

The IPOX[®] Week

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- Amid slump in equities, blockbuster earnings propel **IPOX 100 U.S. Index** to big weekly relative performance jump.
- Late Friday's **CDK Global** Buy-Out News set to add to list of takeovers amongst **IPOX 100 U.S. Portfolio Holdings**.
- IPO Deal-flow Review & Outlook: Deals debut mixed on jump in risk; Hong Kong set for wave of small-cap IPOs.

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Amid slump in equities, blockbuster earnings propel **IPOX 100 U.S. Index** (IPXO) to big weekly relative performance jump.

Broad-based, asset allocation driven selling in global equities amid increasing inflationary expectations and a new Fed chair pressed the **IPOX Indexes** to a second week of steep losses. Strong earnings and stock selection, however, helped to mitigate losses in some of the key **IPOX Indexes**. In the U.S., for example, the **IPOX 100 U.S.** (IPXO) – underlying benchmark for the USD billion 1.01 **First Trust U.S. Equity Opportunities ETF** (ticker: FPX) – fell -3.77% to +0.33% YTD, remaining in positive territory YTD, while holding the key 3000.00 mark, outpacing the performance of U.S. equities as measured by the **S&P 500 Index** (SPX) by a large +139 bps. on the week. With the plunge in exchange operator **Cboe Global Markets** (CBOE: -20.45%) weighing, select **IPOX 100 U.S.** (IPXO) exposure jumped despite the sell-off after earnings and helped to drive the strong relative return on the week. Exposure with most upside included high frequency trading firm **Virtu Financial** (VIRT US: +44.07%), 2nd generation social networkers **Snap** (SNAP US: +37.13%) and **Twitter** (TWTR US: +21.57%) or optical communications components maker **Lumentum** (LITE US: +27.54%). We also note the fresh all-time high in Chicago-based online food-delivery platform operator **GrubHub** (GRUB US: +21.08%) after a strong quarterly report and inking a USD million 200 investment deal with restaurant operator **Yum China** (YUMC US: -11.55%).

Late Friday's **CDK Global** (CDK US) buy-out news set to add to list of takeovers amongst **IPOX 100 U.S. (IPXO) Portfolio Holdings**.

News reported by Bloomberg pertaining to the takeover of IL-based application software maker Spin-off **CDK Global** (CDK US: -2.69%) at a significant premium by private equity continued to improve **IPOX 100 U.S.** (IPXO) sentiment. This follows on the January 2018 pending acquisition of Spin-off biotech **Bioverativ** (BIVV US: -0.90%) by French pharma maker Sanofi (SAN FP: -11.22%) at a massive ca. +62% premium.

IPO Deal-flow Review & Outlook: Deals debut mixed on jump in risk; Hong Kong set for wave of small-cap IPOs.

At least 12 notable (non-China A shares and non-local India) firms commenced trading last week with the average (median) equally-weighted IPO gaining/falling by -1.24% (0.00%) based on the difference between the final offering price and Friday's close. Amid the delay of ca. 30% of scheduled deals due to market volatility, most upside focus was on flow control equipment maker Houston-based **Cactus** (WHD US: +7.37%) after upsizing the deal and pricing on top of expected range. Ahead of the slew of New Listings in the Hong Kong Market amid Chinese New Year, non-US domiciled deals significantly underperformed their U.S. counterparts, including Hong Kong-based real estate services firm

IPOX [®] Indexes Price Returns (%)	Last Week	2017	2018 YTD
Exposure: Global/International (x US) (USD)			
IPOX [®] Global (IPGL50)	-5.55	28.59	0.44
IPOX [®] International (IPXI)*	-7.27	37.80	0.55
Exposure: United States (USD)			
IPOX [®] Composite U.S. (IPXC)*	-4.64	33.64	-0.09
IPOX [®] 100 U.S. (IPXO)*	-3.77	26.04	0.33
IPOX [®] 30 U.S. (IPXT)	-4.54	26.63	0.00
Exposure : Europe/Nordic Region (EUR)			
IPOX [®] Europe (IXTE)	-4.90	19.27	-2.42
IPOX [®] Nordic (IPND)	-2.62	17.91	-2.07
Exposure: Asia-Pacific/China Region (USD)			
IPOX [®] Asia-Pacific (IPTA)	-6.71	23.30	-0.44
IPOX [®] Comp. China (IPXUCHCP)	-7.95	42.57	-0.74
IPOX [®] China (CNI)	-9.50	37.67	0.00

* Basis for ETPs: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME listed e-mini **IPOX[®] 100 U.S. Index Futures** [Symbol: IPOH8].

A-Living Services (3319 HK: -23.09%) and respective European-based firms including Spanish real estate developer **Metrovacesa** (MVC SM: -6.06%) or Germany's pharma maker **Dermapharm** (DMP GR: -6.43%). With no significant IPOs scheduled to debut in the U.S., focus this week is on deals in Europe and Asia-Pacific, including Germany's real estate developer **Instone Real Estate** (INS GR), French auto parts maker **Novares Group** (NVS FP) or South Korea's pharma maker **Korea Arlico Pharm** (260660 KS). Amid Chinese New Year, Hong Kong is set for a wave of micro- small-cap deals, including electrical components maker **Time Interconnect Technology** (1729 HK).

Select IPOs traded (week: 02/05/2018)	Country
A-Living Services C	China
Cactus Inc	U.S.A.
Cardlytics Inc	U.S.A.
CFE Capital S de RL de CV	Mexico
CRE Logistics REIT Inc	Japan
Dermapharm Holding	Germany
Enerjisa Enerji AS	Turkey
Evolus Inc	U.S.A.
Huami Corp	China
Metrovacesa S.A.	Spain
Pinnacle Renewable Holdings Inc	Canada
Quintana Energy Services Inc	U.S.A.
Select IPOs expected (week: 02/12/2018)	Country
ASIA SEED Co Ltd	South Korea
Instone Real Estate Group BV	Germany
Korea Arlico Pharm Co Ltd	South Korea
MECOM Power and Construction Ltd	Macau
Motus GI Holdings Inc	Israel
Novares Group SAS	France
Purcari Wineries PLC	Moldova
Time Interconnect Technology Ltd	Hong Kong
Vico International Holdings Ltd	Hong Kong
XYMAX REIT Investment Corp	Japan