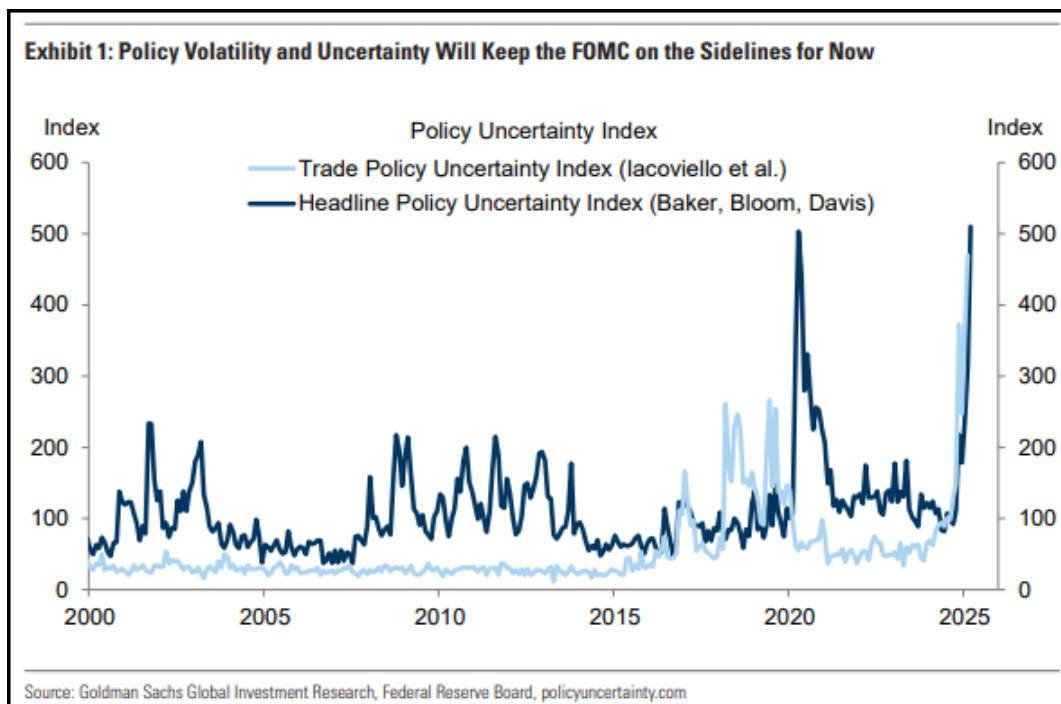


## **MORNING MACRO**

**US Futures on morning highs – US 10 year yield unchanged at 4.28% - after yesterday's sell-off (where price action was the reverse of Monday w/value outperforming & growth/highly shorted names lagging. Continue to get a ton of questions around Mag 7 weakness).** Overnight news centered on the BOJ holding rates steady as expected (gave no forward guidance), a deep plunge in the Turkish lira after authorities detained Istanbul mayor Imamoglu on corruption charges (most prominent rival to Erdogan) and ongoing headlines around Ukraine/Russia (both sides reportedly traded infrastructure strikes). Asia finished mixed (Shanghai), while Europe is mostly in a holding pattern.

...All eyes on the FOMC today at 2pm, where GS Econ expects them to reiterate that they are on the sidelines until policy becomes less volatile and the outlook becomes clearer/expect median economic projections to show a .3pp upward revision to 2025 core PCE and a .3pp downgrade to 2025 GDP. Think the median dot will continue to show 2 cuts this year.

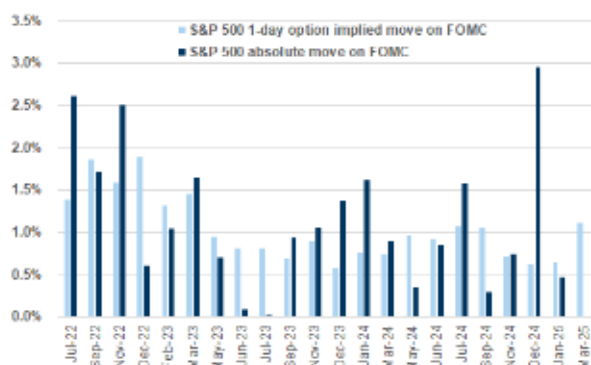
**\*FOMC PREVIEW**...[Link](#). FOMC will likely reiterate that it is not in a hurry to deliver further interest rate cuts and intends to remain on the sidelines until policy changes under the new administration become less volatile and uncertain and the outlook becomes clearer. We expect the FOMC's median economic projections to show a 0.3pp upward revision to 2025 core PCE inflation to 2.8% and a 0.3pp downgrade to 2025 GDP growth to 1.8%, mainly reflecting the tariff news. We have revised our own forecasts by more than this (0.5pp in both cases), but FOMC participants are likely to adjust a bit more cautiously until tariff policy becomes clearer.



