MORNING BRIEFING
February 18, 2021

Have Shot, Will Travel

Check out the accompanying chart collection.

(1) Disney wishes on a star, vaccines for all by April. (2) Carnival's customers booking for 2H-2021. (3) S&P 500 Biotech underperforms, but smaller biotech names are on fire. (4) All biotech ETFs are not alike. (5) Outperformers boosted by acquisitions and hot IPO market. (6) Nuclear energy reimagined: smaller, cheaper, safer. (7) Bill Gates-backed TerraPower and X-energy win DOE contest to build SMRs (small modular reactors).

Consumer Discretionary: Packing Our Bags. The vaccine rollout has been far from perfect, but it's happening slowly but surely. Here in New York, many folks over the age of 65 have either gotten a jab or have an appointment to get one in the next few weeks. Assuming some new variant of Covid-19 doesn't shut the world down again, it might finally be okay to start planning that summer vacation.

Apparently, we're not the only ones who think so. The S&P 500 hit its tenth record high this year last Friday, and many travel-related industries rallied over the past week (*Fig. 1*). The top-performing S&P 500 industry for the week ending Tuesday was Hotel & Resort REITs, up 12.5%. Other travel-related industries also had a strong showing over the same period, including Hotels, Resorts & Cruise Lines (4.2%), Airlines (3.7), and Casinos & Gaming (3.4) (*Fig. 2*). All trounced the S&P 500, which gained 0.5% over the same period.

Here's a quick look at some of the optimistic news out of the travel industry:

(1) *Disney sees the magic returning.* With many of its parks closed or open at reduced capacity, fiscal Q1 (ended January 2, 2021) revenue at Disney's parks, experiences, and products segment fell 53% y/y to $3.6 billion. The company estimated that the pandemic hurt the park's operating income by about $2.6 billion, and the segment posted an operating loss of $119 million in the fiscal Q1.

CEO Bob Chapek said in the company's February 11 conference call that he expects the parks will have "some level of social distancing and mask wearing for the rest of the year." But he noted that Dr. Fauci was optimistic that there would be vaccines for everyone who wants them by April. "If that happens, that is a game changer," he said. "That could accelerate our expectations and give people the confidence that they need to come back to the parks. Will there be some overlap until we know that we've hit herd immunity? Sure, there will. But do we also believe that we'll be in the same state of 6-foot social distancing and mask wearing in '22? Absolutely not."

(Dr. Fauci subsequently gave himself a bit more wiggle room and told CNN that it might take until May, June, or July before vaccines are available to all. But the point that the end of this nightmare is sooner rather than later remains.)

(2) *Can't keep cruisers on land.* Carnival went back to the well and sold $3.5 billion of 5.75% senior unsecured notes this week after giving investors an operational update on January 11. Only the company's Costa Cruises and AIDA Cruises are sailing, and with a limited number of guests. When additional ships return to operation, it will also be with "adjusted" passenger capacity.

The good news is that consumers are indicating they're willing to sail once restrictions are lifted. "At December 20, 2020, cumulative advanced bookings for the second half of 2021 are within the historical range. Additionally, the cumulative advanced bookings for the first half of 2022 are ahead of 2019. (Due to the pause in guest cruise operations in 2020, the company's future booking trends will be compared to 2019.)," the company press release stated. Carnival noted that these bookings were achieved with minimal advertising and marketing.

Some customers may be willing to risk booking a trip because if the sailing is canceled, Carnival will let customers reschedule or receive their money back. Carnival declined to give an earnings forecast, but noted that at year-end it had $9.5 billion of cash and equivalents and estimated its average monthly cash burn rate for Q1 will be $600 million. It anticipates surviving even if 2021 is another year without much revenue.

Health Care: Diagnosing Biotech Returns. We've followed some of the truly amazing innovation in the health care industry over the past year. Moderna and Pfizer/BioNTech's development and distribution of Covid-19 vaccines in under a year was nothing less than a modern miracle. And Regeneron Pharmaceutical's antibody drug has helped reduce the mortality rate of Covid-19.

