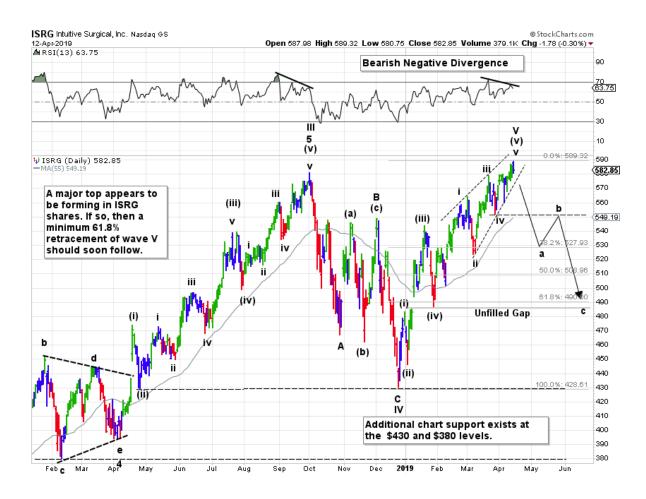
ALPHA INSIGHTS

Interim Bulletin

Intuitive Surgical, Inc. (ISRG) is slated to report 1Q19 results on Thursday, April 18th after the close. Consensus expectations are for EPS of \$2.70 (Whisper = \$2.77) on Revenue of \$978.18M. They missed the 4Q18 consensus EPS estimate by a nickel when they last reported on January 24th. The stock sold off 9% over the subsequent three days.



ISRG shares made a new intraday high on Friday, but closed down for the day, and more than one percent below that high. Nevertheless, the price action off the December low appears to meet the minimum requirements necessary to count a completed five wave advance of at least Primary degree. As illustrated in the daily chart above, wave \mathbf{v} of (\mathbf{v}) of \mathbf{V} has taken on the unmistakable terminal form of an "Ending Diagonal Triangle," which only appears in the final sub-divisions of an impulse wave.

ALPHA INSIGHTS

As with the peak of wave **III** back in October 2018, the bearish nature of this pattern is being confirmed by the negative divergence evident in the 13-day RSI momentum study. A completed impulse wave is always followed by a corrective wave form, thus we can anticipate that a trend reversal is very close at hand, if not already in progress.

A daily close below \$559 would confirm what may well prove to be a significant top in ISRG shares. If so, a minimum 61.8% retracement of wave **V** would target the prior fourth wave low at \$490 initially, but the unfilled chart gap at \$485 suggests a modest overshoot should be expected on the way down. Additional bearish potential exists, with chart support to be found around the \$430 and \$380 levels, also previous fourth wave lows.

Copyright 2019 JWH Investment Partners LLC (JWH). The publisher, JWH, is not a registered investment advisor. This document is confidential and intended solely for the addressee and may not be published or distributed without the express written consent of JWH. This document is not intended for public use or distribution. This report expresses the opinions and views of the author as of the date indicated and are based on the author's interpretation of the concepts therein, and may be subject to change without notice. JWH has no duty or obligation to update the information contained herein. Further, JWH makes no representation, and it should not be assumed, that past investment performance is an indication of future results. Moreover, wherever there is the potential for profit there is also the possibility of loss. The information provided in this report is based on technical analysis. Technical analysis is generally based on the study of price movement, volume, sentiment, and trading flows in an attempt to identify and project price trends. Technical analysis does not consider the fundamentals of the underlying corporate issuer. The investments discussed or recommended in this report may not be suitable for all investors. This memorandum is being made available for educational purposes only and should not be used for any other purpose. The information contained herein does not constitute and should not be construed as representation or solicitation for the purchase or sale of any security or related financial instruments in any jurisdiction. Certain information contained herein concerning economic trends, Fundamentals, and/or Technical analysis, and performance is based on or derived from information provided by independent third-party sources. Readers should conduct their own review and exercise judgment prior to investing. Investments are not guaranteed, involve risk and may result in a loss of principal. Past performance does not guarantee the accuracy of such information and has not independently verified t