**...FOMC-DAY OPTIONS OPPS:** Options imply a  $\pm 1.1\%$  move in S&P 500 for the 19-Mar FOMC meeting; this compares to an average of  $\pm 0.8\%$  move priced into SPX ahead of the last 4 FOMC meetings. On average, the S&P 500 has moved  $\pm 1.1\%$  during the last 4 FOMC meetings with realized moves coming higher than expectations in 2 out of the last 4 events; we note that the December FOMC saw an outsized move ( $\pm 2.9\%$ ) relative to unusually low expectations ( $\pm 0.6\%$ ). [Trade Ideas Here](#)

**Exhibit 1: 1-day options implied move for this FOMC is largely in-line with realized moves during the past 4 FOMC events**

S&P 500 realized moves vs. 1-day options implied moves on FOMC dates



Source: Goldman Sachs Global Investment Research, Goldman Sachs FICC and Equities

**Exhibit 2: US financials stocks have roughly returned to their pre-election levels in recent days resulting in the KBE ETF lagging its normal relationship with macro assets...**

KBE Outperformance vs SPY, HYG, GLD, IEF, FEZ



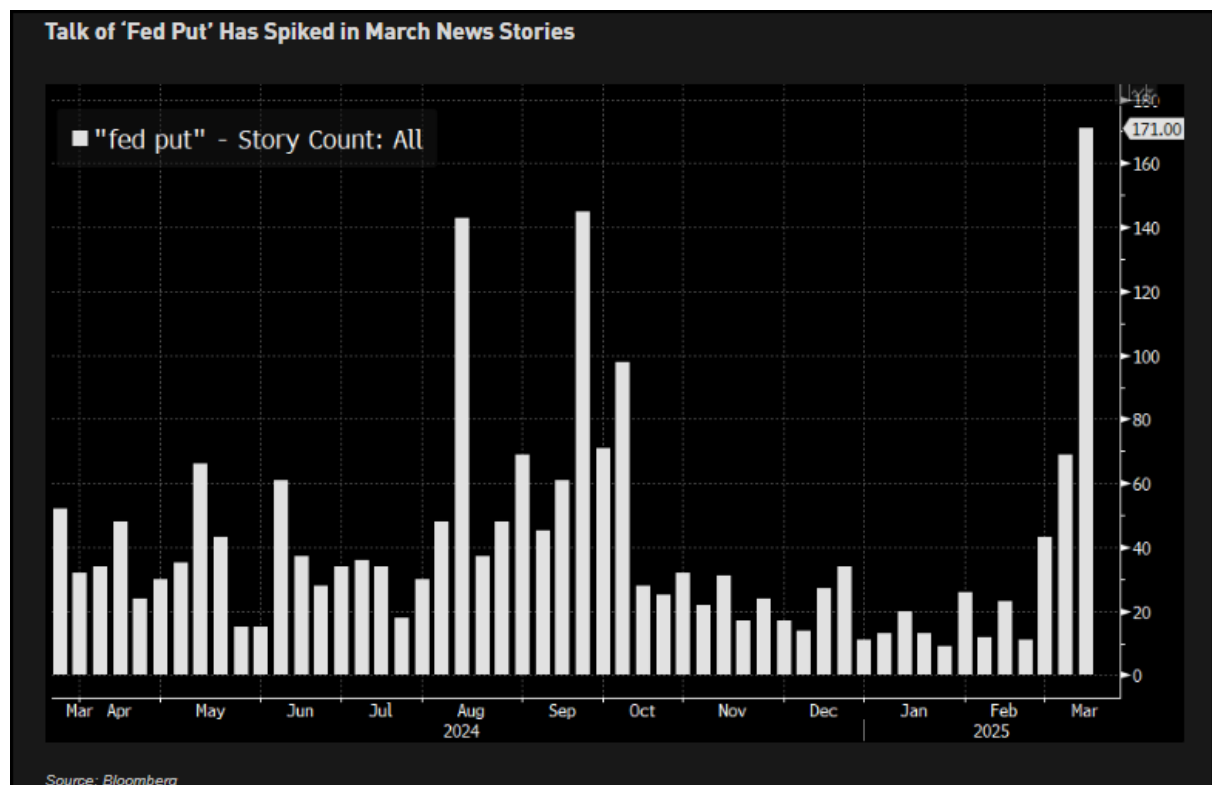
Source: Goldman Sachs Global Investment Research, Bloomberg

