TEMATICA INVESTING

THEMATIC COMMENTARY, EQUITY RESEARCH & INVESTING STRATEGIES

FOLLOW US:

Christopher Versace
CHIEF INVESTMENT OFFICER, TEMATICA RESEARCH, LLC

INSIDE THIS ISSUE

Markets are in tumult today because the degree of confidence in estimating the difference between candidate Trump and President Trump is larger than for any other presidential candidate in modern history.

You would have to have been stuck under a very large rock if you're just getting the news that Candidate Donald Trump has become President-Elect Trump.

Late into the night, as the pundits analyzed and poured over election results that showed Trump pulling ahead of Secretary Clinton, we quickly saw domestic futures fall, the Mexican peso drop and international markets crumble on the realization that Trump was poised to upset polls and other expectations to win the 2016 election. At one point in the wee early hours of the morning, when it became clear that Clinton would have to sweep all seven outstanding states to get to the 270 electoral votes, Dow Jones Futures were down more than 800 points with the S&P 500 futures off more than 4.5 percent.

Since that point, as Hillary Clinton conceded the election, President-elect Trump gave an acceptance speech that included: "*We have a great economic plan. We will double our growth and have the strongest economy anywhere in the world. At the same time, we will get along with all other nations willing to get along with us. We will be. We will have great relationships. We expect to have great, great relationships.*"

TEMATICA RESEARCH

Tematica Investing, a weekly publication by Chief Investment Officer Chris Versace, is designed for the experienced or professional investor, providing in-depth information on real-time developing thematic strategies, economic outlook, investment trading ideas, and analysis of the most pressing developments for the market, as well as forces that drive both our thematic perspectives and thematic recommendations.

www.tematicaresearch.com

Those comments combined with his conciliatory tone towards his Hillary Clinton, commenting on how the United States owes her a debt of gratitude, and his request that those who did not support him now offer him their advice, helped calm the market as Dow Futures "recovered" to be down "just" 345 points around 7:30 AM with S&P futures down 2 percent and Nasdaq futures down 2.4 percent.

As I shared with Larry King on RT's election coverage last night, the market had expected Secretary Clinton to win the election and the aftermarket sell-off last night and still this morning reflects the uncertainty over exactly what a Trump White House will mean on a number of fronts. Pretty much, "Holy cow! Trump did it. Now what?"

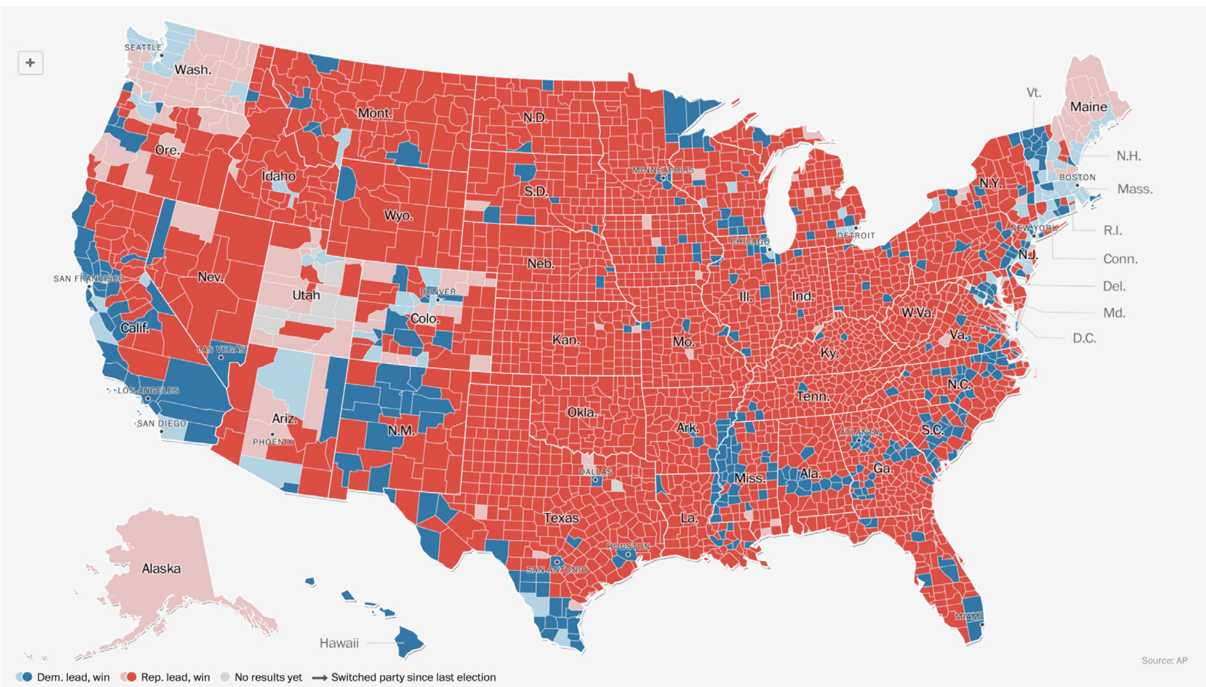
Looking at the electoral map, one has to think that after 10 years of stagnant jobs, wages and economic growth amid crushing debt, Americans decided to take a chance on the outsider . . . try something different.