Despite these medical milestones, the S&P 500 Biotechnology stock price index is up only 3.8% y/y through Tuesday's close, and the S&P 500 Pharmaceuticals index has risen 5.9% over the same period (*Fig. 3* and *Fig. 4*). Both sharply trail the S&P 500, which has rallied 16.3% y/y, and two of the industry's most popular exchange-traded funds (ETFs). The iShares Nasdaq Biotechnology index (IBB) has risen 36.4% y/y, and the S&P Biotech index (XBI)—a Standard & Poor's Depositary Receipt (SPDR)—has jumped 65.0% y/y.

Let's take a look at what's driving such diverse price performance:

(1) *Big isn't always better.* The S&P 500 Biotechnology index has grown up quite a bit in the past 30 years. Gilead and Biogen—once upstarts in the industry with little to no profits—have grown into corporate giants. They generate lots of cash, but their earnings growth has slowed, and they've dragged down the broader index's performance over the past year.

Here's the performance derby for the members of the S&P 500 Biotechnology stock price index y/y through Tuesday's close: Alexion Pharmaceuticals (52.8%), Regeneron Pharmaceuticals (20.3), AbbVie (10.8), Incyte (4.7), Amgen (4.2), Gilead Sciences (-4.1), Vertex Pharmaceuticals (-13.8), and Biogen (-16.1).

Biogen's 2021 earnings are forecast to decline to $18.96 per share from $24.80 last year as some of its older drugs face generic competition. The company awaits news about whether its Alzheimer's drug aducanumab will receive Food & Drug Administration approval as well as results from a study on a depression drug it's developing. Gilead's earnings have been bolstered by the sale of Covid-19 treatment remdesivir, but that's seen as a temporary offset to the sales declines resulting from some of its HIV drugs coming off-patent. Analysts forecast that Gilead's earnings will be flattish this year, at $7.08 a share, and fall to $6.63 a share in 2022.

The shares of Vertex, which is much smaller than Biogen or Gilead, dropped sharply after it unexpectedly stopped trials of a protein-deficiency drug because of safety concerns. The company is partnering with Crispr on its gene-editing therapy for sickle cell disease, but analysts expect earnings rise to $11.18 a share this year, up from $10.29 last year.

Alexion shares surged in December after it received an acquisition offer from AstraZeneca at a 45% premium. Alexion specializes in developing rare-disease and immunology drugs. Regeneron's shares have rallied on the success of its Covid-19 antibody drug and strength of its eczema drug and macular degeneration drug. The company announced a deal in January worth up to $2.6 billion this year to sell the antibody drug to the US government. AbbVie's acquisition of Botox maker Allergan in 2019 has helped its earnings grow, but about half of the drug maker's 2020 revenue comes from Humira, an autoimmune treatment that will face competition in 2023.

Analysts expect the aggregate revenues of the S&P 500 Biotechnology index's companies to climb 9.5% this year and 3.4% in 2022 while earnings improve moderately, by 6.9% in 2021 and 6.6% next year (*Fig. 5* and *Fig. 6*). The industry's forward earnings multiple has declined along with its earnings growth rate. The forward P/E is now 11.0, down from levels in the 20s and 30s during growthier eras (*Fig. 7*).

(2) *Smaller names have outperformed*. Smaller biotech stocks have outperformed stocks of the larger companies in the industry. The S&P 400 MidCap and S&P 600 SmallCap Biotechnology stock price indexes have rallied 50.6% and 53.6% y/y through Tuesday's close.

Likewise, biotech ETFs that emphasize smaller stocks have outperformed over the past year. The iShares Nasdaq Biotechnology index (IBB) holds almost 300 biotech or pharmaceutical Nasdaq-listed stocks with market caps from $110 million to $138 billion, a January 14 *Barron's* article explained. The index is market-cap weighted and, as we mentioned above, rallied 36.4% y/y through Tuesday's close. Meanwhile, the SPDR S&P Biotech index (XBI) holds 173 biotech stocks listed on any exchange with market caps from $73 million to $199 million. It has risen 65.0% because its stocks are equal weighted, so smaller stocks pack a bigger punch.

The strongest return—197.5% y/y—was generated by the fund with the narrowest mandate: the ARK Genomic Revolution ETF. While the IBB and XBI are passive index funds, the ARK fund is actively managed and holds 51 stocks that are mostly small- or mid-cap in size. The fund can invest in health care stocks but also in technology names like Alphabet or Teladoc Health.