...**WIRP HEADING IN:** Fed futures now price ~42% chance (v ~53% on Monday and ~60% w/w) that Fed does at least three 25bps cuts by end-2025 ahead of FOMC decision and dot-plot update. Market is pricing in the next cut to be in July, with some debate over the second cut coming in either Oct or Dec.

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ
03/19/2025	-0.008	-0.8%	-0.002
05/07/2025	-0.189	-18.1%	-0.047
06/18/2025	-0.678	-48.9%	-0.169
07/30/2025	-1.008	-33.0%	-0.252
09/17/2025	-1.614	-60.6%	-0.403
10/29/2025	-1.908	-29.4%	-0.477
12/10/2025	-2.328	-42.0%	-0.582

(Source: Bloomberg as of 3/19/2025...past performance is not indicative of future performance)

...**NICK T:** @NickTimiraos - The Fed slowed down QT last year in order to let that process run for longer. Officials are considering another tweak—due to implications of the debt limit situation—that likewise could avoid inadvertent disruptions to allow the process to continue on its own terms. [Nick T.](#) **Central banks can cut because of good news or bad news.** The window for ‘good’ cuts is closing due to new inflation risks. (And it's not clear the "dots" show this plot turn). “Probably for the next six months, I would expect the Fed to be watching and not doing very much.” [Nick T](#)



*(Source: Bloomberg as of 3/19/2025...past performance is not indicative of future performance)*

**\*LATEST FROM PRIVO...** Fed today and I think everyone is expecting a rather a firmly on hold message. Not enough inflation progress to shift the focus back to the growth agenda. Kind of think there is some upside risk (some talk of QT ending) where the **market just expects the Fed to sound handcuffed but there has actually been enough economic deceleration that if Powell wanted to sound dovish he probably could. Base case is nothing but think small risk of upside.**

...Technically there could be multiple buyers on a rally. Gearing up for big pension fund rebalancing into month/quarter end...CTA max short, sentiment very low and vol control largely done for now. So again all the elements are there but you're lacking anything fundamental to give you support. Where is the executive put? Where is the Fed put? Meanwhile the Mag 7 continues to trade badly, NVDA event as feared had manifested little. All eyes on Powell today.

### **FACTOR FOCUS**

**-DESK ACTIVITY...**Our floor finished -325bps vs -104bps 30 day avg. LOs finished -\$2b net sellers driven by supply in supercap tech, industrials, and macro products. HF's finished were balanced, finished slight (-\$300m) net sellers driven by supply in macro products and discretionary.