In all fairness, this is also a return to the norm we've seen in American elections whereby a president who terms-out is replaced by the opposing party's candidate and that opposing candidate often gets more House and Senate seats. Despite all the commentary to the contrary, American still appears to swing back and forth across the center.

As we all know the stock market and the economy abhor uncertainty, and at least for now the Trump win is going to raise more questions than provide answers concerning policy, trade, healthcare reform, tax rates and the like. Like a deer in the headlights that is unsure if that approaching car will swerve or not, so too is the market looking to see just how much Candidate Trump and President Trump differ.

Whenever the market is faced with such an unknown, and this is a fairly big one that will chart the course over the next four years, it defaults to shoot first and ask questions later. More often than not, and with hindsight being 20/20, turmoil such as this tends to result in a buying opportunity, especially for patient investors. We saw this following the Brexit vote, which was also very much unexpected.

What this calls for is calmer heads, and that's exactly what we aim to be this morning and over the coming weeks as more details emerge from President-elect Trump on what his policies will be, who will fill out his cabinet, and just what



his relationship will be with the Federal Reserve, given his attacks on Chairwoman Janet Yellen. As those details emerge, odds are the market will start to recover. This should give us some opportunity to scale into well-positioned companies, as well as add new ones at better prices than we've seen over the last several weeks.

Will it be smooth sailing? Not likely.

Until Trump spells out his policies in detail and even then, there is bound to be some indigestion. That will require some patience. Markets are in tumult today because the degree of confidence in estimating the difference between candidate Trump and President Trump is larger than for any other presidential candidate in modern history. The markets reaction hasn't been because the consensus view is that Trump will be bad for the economy and for stocks, but rather because uncertainty mean companies postpone investments until they have a clearer view into the future.

With that, let us take a look at the likely impact of candidate Trump.

- **Pharmaceutical stocks will breathe a sigh of relief after the shellacking they have taken under candidate Clinton and Sanders**. Overnight shares of **Mylan (MYL)** and **Pfizer (PFE)**, two of the largest drugmakers in the US rose more than 6 percent in pre-market trading. Even overseas drug companies such as **GlaxoSmithKline (GSK)** and **Sanofi (SNY)** were up around 3 percent on the news of a Trump victory.
- **Hospital stocks will likely get hit**, as the combination of a Trump presidency and a full Republican sweep of Congress means the Affordable Care Act has little chance of survival. This will likely be bullish for pharma, but bearish for hospitals.
- **In pre-market trading gunmakers Sturm Ruger & Company (RGR)** rose 5.6 percent and **Smith and Wesson (SWHC)** gained just under 7 percent.
- **The Mexican Peso fell to record low**s, suffering its worst fall since the Tequila Crisis of 1994. The jury is still out on that wall.
- **Non-American industrial/manufacturing companies are getting hit hard** as are global transports such as shipping giant AP Moller-Maersk based on candidate Trump's promise for protectionist policy-making. Auto manufacturers such as **Daimler (DDAIY), BMW (BMWYY), Volkswagen (VLKAY), Toyota (TM)** and **Mazda (MZDAF)** were down between 3 percent and 9 percent earlier this morning.
- **Global banking is taking a hit as well.** Given the US accounts for around one-quarter of world GDP, a move towards protectionist policies could further dampen already weak global trade, which would further weaken a weak global economy, putting further strain on banks that are struggling to cope with the level of non-performing loans.
- **Oil companies are likely to have a much friendlier White House and Congress**, but with today's depressed prices, that isn't likely to have a major impact immediately as the price of oil isn't exactly supply-constrained at the moment.
- **Green energy stocks like SunPower Corp. (SPWR) are likely to take some hits** as a Trump presidency is not nearly as green-friendly as candidate Clinton.
- **Defense-sector companies**, such as **Lockheed Martin (LMT)** and **Northrop Grumman (NOC)**, will likely see a

serious boost as candidate Trump campaigned for 90,000 new soldiers and 75 new ships.

- **Infrastructure spending is likely to get a boost from fiscal stimulus**, which is a tailwind for companies such as **Caterpillar (CAT), Terex Corp. (TEX)** and **Granite Construction (GVA)**, but the impact on those companies' bottom line isn't exactly straightforward when we combine that impact with the potential for trade wars given candidate Trump's protectionist promises.

