

Stock	Buy / Short	Thesis	Current Price	Target Price
FIZZ	BUY	<p>The National Beverage Corp. is a leader in the development, manufacturing, marketing, and sale of a diverse portfolio of flavored beverage products. As the beverage industry continues to become increasingly more competitive, a company's competitive advantage within the industry plays a key role in the future growth of the company. As consumer preferences in the beverage industry continue to shift towards healthier products, the National Beverage Corp. will continue to capture market share from bigger competitors as they continue to build upon their Power+ nutritional brands. The National Beverage Corp produces soft drinks for certain allied brand retailers, a strategic alliance which results in improved marketing efforts for the National Beverage Corp. without the use of much additional capital. The National Beverage Corp. has also continued to expand and market their line of energy drinks, which is one of the highest growing sectors within the beverage industry.</p>	\$ 38.44	\$ 41.91
RIO	BUY	<p>Rio Tinto is a world leader in mining operations, and unlike many pure-play firms, Rio has an impressive diversification of assets. The company has its hands on virtually everything that can be extracted via mining. While Iron ore makes up the majority of the company's business, the cost to extract and sell the ore is the lowest in the industry for Rio. Changes in the market for iron are occurring rapidly as the Chinese boom appears to be peaking. Iron ore is forecasted to drop in price by up to 35% through 2020. Pure-play operators and miners with less diversified portfolios will likely suffer significant losses in the coming 5 years because of this. Rio's asset base and low-cost production of iron should allow them to maintain healthy profits even as the price of iron decreases. As competitors begin to fail Rio will continue to benefit from greater market share. Another significant challenge for pure-play miners is the cyclical nature of the commodity market. Rio avoids the downfalls associated with this because of its greatly diversified portfolio. Along with combatting cyclical trends Rio Tinto's portfolio will also allow it to take full advantage of the changes occurring the Chinese market in terms of both supply and demand, and shifts in the performance of competitors such as Vale. Chinese state-backed steel production has been cut significantly in the fourth quarter of 2015 and the trend is continuing in fiscal 2016. This, along with increased demand for other materials as the Chinese continue to develop industrially will help to increase the return on invested capital and improve shareholder value at Rio.</p>	\$ 30.32	\$ 35.76

HII	BUY	<p>The company is a monopoly within the U.S. aircraft carriers market, and a duopoly within the U.S. Navy shipbuilding companies with General Dynamics (NYSE:GD). Such a position is bringing huge and constant revenues and will be granted several contracts by default. Its formidable position gives the company advantageous contract terms with the U.S. government.</p> <p>The recent acquisitions is bringing some diversification to the nuclear energy, and oil & gas industry and might be able to add some crucial growth to a current lower-than-average revenue growth due to recent defense budget cuts. Even if currently the acquisition is not bringing enough revenues as the oil market is in crisis, it may become a very strong source of revenue and earnings in the long-run.</p>	\$ 131.47	\$157.00
GSB	BUY	<p>GlobalSCAPE manages file transfers for businesses with crucial information. Demand has been increasing with no signs of slowing down as technology evolves and more and more people rely on the internet to transfer their critical information. The industry as a whole will see increased demand, as more and more businesses have to protect their data from hackers. As the business grows they will be able to decrease their operating costs which will lead to increased cash that they can reinvest in the business or pay dividends out to their current shareholders. They have also been showing positive revenue growth that they should be able to continue with a very high floor due to the nature of the industry, and the growing demand within the industry. They also will rely on more third party marketing which will let the GlobalSCAPE team focus more on product development and enhancing their current products.</p>	\$ 3.97	\$ 4.82
KATE	BUY	<p>KATE has positioned itself in a competitive industry to gain market share by giving the consumers what they want. They have paid close attention to consumer taste and have been rewarded for it based on their fourth quarter increase in their share price. The company has made key partnerships over the year which have taken away some of the R&D burden that comes with trying to innovate their handbags. This innovation will keep customers coming back and build up their same store sales. Their main competitor, Michael Kors, has seen continuous decline in same store sales and in sales per square footage. Whereas Kate Spade has continuously been improving these numbers, an area vital for retail. KATE is a recommended a buy with a target price of \$29.82. This is a one-year return of around 29%.</p>	\$ 23.07	\$ 29.82