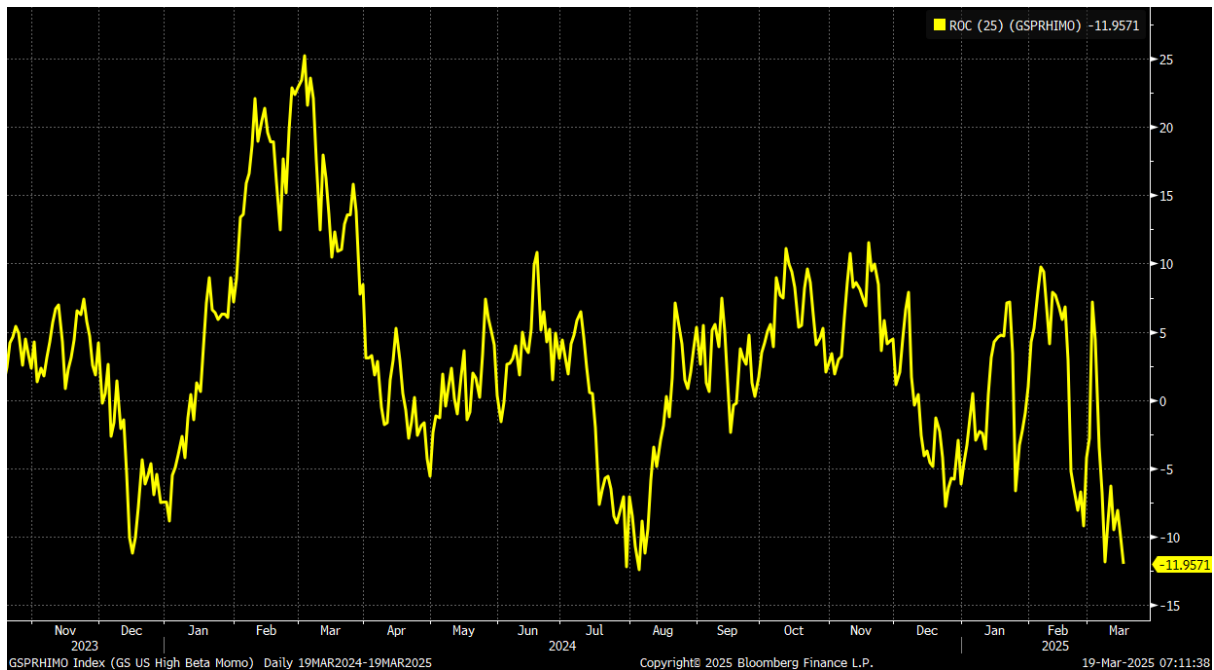
**-BUYBACKS...**S&P buybacks are now in their blackout period, with ~45% of S&P 500 co's in their closed window (typically, our desk sees flows decrease by ~30% during blackout).

**-PENSION REBAL...**Pensions remain modelled buyers into quarter end, with ~\$26bn in US equities to buy (89th percentile amongst all buy and sell estimates in absolute dollar value over the past three years // 89th percentile going back to Jan 2000).

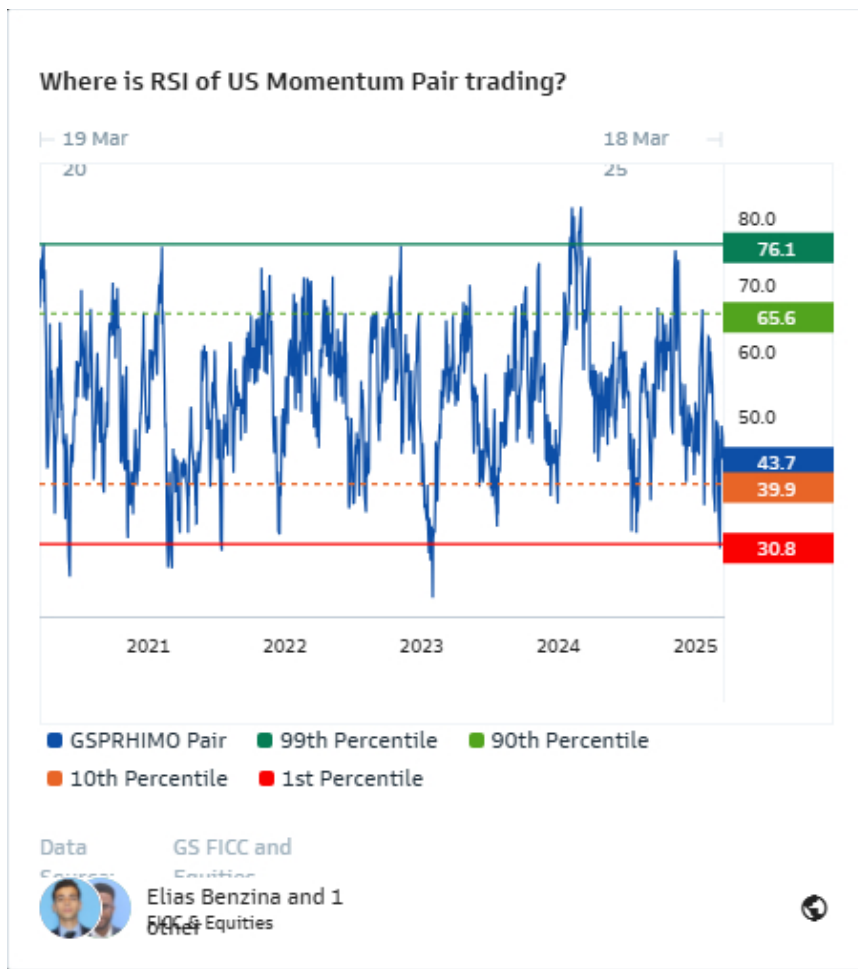
**-CTAs...**They have net sold ~\$17bn in S&P over the last week (-\$54bn over the last month - now net short) and are now buyers in all modelled scenarios. Notably, in a big up tape watching incremental DEMAND (+\$58bn in S&P) which is the largest 1m forward demand we have seen since 2023 & 2nd largest 1m forward we've seen since Covid.