- **Emerging markets, which are all near recent highs, will likely take hits** if candidate Trump was representative of President Trump's protectionist policies.

- **Gold and the safety trades are likely to do well** as investors flee risk assets until the dust settles and we get a better grasp on just who President Trump will be.

Finally, if President Trump is anything like candidate Trump when it comes to speak first, clarify later, increased volatility is here for the duration.

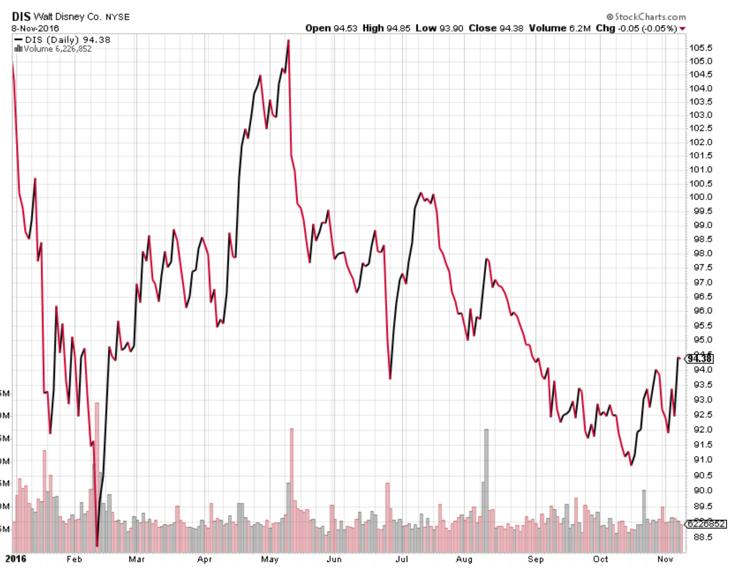
One of the questions that is bound to jump into the limelight is what does the Trump win mean for the likelihood the Fed raises interest rates come December?

While the Fed signaled in its October FOMC statement that it would likely raise rates come December, the October Employment Report missed the mark and raised some doubts. With Trump yet to provide line by line, point by point policies, we suspect the Fed will take a pass once again come December, pushing the potential rate hike timetable out to its March 14-15, 2017 meeting. That meeting is well after Inauguration Day (Jan. 20, 2017) and leaves a window for President Trump to share his plans. Up until last night, the market had been pricing in a December rate hike, and the realization this is likely to be once again pushed back is likely to be met with welcome arms from investors.

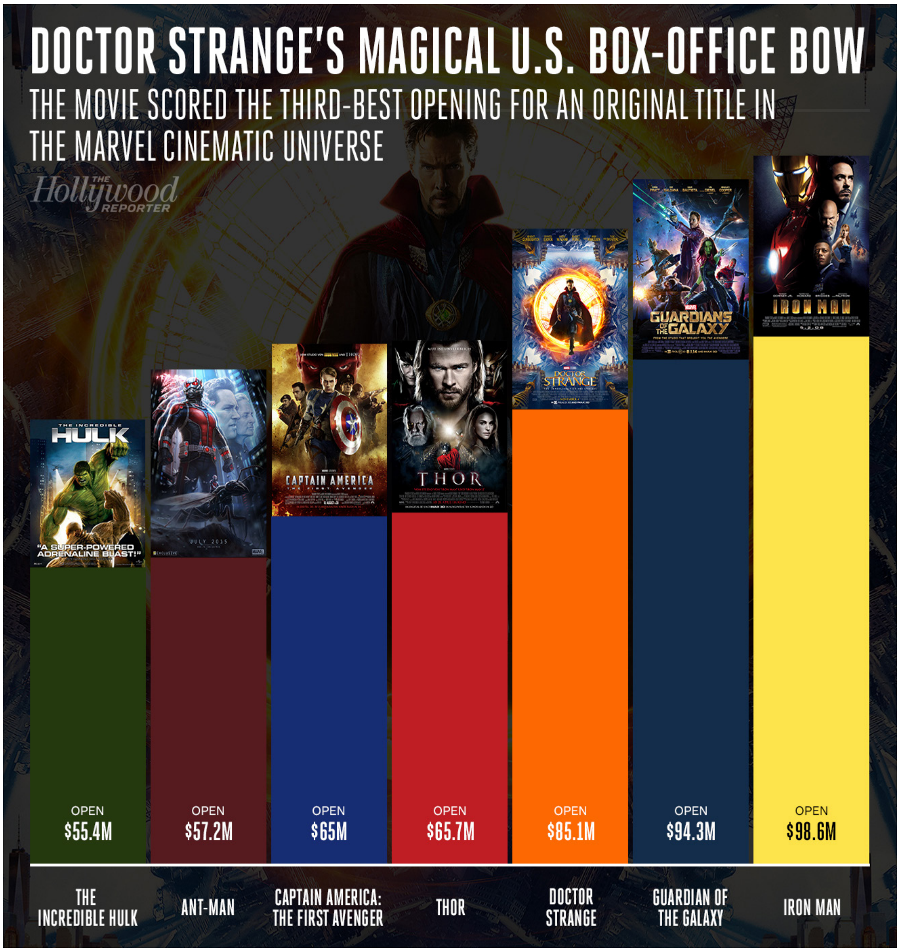
Now to roll up our sleeves and get back to work.