(3) *Capital markets provide boost.* Strong markets for mergers & acquisitions and initial public offerings (IPO) helped bolster small- and mid-cap biotech stocks. Drug manufacturers bought 19 biotech startups last year, up from 15 in 2019, according to Silicon Valley Bank data used in a January 14 *WSJ* article.

The number of deals done last year was the largest since the peak of 20 deals in 2016. And deal volume is expected to be high again this year as larger companies have cash and need growth. Those small companies that didn't find a dance partner had a wide-open IPO market to tap. Eighty-four bio techs went public last year, topping the previous peak of 66 IPOs in 2014.

Disruptive Technologies: Going Nuclear? Television journalist Anderson Cooper did an interesting interview with Bill Gates for "60 Minutes" last weekend. The sweater wearing Gates is the know-it-all, nerdy guy the public has known for years, and the conversation focused on his new book about climate change.

To hear that Gates believes in climate change was no surprise; he drives an electric vehicle, has solar panels on his house, and buys carbon offsets to atone for flying around the world in a private jet. To learn that he's interested in—indeed, has invested in—nuclear energy was surprising. Granted, it isn't yesteryear's huge nuclear plants with the checkered past (including accidents at Three Mile Island in the US, Chernobyl in the Ukraine, and Fukushima Daiichi in Japan) that he is all for. Rather, he's excited about small modular reactors—or SMRs.

SMRs are small enough to fit on the flat bed of a truck, and their production would be standardized to bring down cost and to ease regulatory approvals. Because they're smaller than traditional nuclear plants, they produce much less energy; but they could be used to generate the electricity for a single industrial plant or provide backup power to solar or wind electricity generation. The hope is that SMRs are safer than large plants too.

The interview's timing was perfect, as the buzz around nuclear energy grew louder amid the frigid temperatures and blackouts in Texas this week. The Electric Reliability Council of Texas said that of the 45,000 megawatts of electricity that are "offline," wind turbines were responsible for 15,000 megawatts and gas and coal fired plants were responsible for 30,000 megawatts, a *USA Today* article reported on Tuesday. Nonetheless, critics have used the blackouts as a "we told you so" moment and opportunity to highlight the unreliability of solar and wind power.

Let's use the blackouts to look at the technological advances in nuclear energy with a set of new eyes:

(1) *Gates and TerraPower.* Gates is pushing forward with nuclear power through TerraPower, a company he helped launch in 2006 as an investor and as chairman of its board, according to

the company's website. The company was one of two winners of the US Department of Energy's (DOE) Advanced Reactor Demonstration Program. TerraPower and its partner GE Hitachi will receive $80 million to build the Natrium reactor and have it operational within seven years.

Instead of harnessing the power of a nuclear reaction to heat water, as is done in a traditional reactor, the Natrium reactor uses molten salt and generates 345 megawatts of energy. The reactor can operate at higher temperatures because the molten salt can absorb heat without increasing the pressure within the plant the way water does.

Natrium also has thermal salt storage reserves that can store energy for future use. So the reactor could be used to meet peak demand needs or be used when renewable energy is unavailable. When the energy in storage is used, the plant's total output jumps to more than 500 megawatts, which can be sustained for more than five and a half hours, the company's website explained. The Natrium reactor uses the nuclear waste of old nuclear plants—depleted uranium—as fuel and creates far less waste than a traditional plant because it has higher thermal efficiency and higher fuel density.

(2) *X-energy is a DOE winner too.* The Xe-100 is an 80-megawatt reactor that can be combined into a four-pack to together generate 320 megawatts of energy. X-energy also won $80 million from the DOE to deploy its technology.

X-energy uses "enriched fuel pebbles," which contain "thousands of specially coated Tristructural Isotropic (TRISO) uranium fuel particles that are virtually indestructible," a January 5 DOE report stated. The pebbles are loaded into the reactor, and helium gas is used to take the heat out of the reactor and into a steam generator that produces the electricity. Each pebble remains in the core for a little more than three years and is circulated through the core up to six times. When the pebbles are spent, they are "placed directly into dry casks and stored on-site."

According to the DOE, there are more than 20 US companies developing new nuclear reactor designs in an effort to enhance the industry's safety, efficiency, and economics.