**-CRUDE...APIs:** Crude +4.593mn barrels; Gasoline (1.71mn) barrels; Diesel (2.15mn) barrels.. DOEs @ 10:30am ET .. Survey: Crude +535k barrels; Gasoline (2.6mn) barrels; Distillates (561k) barrels

**\*MOMENTUM {GSPRHIMO Index}...**We saw asset managers trimming here on the long side. This is a snapshot over the last 25 sessions...has recovered but with the lack of performance in mega cap tech, it was struggled to recoup quicker - (note this basket has a fair amount of derivative plays tied to those names). NVDA's lackluster GTC presentation and absence of a meaningful bounce in Fins hasn't helped matters either, but one to keep on the screen if we can get a sustained bid to sec growth.



(Source: Bloomberg as of 3/19/2025...past performance is not indicative of future performance)



Source: [Marquee MarketView](#)

## **QUICK HITS FROM GIR**

- **Machinery:** stay selective amid destocking
- **Homebuilders:** recession scenario analysis
- **Buy BAX:** key management takeaways
- **Buy NEE:** Development Day postview
- **Buy PWR:** meeting takeaways

## **MICRO THOUGHTS FROM THE DESK**

### **TMT (BARTLETT) – [Bartlett Marquee Page](#)**

- ❓ **INTC: Taiwan Semiconductor board have not discussed taking over Intel's foundry division – Digitimes.** The article cites National Development Council Minister and TSMC director Paul Liu as denying the foundry takeover speculation.
- ❓ **ADSK: Activist Starboard Prepares to Launch Proxy Fight at Autodesk – WSJ.** Starboard has a more than \$500 million stake in Autodesk and intends to nominate a minority slate of director candidates ahead of the tech company's coming annual meeting, the people said. Starboard believes Autodesk has been underperforming the software and broader markets in recent years, the people added. Starboard last year lost a legal fight to block Autodesk from holding a board meeting, after missing a March deadline to nominate directors. At the time, Starboard argued Autodesk was misleading investors around the accounting probe.
- 3. **ADBE: Adobe hosted investor meeting at Adobe Summit overnight. Stock flat in pre. [Link](#) to event/presentation.**
- ❓ **TSLA: Tesla obtains California Public Utilities Commission approval for a passenger transportation permit – Bloomberg**
- 5. **META: Zuckerberg announces Meta's Llama model hits 1 billion downloads**  
❓

### **CONSUMER (MIHELIC) – [Mihelc Marquee Page](#)**

1. **SIG +15%...**on better quarter and Q1 guide/commentary. EPS beat (\$6.62x vs. \$6.25 cons) on better revs (\$2.35B vs. 2.32-2.33 prior guide) and operating margins. Comps were -1.1% (vs. -2.5-2.0% guidance). Q1 guidance better (comps flat to +2.0% vs. 0.9% cons and EBITDA \$94-106MM vs. \$75MM cons) though FY26 range is pretty wide and doesn't include tariffs (EPS \$7.31-\$9.10 vs. \$9.00 cons, comps -2.5% to +1.5% vs. 1.5%). Commentary solid relative to rest of consumer space: "I'd like to thank the team for their efforts in delivering a positive comp in January. This positive trend has continued into Q1 to date with growth across all categories. Since holiday, we increased our



depth of assortment at key price points while also benefiting from improved Bridal trends".