Getting Ready for Walt Disney Earnings on Thursday

As earnings season starts to slow, we still have a few laggards to report their quarterly earnings. One of those is ***Content is King*** thematic player **The Walt Disney Company (DIS)** and it will be doing so tomorrow (Thursday, November 10) after the market close. Consensus expectations are for Disney to deliver EPS of $1.16 on revenue of $13.5 billion for the September quarter and EPS of $1.61 on revenue of $15.75 billion for the December quarter.



Over the last several weeks, the stock has been relatively catalyst free, but that changed this past weekend when Marvel's *Dr. Strange* put a whammy on the box office as the #1 film. On the earnings conference call, we expect a review and update from Disney management on its film slate for the coming quarters, which feature a number of Marvel, Pixar and Lucasfilm properties.



In the company's earnings report, we expect ESPN to once again be a hot topic given reports that declines in subscriber numbers have picked up. Odds are Disney will counter with its participation in DirecTV Now and Hulu's soon-to-be-launched streaming TV service, both of which are expected to include ESPN.

Even after accounting for continued ESPN-related issues vs. the company's rich slate of films on tap in the coming months that will drive its other business units, we find the current discount on the shares to be excessive. Last night the shares closed at 15.6x expected 2017 EPS of $6.04, which is well below its three- and five-year average multiples of 19x to 20x. Wall Street would have to cut its 2017 outlook to something like $4.85 per share for the current share price to trade in line with historic multiples, and the odds of that are rather low given the strength of Disney's non-ESPN businesses.

Given the lack of movement in expectations for the September and December quarters over the last few weeks, we suspect analysts covering the stock are likely to revisit their forecasts to update their ESPN-related assumptions, which is likely to pressure DIS shares. Should this be the case, it's likely we could see institutional investors return to the stock ahead of the holiday season, which includes the release of the new animated film *Moana*, just ahead of the next installation in the Star Wars franchise *Rogue One.*

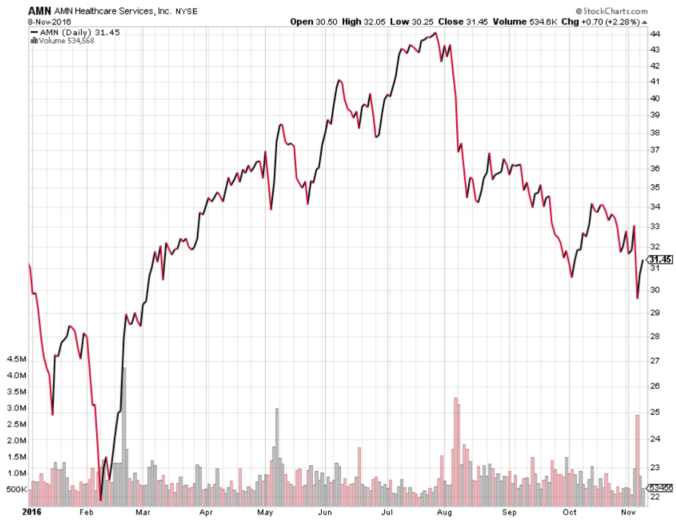
We are inclined to be patient with Disney as we consider it <u>*THE*</u> ***Content Is King*** company, with its international efforts propelled by rising disposable incomes and a brand-conscious rising middle class. We also see Disney making the right investments (streaming media and turning studio content into park rides, attractions, and high margin licensed products) to drive revenue and profits.

Ahead of Thursday's earning call, our price target on DIS shares remains $115.

Update, Updates, Updates

AMN Healthcare Services (AMN) *Aging of the Population*

Amid a ticker symbol change snafu last week (See last week' issue for details), AMN reported better- than-expected September-quarter earnings due to the continuing fundamental strength in demand for nurses and other health-care professionals. AMN shares came under pressure following company guidance for an increase in interest expense due to its recent debt offering (we're not sure how analysts who cover the shares missed this) and the expiration of R&D tax credits that will drive the company's tax rate higher.