CALENDARS

US: **Thurs:** Housing Starts & Building Permits 1.655mu/1.680mu, Initial & Continuous Jobless

Claims 765k/4.435m, Philadelphia Fed Manufacturing Index 20, Import & Export Prices, EIA Crude Oil Inventories, EIA Natural Gas Stocks Change, Brainard. **Fri:** M-PMI & NM-PMI Flash Estimates 58.5/57.6, Existing Home Sales 6.61mu, Baker-Hughes Rig Count, Barkin, Rosengren. (DailyFX estimates)

Global: Thurs: EU Car Registrations, Eurozone Consumer Confidence Flast -15, UK Gfk Consumer Confidence -27, Japan Core CPI -0.7% y/y, ECB Monetary Meeting Accounts, ECB Financial Standards, Schnabel, Wuermeling. **Fri:** Eurozone, Germany, and France C-PMI Flash Estimates 48.0/50.5/47.5, Eurozone, Germany, and France M-PMI, Flash Estimates 54.3/56.5/51.4, Eurozone, Germany, and France NM-PMI Flash Estimates 45.9/46.5/47.0, UK C-PMI, M-PMI, and NM-PMI Flash Estimates 42.2/53.2/41.0, UK Retail Sales Total & Ex Fuel -1.3%/2.2% y/y, France CPI 0.6% y/y, Italy CPI 0.2% y/y, Canada Retail Sales -2.5%. (DailyFX estimates)

STRATEGY INDICATORS

Stock Market Sentiment Indicators (*link*): The Bull/Bear Ratio (BBR) ticked up this week to 3.27, after falling from 3.71 to 3.20 the prior two weeks, posting its 15th consecutive week above 3.00. Bullish sentiment climbed for the second week to 59.1% this week from 57.8% two weeks ago—which was the first percentage below 60.0% since mid-November—while bearish sentiment slipped to 18.1% this week after rising the prior two weeks from 16.5% to 18.3% last week, the first move above 18.0% since mid-November. The correction count sank for the second week from a 12-week high of 25.5% to 22.8% this week over the period. The AAII Ratio advanced for the second week last week, from 49.6% to 63.4%, with bullish sentiment rising to a six-week high of 45.5% and bearish sentiment falling to a seven-week low of 26.3%.

S&P 500 Earnings, Revenues, Valuation & Margins (*link*): The rapid pace of Covid-19 estimate cuts has turned into a V-shaped recovery as analysts continue to play catch-up from their lowball estimates prior to the better-than-expected Q2 and Q3 earnings seasons. Consensus S&P 500 forecasts had been falling at rates paralleling the declines during the 2008-09 financial crisis. Forward revenues is now at its highest level since early March and is just 0.3% below its record high in February 2020. Forward earnings is at its highest level since mid-March and is now 0.8% below its record high in early March. Forward revenues growth rose 0.3ppt w/w to a record high of 8.7%, surpassing its prior record of 8.5% during April 2010. That's up from 0.2% in April, which was the lowest reading since June 2009. Forward earnings growth remained steady w/w at 21.8%. It had been at 22.8% at the end of January, its highest level since July 2010 and up substantially from its record low of -5.6% at the end of April. Analysts expect revenues to decline 2.6% y/y in 2020 and rise 9.3% in 2021 compared to the 4.3% reported in 2019. Analysts expect an earnings decline of 12.8% y/y in 2020 and a 24.4% gain in 2021 compared to a 1.5% rise in 2019. The forward profit margin remained steady w/w at 11.9%; that's the highest reading since early March and up 1.6ppts from 10.3% during April, which was the lowest level since August 2013. It's still down 0.5ppt from a record high of 12.4% in September 2018. Analysts expect the profit margin to fall 1.2ppt y/y in 2020 to 10.3%—from 11.5% in 2019—and to improve 1.4ppt y/y to 11.7% in 2021. Valuations were higher last week. The S&P 500's weekly forward P/E rose to 22.2 from a three-month low of 21.8. That compares to 23.1 in early September, which was the highest level since July 2000 and up from a 77-month low of 14.0 in mid-March. The S&P 500 price-to-sales ratio rose 0.03pt w/w to 2.65, which matches its record high during the 1/21 week and compares to its 49-month low of 1.65 in mid-March.