- 2. **TSLA +4%**...after the electric-vehicle maker was granted approval in California to begin carrying passengers in its vehicles in a step toward ride-hailing services. The California Public Utilities Commission said in an emailed statement Tuesday that it approved the electric-vehicle maker's bid for what's known as a transportation charter-party carrier permit. That will allow Tesla initially to drive its employees on a prearranged basis in company-owned vehicles, before later transporting members of the public. The new permit is separate from those used by ride-hailing companies, which offer similar services for compensation using smartphone apps. The approval also does not allow Tesla to offer rides in autonomous vehicles, the California commission said. Bloomberg link.
- 3. **GIS -3%**...weaker comps and outlook are a reminder of the challenging fundamentals in packaged food space. Q3 EPS did beat (\$1.00 vs. \$0.96 cons) but revs/comps (-5% vs. -2.5% cons) were weaker driven by retailer inventory headwinds in North America Retail and North America Pet, a slowdown in U.S. snacking categories, and softer demand in U.S. away-from-home food channels; the company expects this macro econ uncertainty to continue in Q4 and lowers FY25 guidance on back of that. They now expect comps -2% to -1.5% (vs. prior guide of -1% to flat) and EPS to decline -7-8% (vs. -2%-4% prior and consensus -4%). Guide also doesn't include impact from tariffs.
- 4. **NKE** - Nike returns to sports while investors impatiently await reset – Bloomberg (link): Elliott Hill has made his strategy for turning around Nike Inc. very clear in his first five months as chief executive officer: return the sneaker giant to focusing on sports, not fashion. Hill has reshaped the company's organizational chart, overhauled the sports marketing unit and tried to rekindle relationships with key retail customers and pro leagues, including the NFL. "We lost our obsession with sport," Hill, who returned to Nike after a long run as one of its top executives, told analysts in December. "Moving forward, we will lead with sport and put the athlete at the center of every decision." Investors will get an early read on Hill's progress when Nike reports earnings on Thursday afternoon. Wall Street isn't expecting much improvement yet. Analysts project quarterly sales sank 11%, which would be the biggest decline since the depths of Covid five years ago.
- 5. **YUM** to accelerate AI innovation in industry first collaboration with NVIDIA (link): The technology will power and scale Yum!'s existing proprietary Byte by Yum!™ platform. Through a direct collaboration at the developer level, Yum! was able to deploy NVIDIA AI-powered voice AI agents within three months. This partnership will harness easy-to-use NVIDIA NIM microservices, part of NVIDIA AI Enterprise and available on Amazon Web Services (AWS), to optimize and create efficiencies in restaurant operations, enhancing team member and customer experiences.

6. **VSTS -1%...CEO departing company.** On March 18, 2025, the Board of Directors of Vestis Corporation (the “Company” or “Vestis”) determined that Kim Scott, President and Chief Executive Officer, will leave her positions with the Company, effective March 18, 2025. Ms. Scott also resigned from the Company’s Board of Directors on March 18, 2025. There is no disagreement between Ms. Scott and the Company regarding the Company’s operations, policies or practices. Ms. Scott will receive such separation benefits consistent with a termination other than for cause consistent with Ms. Scott’s Amended and Restated Employment Agreement with the Company dated April 2, 2024.

7. **LEN earnings preview:** From Ryan yday: Stock is down 9% YTD, similar to large cap builders. LEN at relative lows to ITB and XLI. Desk positioning 3 (1 most crowded short, 10 most crowded long). Bifurcation between long only interest vs. more bearish hedge fund positioning. Data points are mixed: NAHB weak, recent starts/permits better, 10 year has come in markedly but could also be signaling a downturn. Interestingly, no price target out there is below the current stock price. More in email: link.

🔍 **NKE earnings preview:** Latest from Scott: This is one our most debated stock with clients, which is interesting given it has spent the 4+ months in a very tight range between \$70-80 a share (has just gone back and forth between the highs and lows a lot). Investors we hear from are generally optimistic about the changes being made and some early green shoots, but most are skeptical of getting too constructive before FY26 EPS guidance comes out (most still looking for below consensus numbers). The company will report EPS next Thursday and while they sometimes give an initial framework for the out-year, it seems very unlikely we will get full clarity on FY 26 (while Brooke is buy rated, she is below for FY26 at \$2.16 vs Consensus \$2.41 and we think buy-side closer to \$2.00). More in email: Link.