HLF	SELL	HLF has been masking their highly sophisticated Ponzi scheme for over 30 years with the sale of health products. Recently, HLF has been receiving complaints and are now under multiple litigations based on a plethora of allegations. This has been destroying value to the company as each year more expenses are accrued because of constant legal trouble. This legal trouble will not disappear and HLF does very little to notify the public about potential losses as they believe that their business is entirely ethical. The financial trouble that they consistently get into has resulted in	\$ 55.39	\$ 33.00
HLF	SELL	Herbalife ltd is a leading company in his segment but has several financial weaknesses and flaws. On the 30th September 2015, the company had a Debt to Total Value of 1.05. In 2014, Herbalife launched a \$1 Billion dollars repurchase program and was planning on taking \$1.5 Billion dollars of debt in order to finance this project. Due to this repurchase of stock; the company generated a negative cash flow of \$327.6 million dollars in 2014 when they purchased stocks worth \$1,291.9 million dollars. In addition to these alarming signals the company announced a negative retained earnings of 665.4 million dollars despite a net income of \$308.7 million. We have also observed a massive shortfall in their stock price from \$83 (at most) to \$38.5. During the period the company ceased purchasing their common stock by fear of financial difficulty. This phase of high instability within the financial structure of the firm creates a tempting breach to short a stock that is surely overvalued and on the decline.	\$ 55.39	\$ 27.32
GME	BUY	Gamestop is currently priced at \$32.19. In the beginning of November 2015, they were priced at roughly \$47 per share. The decrease was due to a crash within the entire market with nothing specifically applying to Gamestop. After reaching a low of \$25 per share in January, Gamestop is starting to make up for the loss, making this a perfect time to buy. .Not only is the price historically low, but the company is also diversifying its revenue streams in order to become more flexible using their newly acquisitioned Technology Brands segment. This include the sales of new pre-paid phone, tablets and other electronics. This helps them diversify their revenue stream that way they are not completely dependent on their suppliers to constantly come out with new games and consoles. Lastly, Gamestop gets an extremely high amount of their value from purchasing pre-owned games a high discount and then reselling those games or consoles to a new consumer at a much higher rate. This segment contributed 41% of their gross profit in 2015 and 2014.	\$ 31.23	\$ 68.67

CHH	SELL	<p>Just like cell phones almost erased the existence of land lines or the apparition of smart phones with camera made useless the job of photographer, what happens to the hotel industry with the development of platform such as AirBnB is more likely to cause a severe crisis for this industry which will have to rethink how it brands itself. The rise of the power of Millenials is challenging hotels companies such as Choice Hotels, which does not bring the customized experience that this generation is looking for. While the decline on the long-term is definitely in action, Choice Hotels which has shown an increase in its revenue is not understanding and facing this challenge yet, which is more likely to drown it in the mid-term when it will see how important customization is.</p>	\$ 52.36	\$ 32.28
MED	BUY	<p>Medifast has been a leading provider of weight loss and maintenance products and programs for many years. The increasing heath-awareness trend paired with American's ever quickening on-the-go lifestyle provide Medifast with substantial growth potential. Additionally, throughout the last year, Medifast invested heavily in the development, growth, and simplification of their largest business, Take Shape for Life, which accounts for 75.7% of their business. Quarter three 2015 earnings demonstrated tangible results from the actions taken throughout the year, signaling a positive improvement within Take Shape to Life. The program realized both health coach growth and increasing coach productivity, both of which bolstered revenues generated by TSL. Lastly, Medifast has demonstrated consistent value creation and improving margins. According to their Q3 2015 earnings call, gross margin expanded 110 basis points and Medifast was able to effectively manage their expenses, resulting in earnings per share exceeding expectations. Additionally, the implied continuing period ROIC/WACC is 2, signifying long term value creation. Medifast's years of experience in this industry along with their commitment to growth and evolving with the changing market make Medifast an attractive investment, and its current undervaluation due to deferred realized revenues pose an opportune time for investors to buy. This report includes an analysis and forecast of the MED stock price.</p>	\$ 30.52	\$ 39.93