



Bull of the Day: Thor Industries (THO)

[Jeremy Mullin](#) July 08, 2020

Thor Industries (THO) is a Zacks Rank #1 (Strong Buy) that makes a wide range of recreational vehicles (RVs). The company manufactures in Indiana and Ohio and sells its products through independent dealers in the U.S. and Canada.

The stock has been hot of late as the appeal of camping has increased due to COVID-19. Consumers are changing their travel habits from international to domestic and one of the best ways to do this is by camper or RV.

Travel Has Changed

There is a lot of fear surrounding travel at the moment as COVID-19 continues to be a problem around the globe. Because the U.S. has one of the highest case counts, some countries have issued quarantine rules for travelers. This isn't appealing for someone on vacation so we are seeing a big reduction in international travel.

Hotels and planes aren't appealing to people yet and will likely be avoided until a vaccine comes. One of the best ways to travel the country is by camper, exploring what the campgrounds of America have to offer. The American consumer shifted with that thought in mind and the demand for RV's has shot higher over the last few months.

Earnings Beat

The stock was crushed during the March panic, making a low of \$30 a share. However, once investors realized how much traveling would be restricted to the country, the stock bounced quickly. After a rally of over 200%, we saw the earnings come out with a 200% beat on EPS.

Thor saw +\$0.43 v a negative \$0.43 expected. The company also beat on revenues, seeing \$1.68 billion v the \$1.42 expected. Moreover, Thor said that Q4 sales improved and they have a backlog for May.

As dealers reopened their dealerships, consumer demand has increased. On the call, the CFO had some comments on the current environment: "Today, market indicators in North America are increasingly positive. Every North American dealer I have spoken to in the last few weeks has been very excited about the pace at which sales are picking up."



This change in the RV market has created a hope that the stock can return to the highs seen in 2018. The company missed earnings five quarters in a row, so these numbers are very promising.

Estimates Rising

Because the quarter was so impressive analysts were forced to take numbers higher. We now see rising estimates across all-time frames over the last month. For next quarter, analyst have raised estimates from \$0.95 to \$1.46, a hike of 54%. For the current year, we see a 76% hike, from \$1.88 to \$3.32,

The Technical Take

The move lower in March created a massive opportunity for long-term investors. However, those looking to enter the stock now might think twice after the big move higher. Let's take a look at some levels to enter.

The 200-day is at \$71 and not likely to come anytime soon. The 50-day is \$90 and could print on a market selloff. With that level, there is a 61.8% Fibonacci level at \$85. The \$100 level has been supported and a move back over \$110 would be bullish. The stock has Fib targets at \$132 and \$151.



In Summary

The way Americans travel has changed due to the pandemic. While this hopefully won't last forever, the current situation makes THO a stock to own as camping gains popularity.



Bear of the Day: YELP (YELP)

[Jeremy Mullin](#) July 08, 2020

YELP (YELP) is a Zacks Rank #5 (Strong Sell) that is a website engaged with providing information through an online community offering social network. The San Francisco based company covers restaurants, shopping, nightlife, financial services, health and other services.

The obvious problem here is most of the reason people went to Yelp was shutdown over the last few months. Even with economies reopening, people are still hesitant to go out. Additionally, when people are going out, they are sticking to the areas they know. Tourists in cities are big users of Yelp, but with very little traveling there is no need for the service.

The stock has rallied off the lows, but has struggled to continue higher like so many tech stocks had. Let's take a look at earnings, estimates and some of the technicals.

Sharp Reductions in Local Business Spend

Yelp has a major issue as economies reopen. Local business has missed a full quarter of sales as everything has been shuttered. For that reason, they have very little budget room in their ad budgets to use with Yelp. Because of recent spikes in cases, we are seeing an even slower reopening in some markets. This is terrible news for revenue and growth at Yelp.

Online advertising is one of the first budgets to be cut and Yelp is on the chopping block for most businesses. Even if a vaccine comes soon and the economy fully reopens, the pent-up demand will not be felt at Yelp like it would in other areas. Instead, we would see a slow return to normal as businesses start getting back to where they were before COVID.

Poor Performance

We have all seen some of the big moves in stocks over the last two months. However, Yelp continues to struggle, still down over 30% from the 2020 highs. The lack of performance is concerning for investors and they should be concerned ahead of earnings on Aug 6th.



