



On a Monday, after interesting news by Amazon (AMZN, \$995.17) to solidify position in the grocery segment by acquiring Whole Foods Markets (WFM, \$43.22). The market resoundingly agreed that this was a formidable combination, however we do believe that grocery delivery will always be harder than simply putting to well-managed companies together. More thoughts to come in future articles. On all the other Juggernaut stocks, as mentioned, nothing has changed fundamentally in those stocks as this bounce has showed so far today.

- **Valeant Victory?** John Paulson joined the board of Valeant Pharmaceutical (VRX, \$13.47). Despite being an activist investor, it doesn't seem he is interested in meddling much here, as Valeant's return to health still depends on a combination of it's ability to (1) successfully divest assets at beneficial terms and (2) renegotiate debt terms to evade business constriction. If anything, Paulson could lend a critical ear to the process. While not a huge victory to the tune of releasing the debt burden, having Paulson there as an investor interested in returning the stock price to healthy levels does not hurt the situation.

- **Target Punishment Served.** While the failure of Target Stores (TGT, \$51.71) in the e-commerce space with the complexity of the Cartwheel app, and the announcement of the takeover of Amazon (AMZN, \$995.17) of Whole Foods (WFM, \$43.22), we believe this maybe time to take another look at Target.

While Walmart, with Mark Lore and Jet.com, looks to square off with Amazon, Target, looks to be the odd-man out of the mano y mano ecomm showdown. However, this has been priced into the stock and any rebuttal to the new industry initiatives by Target have not been factored into the price. Historically, Target has not given up easily on these measures, and they are still well capitalized with substantial real estate assets and understanding to drive a next round of competition, one in which they will be considered with the leaders.

- **Nordies hanging itself?** With Nordstrom's (JWN, \$48.06) announcing exploration into a financial buy-out, with each day of no announcement or rumors, we feel there maybe increasing price arbitrage opportunity to the downside as there are fewer and fewer secret suitors of that size left in the world.

- **Juggernaut 8:** As the Juggernaut 8, trades up and bounces back from the technical sell-off last week, while we believe these are still very valuable set of companies to the market and business we are looking for perhaps a larger pull-back on marketwide trend to jump in deeper. Tesla (TSLA, \$369.80) is the only stock pulling back today after a longer runnup than the group, so we suggest to remain on the sidelines. Apple (AAPL, \$146.34) and Nvidia (NVDA, \$157.32) do look closer than the other currently, and with a small move to the downside, we do believe taking a stronger position. Room to the upside on both stocks here remains substantial.