As the market digests the re-jiggering of EPS estimates and trimming of price targets, AMN management will be at the SunTrust Financial Technology, Business & Government Services Conference on Thursday (Nov. 10) and the Stifel Healthcare Conference next week (Nov. 16). We expect the team will talk about the long-term prospects and favorable dynamics driving AMN's business.

By 2020 the U.S. will require 1.6 million more direct-care workers than in 2010, which equates to a 48 percent increase for nursing, home-health and personal-care aides over the decade. This shortage is expected to get worse near term, as the 78 million aging baby boomers (roughly 24 percent of the domestic population) will require increasingly more health-care services.

In response to the re-cut in earnings expectations, we are trimming our price target to $43 from $47, but that still offers more than enough upside to keep a Buy on the shares. With the Trump win, healthcare related stocks are bound to get hit and as such we would recommend subscriber wait at least a day or two before using near-term weakness for long-term gains.

Costco Wholesale (COST) *Cash-strapped Consumer*

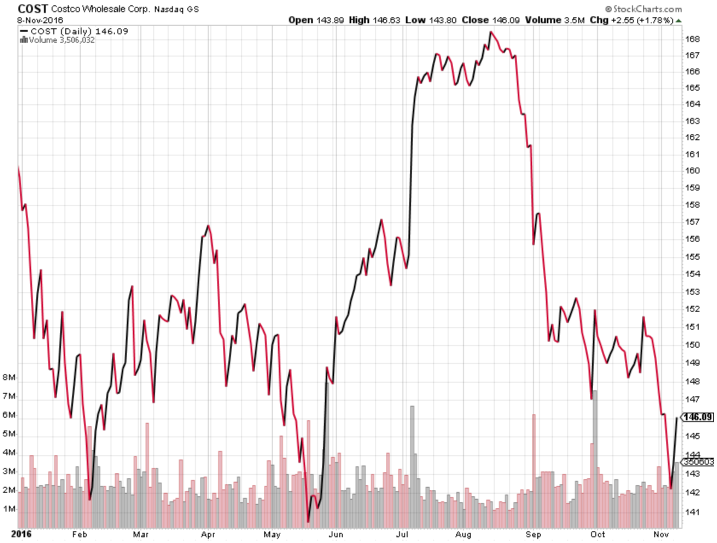
Despite reporting last week better-than-expected net sales and same-store sales for October, Costco shares traded off modestly over the last several days. From our perspective, the pullback has put COST back in oversold territory and offers subscribers that are underweight in the shares a buying opportunity — we would be taking advantage of this opportunity ourselves if we were not already overweight relative to the overall portfolio.

The last time the stock was at these levels was last May, which turned out to be a solid buying opportunity as the company continued to take consumer wallet share.

As we head into the holiday shopping season, we see that continuing as Costco benefits from a growing number of warehouse locations. As we've pointed out to subscribers previously, Costco opened two new locations in October and is poised to add several others before the end of the year. In our view, these additional units bode well for membership growth and high-margin fees as well as retail sales growth.

Bolstering those fees, last month Costco increased annual membership fees by about 10 percent in three Asia locations — Taiwan, Korea and Japan — as well as in Mexico and the U.K. We see Costco gaining share in the shopping-heavy second half of the year, with potential benefits from co-branded Costco card marketing. Also, any domestic membership price hike in the coming months would aid margins in 2017.

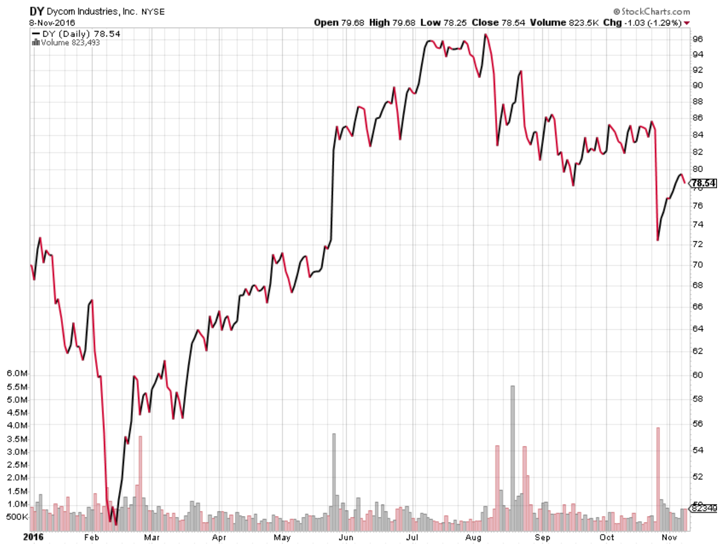
Based on the potential upside to our $170 price target, we continue to have a Buy on COST shares.