Technical Take

The stock is struggling at the \$25 level after trying to move to the 200-day at \$30. The bulls are trying to hold the 50-day moving average at \$23, but the stock looks heavy. If the 50 fails, we could quickly see May lows around \$18.

To the upside, the stock needs to break \$25 and the bulls need over the \$29 level to put pressure on the short sellers.

Estimates

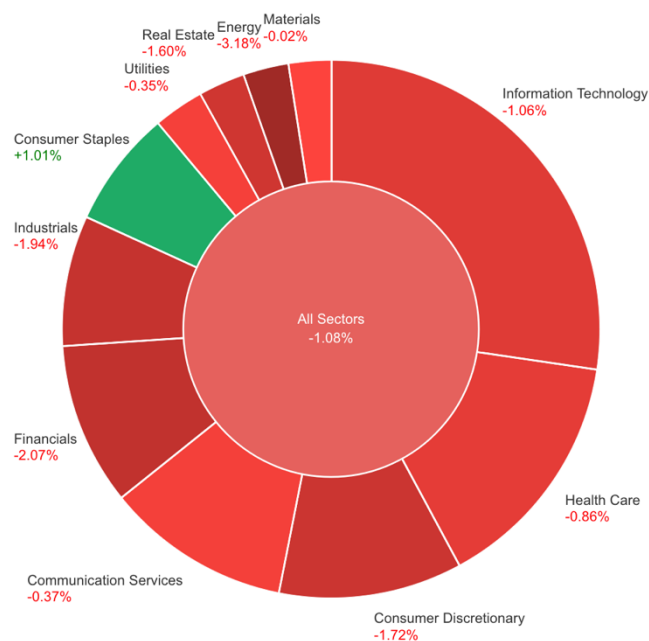
Analysts see the reduction of ad spend as a big issue and are dropping estimates. Over the last 60 days, estimates have fallen 166% for next quarter. For the current year, estimates have dropped over 80% for the same time period.

In Summary

There are plenty of stocks to choose from that are making new highs every day. Until YELP can show that the open of the economies is turning their business around, avoid the stock.



Sector Performance



	% PRICE CHANGE
All Sectors	-1.08%
Consumer Staples	+1.01%
Materials	-0.02%
Utilities	-0.35%
Communication Services	-0.37%
Health Care	-0.86%
Information Technology	-1.06%
Real Estate	-1.60%
Consumer Discretionary	-1.72%
Industrials	-1.94%
Financials	-2.07%
Energy	-3.18%

Data last updated as of 12:00 AM EDT 07/07/2020

* The weighted average of intraday total return

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Premarket Screener

LEADERS

07/08/2020

SYMBOL	COMPANY NAME	PREMARKET PRICE	PREMARKET VOL	PREMARKET CHG	PREMARKET CHG %
<u>STAY</u>	<u>Extended Stay America Inc.</u>	\$12.00	4	1.00	9.09%
<u>BIIB</u>	<u>Biogen Inc.</u>	\$288.00	74.40K	19.65	7.32%
<u>STL</u>	<u>Sterling Bancorp</u>	\$11.05	39	0.71	6.87%
<u>LVGO</u>	<u>Livongo Health Inc.</u>	\$98.20	73.62K	4.44	4.74%
<u>WY</u>	<u>Weyerhaeuser Co.</u>	\$23.25	920	1.05	4.73%
<u>MTG</u>	<u>MGIC Investment Corp.</u>	\$7.71	3,003	0.34	4.61%
<u>DOCU</u>	<u>DocuSign Inc.</u>	\$206.13	53.51K	8.38	4.24%
<u>RGLD</u>	<u>Royal Gold Inc.</u>	\$129.92	40	5.05	4.04%
<u>IVZ</u>	<u>INVESCO Ltd.</u>	\$10.74	1,227	0.40	3.87%
<u>VVV</u>	<u>Valvoline Inc.</u>	\$19.80	650	0.72	3.77%