🔍

#### **FINS (MITOLA) – [Mitola Marquee Page](#)**

1. **JPM** boosted their quarterly dividend 12% to \$1.40 from \$1.25. JPM Link
2. **MS** is planning to reduce its workforce by around ~2,000 or 2.5% later this month in its first major reduction under CEO Ted Pick. The cuts will reportedly be across the firm, excluding its financial advisors, according to Bloomberg citing people familiar with the matter. MS bbg
3. **LNC** is reportedly teaming up with Bain Capital and Partners Group to launch two private credit funds aimed at individual investors. The funds will be marketed through the roughly 60,000 financial advisers Lincoln already works with to sell annuities, life insurance and other products. Chief Investment Officer Jayson Bronchetti said it would take many private-markets firms 10 or 15 years to replicate its distribution network. The funds are expected to launch this year. Private markets are a major investment area for Lincoln and they will be a significant investor in both new funds. LNC WSJ Link



4. **Large Cap Banks:** Large bank 4Q24 capital levels rose modestly QoQ through retained earnings and RWA mitigation. Ramsden & Team highlight the prospect of lower future capital requirements post-election, although they expect banks to remain fairly cautious on capital deployment in the near-term, given: 1) uncertainty around the eventual outcome and timeline for regulatory reform; 2) 50bps higher G-SIB capital requirements for JPM and BAC as of 4Q24 that will take effect on 1/1/27, absent potential regulatory reform; and 3) the SLR being binding for BAC and JPM at the bank subsidiary level, and MS at the bank holdco level. They also assess what potential SLR regulatory relief could look like under the new US administration, based on recent Fed testimony. That being said, with large bank stocks down ~15% over the last month, and P/TBVs back to ~1.6x, share repurchases have become somewhat more attractive, although remain at 50th %ile levels over the past decade. They now assume a ~35% total capital return \$ increase YoY in 2025E, with ~55% higher buybacks, and ~10% higher dividends. Large Cap Banks Link
5. **Offering:** \$250mn Retail REIT offering priced away.
6. **CRE Services:** Blouin & Team note that if the economy remains stable CRE Services stocks are likely nearing the end of their selloff (~5-10% more downside potentially), but if concerns continue to grow that the US economy could be headed towards a recession, there could be significant remaining downside to stocks – they estimate ~40% downside. While odds of a recession remain low, multiples have contracted ~15% (for companies with higher resilient business mixes like CBRE and CIGI) to 18-28% (for companies with more transactional mixes or higher leverage like JLL, CWK, and NMRK). CRE Services Link
7. **Towers:** Schneider & Team hosted an investor trip to Florida to meet with a variety of public and private companies with exposure to the theme of digital infrastructure including SBAC. Key takeaways included that international markets are likely to remain a point of focus, while core domestic business remains steady. Towers Link

7

## HC (GALLO/CHAN) – [Gallo's Marquee Page](#)

1. **HQY** – Revenues Beat, P&L Pressured by Service Costs; FY26 Guidance Reflects Similar Dynamics; stock offered down 14% in pre-mkt. 4Q revenue of \$311.8M increased ~19% YoY vs. GSe/consensus of \$306.1M/\$305.6M. Adjusted EPS of \$0.69 (9.5% YoY) fell short vs. GSe/consensus of \$0.75/\$0.71 with downside stemming from gross margin pressure in the Service business line. FY 2026 revenue guidance of \$1.280-\$1.305B and EPS guidance of \$3.57-\$3.74 with significant attention on the recent elevated external fraud activity and related expenses to reimburse and protect member accounts and the company expects elevated cost pressure to persist in 1H FY2026 and normalize in 2H.
2. **GILD** – Press Reports of Trump Plan to Slash HIV Prevention Funding: A late in the trading session WSJ article yesterday indicated that the HHS is

contemplating a drastic reduction in federal funding for domestic HIV prevention. Per the agency's websites, about \$1.3B was spend on HIV prevention in FY23.

- ☐ **IMVT** – Expecting 7:45 data release ahead of webcast today at 8 AM to Review Results from Batoclimab Myasthenia Gravis (MG) and Chronic Inflammatory Demyelinating Polyneuropathy (CIDP) Programs. Reminder ROIV owns 57% of shares outstanding.