S&P 500 Sectors Earnings, Revenues, Valuation & Margins (*link*): Last week saw consensus forward revenues and earnings rise w/w for 10 of the 11 S&P 500 sectors. Real Estate had both measures decline w/w. Forward P/E ratios for nearly all sectors now are back above their record or cyclical highs prior to the Covid-19 bear market. During 2019, just two sectors' margins improved y/y: Financials and Utilities. Consumer Staples, Tech, and Utilities are the only sectors expected to have an improved profit margin in 2020, whereas back in early March eight sectors were expected to see margins improve y/y. For 2021, all but Real Estate are expected to improve y/y. The forward profit margin was at record highs during 2018 for 8/11 sectors, all but Energy, Health Care, and Real Estate. Since 2018, it has moved lower for nearly all the sectors. The forward profit margin rose for Energy and Industrials in the latest week, and ticked down for Materials. Real Estate has been improving in recent weeks from its lowest level since January 2012 and Energy from its record low. Here's how the sectors rank based on their current forward profit margin forecasts versus their highs during 2018: Information Technology (23.0%, down from 23.1%), Financials (17.1, down from 19.2), Communication Services (14.6, down from 15.4), Utilities (14.5, a new record high), Real Estate (13.5, down from 17.0), S&P 500 (11.9, down from 12.4), Materials (11.1, down from 11.6), Health Care (10.9, down from 11.2), Industrials (8.7, down from its record high of 10.5% in mid-December), Consumer Staples (7.6, down from 7.7), Consumer Discretionary (6.9, down from 8.3), and Energy (4.2, down from 8.0).

S&P 500 Sectors Forward Revenues and Earnings Recovery from Covid-19 Trough (*link*): The S&P 500's forward revenues and earnings, as well as its implied forward profit margin, bottomed at cyclical lows on May 28 after 14 weeks of Covid-19-related declines. Since then, S&P 500 forward revenues has risen 8.3%, forward earnings has gained 26.0%, and the forward profit margin has risen 1.7pt to an 11-month high of 11.9%. Among the 11 sectors, all but Industrials and Consumer Discretionary posted new, across-the-board, post-Covid-19 highs during the latest week in either their forward revenues, earnings, or profit margin. The major laggards from their pre-Covid-19 highs: Energy, Consumer Discretionary, and Industrials. Among those three sectors, all but Industrials appear to be on an upswing now. Here's how the 11 sectors rank by their changes in forward revenues and forward earnings since May 28: Information Technology (forward revenues up 13.4%, forward earnings up 20.2%), Communication Services (12.9, 23.2), Materials (12.7, 42.4), Industrials (10.1, 29.8), Financials (9.5, 39.0), Health Care (8.5, 18.2), S&P 500 (8.3, 26.0), Energy (5.0, 665.4), Consumer Staples (4.7, 11.5), Consumer Discretionary (2.3, 50.4), Real Estate (1.5, -3.7), and Utilities (-0.8, 3.5). Tesla's addition to the S&P 500 on December 21 caused revenue and earnings forecasts to fall for the index and the Consumer Discretionary sector. Before then, S&P 500 revenues were up 7.1% and earnings 19.6%. The similar readings for Consumer Discretionary then were 11.2% and 39.7%, which would have ranked the sector first in the revenues derby instead of near the bottom.

US ECONOMIC INDICATORS

Retail Sales (*link*): Both headline and core retail sales blew past forecasts in January—soaring to new record highs—boosted by the latest round of stimulus checks, along with a slowing in Covid cases. It was the first increase in both measures in four months. Headline sales rebounded 5.3% last month—with every category in the plus column—following a Covid-related drop of 2.4% during the three months through December. Core retail sales (which excludes autos, gasoline, building materials, and food services) jumped 6.0% after a 3.6% contraction over the comparable periods. In January, all 13 nominal sales categories advanced, led by double-digit gains in electronic & appliance stores (14.7%), furniture stores (12.0), and nonstore retailers (11.0), with department stores (23.5)—which is included in general merchandise stores (5.5)—driving that component higher. Most of the remaining categories posted impressive gains: sporting goods & hobby stores (8.0), food services & drinking places (6.9), clothing stores (5.0), building materials & gardening equipment stores (4.6), gasoline service stations (4.0), motor vehicle dealers (3.1), food & beverage stores (2.4), miscellaneous store retailers (1.8), and health & personal care stores (1.3). Here's a list of the retailers that reached new record highs in sales during January: motor vehicles, furniture, building materials, health & personal care, miscellaneous store, and nonstore.