LAGGARDS

07/08/2020

SYMBOL	COMPANY NAME	PREMARKET PRICE	PREMARKET VOL	PREMARKET CHG	PREMARKET CHG %
<u>AIV</u>	<u>Apartment Investment & Management Co.</u>	\$36.50	10	-1.50	-3.95%
<u>ABC</u>	<u>AmerisourceBergen Corp.</u>	\$95.10	36	-3.20	-3.26%
<u>AES</u>	<u>AES Corp.</u>	\$13.70	85	-0.44	-3.11%

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SYMBOL	COMPANY NAME	PREMARKET PRICE	PREMARKET VOL	PREMARKET CHG	PREMARKET CHG %
<u>ALL</u>	<u>Allstate Corp.</u>	\$89.84	53.98K	-2.81	-3.03%
<u>NDAQ</u>	<u>Nasdaq Inc.</u>	\$117.02	89	-3.45	-2.86%
<u>UAL</u>	<u>United Airlines Holdings Inc.</u>	\$31.63	485.56K	-0.92	-2.83%
<u>GH</u>	<u>Guardant Health Inc.</u>	\$83.21	927	-2.07	-2.43%
<u>HUBS</u>	<u>HubSpot Inc.</u>	\$230.01	1,739	-5.25	-2.23%
<u>AAL</u>	<u>American Airlines Group Inc.</u>	\$11.66	851.80K	-0.25	-2.10%
<u>MSM</u>	<u>MSC Industrial Direct Co.</u>	\$72.25	4,391	-1.48	-2.01%

MOST ACTIVE
07/08/2020

SYMBOL	COMPANY NAME	PREMARKET PRICE	PREMARKET VOL	PREMARKET CHG	PREMARKET CHG %
<u>GE</u>	<u>General Electric Co.</u>	\$6.83	1.366M	0.07	1.04%
<u>AAL</u>	<u>American Airlines Group Inc.</u>	\$11.66	851.80K	-0.25	-2.10%
<u>UAL</u>	<u>United Airlines Holdings Inc.</u>	\$31.63	485.56K	-0.92	-2.83%
<u>MRO</u>	<u>Marathon Oil Corp.</u>	\$5.69	312.76K	0.12	2.15%
<u>WMT</u>	<u>Walmart Inc.</u>	\$128.06	204.57K	1.11	0.87%
<u>CCL</u>	<u>Carnival Corp.</u>	\$14.65	203.55K	0.08	0.55%

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SYMBOL	COMPANY NAME	PREMARKET PRICE	PREMARKET VOL	PREMARKET CHG	PREMARKET CHG %
<u>BA</u>	<u>Boeing Co.</u>	\$180.04	194.64K	1.16	• 0.65% ●
<u>AAPL</u>	<u>Apple Inc.</u>	\$375.75	170.55K	3.06	• 0.82% ●
<u>SQ</u>	<u>Square Inc. Cl A</u>	\$128.58	163.82K	2.98	• 2.37% ●
<u>BAC</u>	<u>Bank of America Corp.</u>	\$23.04	161.34K	0.03	• 0.13% ●
<u>TSLA</u>	<u>Tesla Inc.</u>	\$1,398.14	160.99K	8.28	• 0.60% ●
<u>BDN</u>	<u>Brandywine Realty Trust</u>	\$10.24	146.04K	0.00	• 0.00% ●
<u>WFC</u>	<u>Wells Fargo & Co.</u>	\$24.42	144.83K	-0.04	-0.16% ●
<u>UBER</u>	<u>Uber Technologies Inc.</u>	\$32.97	136.54K	0.15	• 0.46% ●
<u>KSS</u>	<u>Kohl's Corp.</u>	\$20.87	124.55K	0.57	• 2.81% ●
<u>F</u>	<u>Ford Motor Co.</u>	\$6.16	120.98K	0.04	• 0.65% ●
<u>FB</u>	<u>Facebook Inc. Cl A</u>	\$238.35	119.25K	-2.51	-1.04% ●
<u>MSFT</u>	<u>Microsoft Corp.</u>	\$209.80	113.97K	1.55	• 0.74% ●
<u>NCLH</u>	<u>Norwegian Cruise Line Holdings Ltd.</u>	\$15.21	113.31K	-0.06	-0.39% ●
<u>DAL</u>	<u>Delta Air Lines Inc.</u>	\$26.76	110.38K	-0.25	-0.93% ●

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