## **INDUS/ENERGY (ROSS/NOVAK) – [Novak Marquee Page](#)**

1. **ABI:** February Architectural Billings Index (ABI) falls to 45.5 from 45.6 in January. Project inquiries back below 50 to 47.8 vs. 51.4 a month ago. Regionally, the South was strongest, west weakest. C&A saw a sequential uptick with institutional a downtick.
- ☐ **VG +7% in pre-mkt:**☐Trump administration's DoE reportedly plans to approve LNG exports from Venture Global CP2 project in LA – Bloomberg.
3. **Geopolitics:** The Kremlin backed the idea to not hit energy infrastructure for 30 days, and the US said talks for a full Ukraine ceasefire would start immediately, potentially incrementally reducing the probability of a near-term tightening in Russia sanctions.
- ☐ **Machinery, Infrastructure, Sustainable Tech:** GIR note out looking at what's priced in amid the cyclical correction. GIR prefers co's with opportunity to compound earnings cycle over cycle (CAT, DE, URI, HRI). Link
5. **Construction Materials:** GIR out with interactive maps to assess the local market picture across cement and aggregates markets. Link
6. **TSLA +3% in pre-market:** Tesla receives the first approvals in California needed to run a fleet of robotaxis in the state – Reuters.
7. **NBR:** CFO William Restrepo to retire effective 9/30/25. Miguel Rodriguez, SVP – Operations Finance, to transition into role of CFO.
8. **RRX:** Regal Rexnord has plans to fully mitigate \$60mn of estimated annual cost impact from tariffs.
9. **NOVA:** Credits consolidate into single group ahead of debt negotiations.
10. **PWR:** GIR out with takeaways following yesterday's management meetings.
11. **NEE:** GIR out with takeaways following Development Day.☐
12. **MOS:** GIR out with takeaways following MOS analyst day.

## **SPECIAL SITS (RAMIREZ/DAVIS) – [Ramirez Marquee Page](#)**

1. **Trump Fires Two Democratic Commissioners at FTC** (link). President Donald Trump yesterday fired Democratic Commissioners Alvaro Bedoya & Rebecca Kelly Slaughter. The commission which has a bipartisan structure where no more than three of the five commissioners can come from the same party can still bring or dismiss cases with only two commissioners. Mark Meador, Trump's pick as the third Republican to sit on the commission has

not yet been confirmed. Both Bedoya & Slaughter released statements Tuesday following the announcement to sue to reverse the filings.

2. **VSTS** - Announces CEO Transition ([link](#)). Vestis announced today that it has appointed Phillip Holloman as Interim Executive Chair and CEO effective immediately. Holloman succeeds Kim Scott, who has departed from the Company and the Vestis Board of Directors. "As we embark on a new chapter following the completion of Vestis' first fiscal year as a public company, the Board agrees now is the right time for this transition," said Doug Pertz, Vice Chairman of the Board.
- 🔗 **ADSK** - Starboard Value Preps for Proxy Battle ([link](#)). Starboard, who currently hold a \$500mm stake in the design-software maker, intend to nominate a minority slate of director candidates ahead of the tech company's coming annual meeting. The fund previously lost a legal battle with the company when it tried to prevent the company from holding a board meeting after missing a March deadline to nominate directors. Shares of Autodesk fell last May after the company announce it was launching a probe into its accounting practices.
- 🔗 **HEES** - Herc Holdings Commences Tender Offer for H&E Equipment ([link](#)). Herc announced today that it launched the tender offer to acquire all shares of HEES, which will expire on April 15th. Closing guidance is still set for mid-year 2025.
5. **TXNM** - KKR Exploring Potential Take Over ([link](#)). KKR is said to be exploring a potential acquisition of TXNM Energy Inc according to Bloomberg reports. Shares of TXNM jumped last week after reports surfaced that the company had received takeover interest from a potential suitor & had been workings with advisors.
6. **QXO** - Extends Tender Offer ([link](#)). QXO announced it has extended its tender offer to acquire BECN until March 19, 2025, 5:00 p.m. According to the results of the latest tender offer approximately 12,784,233 shares have been validly tendered and not withdrawn as of March 18, 2025, representing about 20.76% of the issued and outstanding shares.
7. **EDR** - Sportradar to Buy IMG Arena From Endeavor Group ([link](#)). Sportsradar has entered into a definitive agreement with Endeavor to acquire IMG ARENA and its global sports betting rights portfolio. Transaction provides financial consideration totaling \$225m comprised of \$125m paid to Sportradar and up to \$100m cash prepayments made by Endeavor to certain of the sports rightsholders. The deal is expected to close in Q4 2025.
8. **IPG/OMC** - Receive Shareholder Approval ([link](#)). Omnicom and Interpublic announced yesterday that the shareholders have voted to approve the transaction. The company reiterated closing guidance in the second half of 2025.

**Good luck and have a great day.**

**Mike**