Dycom Industries (DY)

Connected Society

This earnings season there have been a number of positive data points for **Dycom Industries (DY)**, which has come from rising network capital spending at mobile carriers and cable providers. Its top four customers, which account for 64 percent of revenue, grew their combined 3Q 2016 capex by 9 percent sequentially, which was better than consensus expectations that had called for a sequential dip.



Another leading indicator, **Corning (GLW)**, witnessed strong demand in the fiber to the home market in North America and expects this positive trend to continue. While capital spending and related deployments can be lumpy, we see the ongoing shift toward the digital lifestyle straining network capacity, forcing incremental spending on existing networks and the deployment of newer, higher-speed ones.

On the housekeeping front, later this month (Nov. 23) Dycom will hold its annual shareholders meeting. We'll be sure to mark our calendars amid what is likely to be the usual Thanksgiving chaos.

We rate DY shares a Buy with a $115 price target.

United Natural Foods (UNFI) *Food with Integrity*

Last week, **Whole Foods Market (WFM)**, a key **United Natural Foods (UNFI)** customer, reported it's September-quarter results. For its September quarter, Whole Foods' revenue of $3.5 billion was in line with expectations, despite same-store comps coming in down 2.6 percent versus the comparable quarter, on consensus of a 2.1 percent drop.

We attribute the discrepancy to Whole Foods experiencing less price deflation due to the contract nature of its organic/natural products like fish and other proteins, as well as eggs, which have seen sharp price declines over the last several months. **Given the nature of UNFI's meat and cheese products, we see this as a positive.**

On the follow-up earnings conference call, the Whole Foods management team shared the following:

> *"if you look across the quintile data for the baskets, every single basket was moving up. And so what that says is that there's some real stability here. And particularly in the $100 basket, it's showing some nice growth."*

While some subscribers are likely to think that backs up Whole Foods's nickname of "Whole Paycheck," it tells us that underlying demand for natural and organic products remains firm — another positive for UNFI.

The larger issue for Whole Foods, in our view, remains the increasingly competitive landscape. The management team called this out on the earnings call:

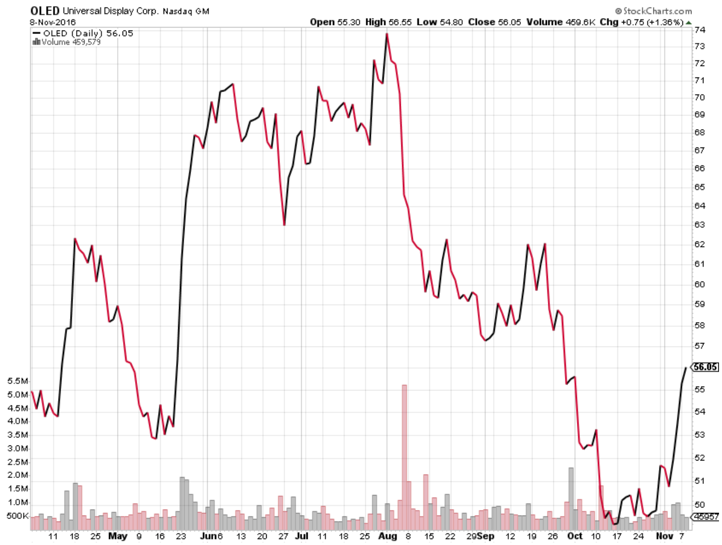
> *"…you not only have strong conventional supermarkets like Kroger (KR) and H-E-B and Wegmans, but you've also now got more of the discount natural food operators, like Sprouts Farmers Market (SAFM) and Fresh Thyme and Lucky's, and they're all growing. And then you've got more delivery fresh stuff like Amazon (AMZN), and then you've got these meal-kit operators like Blue Apron and HelloFresh and Plated."*

We see this as confirmation of the shifting consumer preference to natural, organic and other lifestyle products. With shelf space at a premium, grocery stores are only likely to stock those items that it knows consumers prefer. And those alternatives to WFM, like Blue Apron and HelloFresh? Those are potential customers for UNFI, as is Amazon as it continues to expand its Amazon Fresh home grocery delivery service.

We've tried that latest service from Amazon, and we have to say we are impressed, not only with the prices but with the quality of the fruit and produce.

In our view, these are simply more positives for UNFI shares. We continue to rate the shares a Buy with a $65 price target.