Business Sales & Inventories (*link*): Nominal business sales climbed to a new record high in December, while real business sales in November was little changed around October's record high, more than recovering their Covid-related declines. Nominal business sales expanded 0.8% in December and 26.1% since last April, while real sales (reported with a one-month lag) dipped slightly by 0.3% in November and was up 19.5% from April lows. Real sales of retailers more than recouped pandemic-related losses, surpassing its pre-pandemic reading by 7.4%, while real sales of wholesalers is only fractionally below pre-Covid readings; both are stalled at record highs. Real manufacturing sales has advanced in six of the past seven months, by a total of 16.5%, and is just 0.5% shy of pre-pandemic levels. December's nominal inventories-to-sales ratio was at 1.32 for the fifth month, after shooting up from 1.38 in February to 1.67 in April. Similarly, the real inventories-to-sales ratio for November remained at 1.36; it had soared to a record high of 1.66 in April from 1.43 in February.

Industrial Production (*link*): Industrial output continued to climb in January, as both headline and manufacturing production posted their eighth increase since bottoming in April. Headline production advanced 0.9% last month and 17.4% over the nine months through April, with manufacturing output up 1.0% and 23.8% over the comparable periods; the former is within 1.9% of pre-Covid levels, the latter within 1.0%. Here's a snapshot of output by market group (and their components) since their April lows and where they stand relative to their February levels: business equipment (36.7% & -3.4%), led by transit equipment (296.0 & 0.0), followed by industrial equipment (23.6 & -4.8) and information processing equipment (2.8 & -3.0)—with the latter showing little volatility during the pandemic shutdown. The same exercise shows the rebound in consumer goods production (22.6% & +1.6%) is being driven by durable goods (105.1 & +1.1)—mostly automotive products (353.6 & +0.4)—though auto output has stalled at record levels recently. The gain in consumer nondurable goods (9.4 & +1.9) production has paled in comparison, though has rebounded 2.6% the past two months, after little change the prior three months.

Capacity Utilization (*link*): The headline capacity utilization rate has increased every month but one since bottoming in April, posting its best percentage since just before the pandemic hit in January. The capacity utilization rate jumped from a record-low 64.2% in April to 75.6% last month, 11.4ppts higher than its trough in April but still 4.0ppts below its long-run average. Manufacturing's capacity utilization rate has increased steadily since April's record low of 60.1%, ascending to 74.6% by January—14.5ppts higher than April's trough and less than a percentage point below its pre-pandemic reading. The utilization rate for mining climbed for the third month, from 76.6% last October to a 10-month high of 82.2% in January, while the operating rate for utilities continued its up-and-down pattern, falling to 73.5% in January from 74.6% in December and 71.3% in November. Both measures remain below their long-run averages.

Producer Price Index (*link*): The Producer Price Index (PPI) for final demand rose at a record rate in January, posting its ninth straight monthly increase, with the services components posting a record gain in January and the goods component just shy of a record increase. Final demand prices rose 1.3% in January and has risen by 3.9% over the past nine months, boosting the yearly rate to 1.7%. That yearly rate is back near last January's 2.0% after a steady acceleration from April's -1.5%. The Bureau of Labor Statistics reports that final demand services (up 1.3%) accounted for two-thirds of January's PPI gain, with over 70% of the services' gain attributable to a 1.4% jump in prices for final demand services less trade, transportation & warehousing. The yearly rate in final demand services accelerated 2.0% y/y, the highest since September 2019 and up from last May's record low 0.2% (which first occurred at the end of 2015). Final demand goods accelerated 1.4% in January, matching last May's record advance, with gasoline prices accounting for 40% of January's gain. The yearly rate climbed to a 12-month high of 1.3% y/y, climbing steadily from last April's -5.2%. Prices for final demand less food, energy, and trade services also increased at a record rate in January (1.2%), with the yearly rate accelerating at a 19-month high of 2.0%. In the meantime, yearly rates for pipeline prices continued to move further into positive territory after negative readings most of last year. Intermediate prices rose 3.1% y/y in January—the highest since November 2018, after posting its first positive reading in December since March 2019; it has accelerated steadily since hitting bottom at -7.7% in April. Crude prices rose 6.7% y/y—the highest since October 2018. That measure turned positive last November (0.5%) for the first time since December 2018; it hit bottom at -28.6% last April.

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