Universal Display (OLED) *Disruptive Technology*



Shares of this organic light emitting diode (OLEDs) chemical and licensing company rose 7.4 percent last week, putting our position back into positive territory. Two factors were behind the upward movement last week. First, **Universal Display's (OLED)** September-quarter earnings were solid on the bottom line and better than expected on the top line. As we shared in our post-earnings comments, the key takeaway from the earnings call is the continued ramp in industry OLEDs capacity as the technology gains share in existing applications, such as TVs and smartphones, and new ones emerge, like wearables, virtual and augmented reality applications and automotive lighting.

The bottom line is the quarter, much like the back half of 2016, was an expected one of transition. When we added OLED shares to the portfolio, we noted industry capacity was constrained, with existing players such as Samsung and LG as well as newer entrants adding organic light-emitting diode capacity to meet demand from the smartphone market as well as new applications that include OLED TVs, wearables, virtual reality and augmented reality, and for emerging opportunities including automotive OLED display and lighting.

While that last opportunity — automotive OLED display and lighting — is rather small today compared to demand for smarthones (OLED's largest end market today), research firm UBI forecasts the global OLED lighting panel market is expected to rise from $114 million this year to $1.6 billion by 2020. Factor in other applications as well as new ones, including side displays to the PC market akin to **Apple's (AAPL)** new Touch Bar, and it explains the confirmed plans from Samsung and LG to expand their OLED capacity. It also helps explain Taiwan's Ministry of Economic Affairs announcing it would support the development of OLED technology in that country, pledging $3 billion of government capital in the process. At the end of September, Sharp announced its plans to invest $570 million in two OLED pilot production lines, which are expected to start operation in the second quarter of 2018.

Stepping back, this is very similar to the light-emitting diode (LED) backlighting and lighting revolution, except we are in the early innings of OLED technology replacing LED and other lighting. As the LED revolution occurred, industry capacity grew ahead of new applications coming to market, and we see that transpiring in the OLED market.

Second, Gabelli & Co. bumped up its rating on OLED shares to "Buy" from "Hold" with a $68 price target, with rationale that largely reflects our own investment thesis (iPhone's potential adoption of OLED display; a large increase in the global OLED display capacity building in 2017 and 2018; and a mobile device market shift from LCD to OLED displays).

Any move by Apple to utilize that display technology would be a positive for its overall adoption. Other signposts we'll be watching include OLED equipment order activity at **Applied Materials (AMAT), Aixtron (AIXG)** and **Veeco Instruments (VECO)** as well as new product announcements and OLED applications from consumer electronics companies ahead of the holiday shopping season and after at events such as CES 2017.

Our price target on OLED shares is $68, which offers potential upside of more than 20 percent.

Tematica Investing Select List - Upcoming Earnings Dates

COMPANY	TICKER	DATE	THEME
Walt Disney	DIS	10-Nov-16	***Content is King***
Dycom Industries	DY	15-Nov-16	***Connected Society***
United Natural Foods	UNFI	5-Dec-16	***Foods with Integrity***
Costco Wholesale	COST	7-Dec-16	***Cash-strapped Consumer***

Source: Company reports and Zacks Earnings Calendar

Tematica Contenders

As we roll up our sleeves each week we add companies and discard others to our list of ***Tematica Select Contenders***. These are companies that we're doing more work on and in some cases we're waiting for the risk to reward trade-off to reach more appetizing levels.

AWK	American Water Works	***Scarce Resources***
WTR	Aqua America	***Scare Resources***
CHGG	Chegg Inc.	***Tooling & Retooling***
CMG	Chipotle Mexican Grill	***Foods with Integrity***
SCOR	Comscore	***Connected Society***
GLW	Corning Inc.	***Disruptive Technologies***
EPR	EPR Properties	***Content is King***
IMMR	Immersion Corp.	***Disruptive Technologies***
KIM	Kimco Realty	***Rise & Fall of the Middle Class***
LOCK	Lifelock	***Safety & Security***
MKC	McCormick & Co.	***Cashstrapped Consumer / Middle Class***
MRK	Merk & Co.	***Aging of the Population***
NLSN	Nielson NV	***Connected Society***
OME	Omega Protein Corp.	***Fountain of Youth***
PANW	Palo Alto Networks	***Safety & Security***
SYNA	Synaptics Inc.	***Disruptive Technologies***
VZ	Verizon Communications	***Content is King / Connected Society***
XYL	Xylem, Inc	***Scare Resources***

TEMATICA SELECT LIST PERFORMANCE

POSITION	DATE ADDED	ADD PRICE	CURRENT PRICE	DIV. PAID	STOP PRICE	RETURN (%)	TARGET	RATING
ALPHABET, INC. (GOOGL) *Asset-Lite*	6/15/16	$733.94	$811.98	--	--	10.63%	$900.00	(BUY)
AMAZON.COM (AMZN) *Connected Society*	5/24/16	$709.53	$787.75	--	--	11.02%	$950.00	(BUY)
	10/28/16	$709.53	$787.75	--	--	0.79%	$950.00	(BUY)
AMN HEALTHCARE SERV. (AMN) *Scarce Res. / Aging of Population*	8/17/16	$33.80	$31.45	--	--	-6.21%	$47.00	(BUY)
	10/5/16	$31.18	$31.45	--	--	0.87%	$47.00	(BUY)
AT&T (T) *Connected Society*	10/12/16	$39.29	$36.56	--	--	-5.61%	$45.00	(HOLD)
CALAMP CORP (CAMP) *Connected Society*	8/09/16	$15.37	$13.44	--	--	-12.56%	$21.00	(BUY)
	10/05/16	$13.70	$13.44	--	--	-1.90%	$21.00	(BUY)
COSTCO WHOLESALE (COST) *Cash-strapped Consumer*	9/28/16	$149.67	$146.09	--	--	-2.09%	$170.00	(BUY)
WALT DISNEY CO. (DIS) *Content is King*	4/20/16	$102.16	$94.38	$0.71	$87.00	-6.92%	$125.00	(BUY)
	5/11/16	$101.78	$94.38	$0.71	$87.00	-6.57%	$125.00	(BUY)
DYCOM INDUSTRIES (DY) *Connected Society*	9/14/16	$80.47	$78.54	--	--	-2.40%	$115.00	(BUY)
	10/29/16	$72.89	$78.54	--	--	7.75%	$115.00	(BUY)
INTER. FLAVORS & FRAGRANCES (IFF) *Rise & Fall of the Middle Class*	10/19/16	$129.23	$126.06	--	--	-2.45%	$145.00	(BUY)
PHYSICIANS REALTY TRUST (DOC) *Aging of the Population*	6/27/14	$14.33	$19.14	$2.03	$18.00	47.70%	$25.00	(HOLD)
PROSHARES SHORT S&P 500 (SH)	1/14/16	$45.10	$38.40	--	--	-14.86%	$24.00	(BUY)
	3/23/16	$41.12	$38.40	--	--	-6.61%	$24.00	(BUY)
STARBUCKS (SBUX) *Guilty Pleasures*	6/01/16	$54.90	$54.62	$0.20	--	-0.14%	$74.00	(BUY)
UNDER ARMOUR (UA) *Rise & Fall of Middle Class*	7/27/16	$39.26	$31.33	--	--	-20.20%	$55.00	(BUY)
	11/2/16	$30.74	$31.33	--	--	1.92%	$55.00	(BUY)
UNITED NATURAL FOODS (UNFI) *Foods with Integrity*	8/31/16	$47.00	$42.37	--	--	-9.85%	$232.00	(BUY)
	9/14/16	$38.91	$42.37	--	--	8.89%	$232.00	(BUY)
UNIVERSAL DISPLAY (OLED) *Disruptive Technology / Connected Society*	10/5/16	$53.09	$56.06	--	--	5.59%	$68.00	(BUY)

as of market close November 8, 2016

STOCKS / FUNDS MENTIONED

Aixtron (AIXG)
Amazon (AMZN)
AMN Healthcare Services (AMN)
Apple (AAPL)
Applied Materials (AMAT)
Corning (GLW)
Costco Wholesale (COST)
Dycom Industries (DY)
Kroger (KR)
Sprouts Farmers Market (SAFM)
The Walt Disney Company (DIS)
United Natural Foods (UNFI)
Universal Display (OLED)
Veeco Instruments (VECO)
Whole Foods Market (WFM)

ANALYST POSITIONS

At the time of publication, Mr. Versace, Chief Investment Officer of Tematica Research had no positions in the shares of companies mentioned in this issue.

IMPORTANT DISCLOSURES AND CERTIFICATIONS

Analyst Certification - The author certifies that this research report accurately states his/her personal views about the subject securities, which are reflected in the ratings as well as in the substance of this report. The author certifies that no part of his/ her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Investment opinions are based on each stock's 6-12 month return potential. Our ratings are not based on formal price targets, however our analysts will discuss fair value and/or target price ranges in research reports. Decisions to buy or sell a stock should be based on the investor's investment objectives and risk tolerance and should not rely solely on the rating. Investors should read carefully the entire research report, which provides a more complete discussion of the analyst's views.

This research report is provided for informational purposes only and shall in no event be construed as an offer to sell or a solicitation of an offer to buy any securities. The information described herein is taken from sources, which we believe to be reliable, but the accuracy and completeness of such information is not guaranteed by us. The opinions expressed herein may be given only such weight as opinions warrant. This firm, its officers, directors, employees, third party data providers or members of their families may have positions in the securities mentioned and may make purchases or sales of such securities from time to time in the open market.