



Earnings Snapshots 1/31/2021

BABA, AMZN, GOOG, SPOT, QCOM, PYPL, PTON, SNAP, PINS

Alibaba (BABA) will announce results 2/2 before the open with the Street looking for \$0.40 EPS and \$32.34B in Revenues (+41%) and Q4 seen at \$0.25/\$27.58B. BABA shares have closed lower five straight reports with a six quarter average max move of 4.17%. The \$710B Chinese ecommerce leader trades 21X Earnings, 7.85X Sales and 28.25X FCF with revenues seen rising 48% in 2021 and EBITDA up 42%. BABA has seen a lot of regulatory overhangs regarding Ant Financial but its core businesses, including Alibaba Cloud, remain very strong. Analysts have an average target of \$325 on shares and short interest elevated at 11.4% of the float though down 21.9% Q/Q. Truist raised its target to \$326 recently with BABA a prime beneficiary of China's economic momentum and further online penetration. Mizuho cut its target to \$270 on 1/13 noting competition disrupting its model and it will need to keep investing in infrastructure to maintain market share. Hedge Fund ownership fell 9.7% in filings. On the chart BABA shares have rallied off late December lows back into resistance and need to clear \$266 to resume a bullish trend. A move below \$248.50 would likely target a fall back to \$230. BABA options are pricing in a 4.6% earnings move with 30-day IV Skew at +1.4 comparing to the +2.7 52-week average. BABA positioning has skewed modestly bullish since late December with some notable trades including 2000 July \$240 calls bought, 5000 February \$230 calls bought, 2000 June 2022 \$230 calls bought, 3000 April \$250 calls bought, 4000 June \$340 calls bought, and 10,000 October \$450 calls bought. BABA has seen Feb. 5th (W) \$250 puts accumulate 7500X from buyers, however.

Trade to Consider: Long the **BABA** February \$250/\$235/\$220 Put Butterfly at \$2.80 Debit



Amazon (AMZN) will report results 2/2 after the close with the Street looking for \$7.19 EPS and \$119.66B in Revenues (+36.9%) and Q1/FY21 seen at \$9.04/\$95.46B and \$46/\$450B. AMZN shares have closed lower 6 of the last 9 reports with an average six quarter max move of 6.38%. The \$1.6T cloud and ecommerce leader trades 71.1X Earnings, 4.7X Sales and 66X FCF with revenues seen rising 35% in 2020 and 18.5% in 2021 as it faces tougher comps. Analysts have an average target of \$3830 and short interest minimal at 0.8% of the float. Wedbush out last week expecting strong results with upside to profitability and has a \$3900 target. Stifel raised its target to \$3600 with numbers ahead of consensus. CSFB upped its target to \$3860 on checks showing stronger online activity daily from consumers. BAML on 1/21 took its target to 4000 despite tough upcoming comps seeing potential for upside to Q1 guidance. Hedge Fund ownership fell 6.5% in filings. On the chart AMZN pulled back to 3 month VPOC last week after failing to clear trend resistance with this tight weekly triangle pattern forming. A move above \$3365 would be a significant breakout while support levels are \$3085 and then the rising 200-MA at \$2992. Amazon options are pricing in a 5.3% earnings move with 30-day IV Skew at +1.2 comparing to the +2 52-week average. AMZN had a buyer of 1000 March \$2980 puts for \$5.9M on 1/26 and 1000 March \$2960 puts for \$13M on 12/24. On 12/8 AMZN did see size February \$3400/\$3500/\$3600 call butterfly spreads open.

Trade to Consider: Long **AMZN** February \$3350/\$3500 Call Spreads at \$37

Amazon.com Inc, Weekly, Nasdaq + Cboe BZX O 3328.50 H 3363.89 L 3184.55 C 3206.20 Change -3.67% Market closed



Google (GOOG) will report results 2/2 after the close with the Street looking for \$15.93 EPS and \$53.1B in Revenues (+15%) and Q1/FY21 seen at \$13.80/\$48.65B and \$6163/\$216.5B. GOOG shares have closed lower 3 of the last 5 reports and a six quarter average max move of 6.88%. The \$1.28T Tech leader trades 30.3X Earnings and 7.45X Sales with revenues seen rising 21% in 2021 after 10.4% growth in 2020 and EPS seen up 19% after just a 5% rise in 2020. GOOG's core advertising business will benefit from the recent uptick in advertising as the economy improves while it also continues to build out its Cloud offering and YouTube has been a major success. Analysts have an average target of \$1900 and short interest is low at 0.6% of the float. Canaccord raised its target to \$2250 seeing recovery in travel and hospitality spending boosting ad revenues in 2021. Mizuho took its target to \$2100 noting search data showing acceleration in growth. Cowen upped its target to \$2200 citing catalysts such as breaking out the Cloud business and comping COVID starting in Q2. Hedge Fund ownership fell 4% in filings. On the weekly chart GOOG recently broke out of a nice flag but pulled back to the breakout level and rising 21-MA last week. The trend should be able to carry shares above \$2000 while \$1745 and \$1700 important support levels to hold. Google options are pricing in a 5.4% earnings move and 30-day IV Skew at +3% compares to the +4.5% 52-week average. GOOG has seen 1700 February \$1900 calls accumulate in OI, on 9/15 July \$1900/\$2200 call ratio spreads 500X1000 opened, and the GOOGL line with 4850 April \$2200 calls bought to open recently and 4000 of the February \$1900 calls as well as large buys in June \$1800 and March \$1900 calls.

Trade to Consider: Long the **GOOGL** February/April \$2200 Call Calendar Spread at \$15.85 Debit



Spotify (SPOT) will release earnings 2/3 before the open with the Street consensus at (\$0.70) EPS and \$2.56B in Revenues (+24.8%) and Q1/FY21 seen at (\$0.34)/\$2.7B and (\$1.29)/\$11.68B. SPOT shares have closed lower on earnings 7 of the last 9 reports and a six quarter average max move of 10.65%. The \$62.65B streaming music and podcast leader trades 5X FY21 EV/Sales with revenues seen rising 30.2% in 2021 after an 18.5% jump in 2020. SPOT has been securing some key names for exclusive content and continues to be active with bolt-on deals to build out its podcast offering. Analysts have an average target of \$295 on shares and short interest at 2.9% of the float is up 15.6% Q/Q. Citi cut shares to Sell on 1/15 seeing no benefit to its podcast investments and shares over-valued. Monness Crespi took its target to \$380 on 12/30 on increased engagement and new users with broader geographic price increased seen for 2021. MSCO on 12/17 took its target to \$350 expecting ARPU inflection and gross margin expansion as required factors to keep shares outperforming. Hedge Fund ownership fell 9% in Q4 filings with Tiger Global a large holder along with Ark. On the chart SPOT shares in a sideways range for a few weeks consolidating above the big flag breakout in late November. Shares have support near \$310 and then down at \$275. SPOT options are pricing in a 7.15% earnings move and 30-day IV Skew has been steady near 0. SPOT has longer-term bull positions from trades last year like 1000 January \$200 and 2000 January \$240 calls in OI, also 1000 September \$190 short puts, and 1000 April \$400 calls bought and 975 April \$390 calls bought.

Trade to Consider: Sell the **SPOT** April \$290/\$280 Put Spreads for \$4.50 Credit



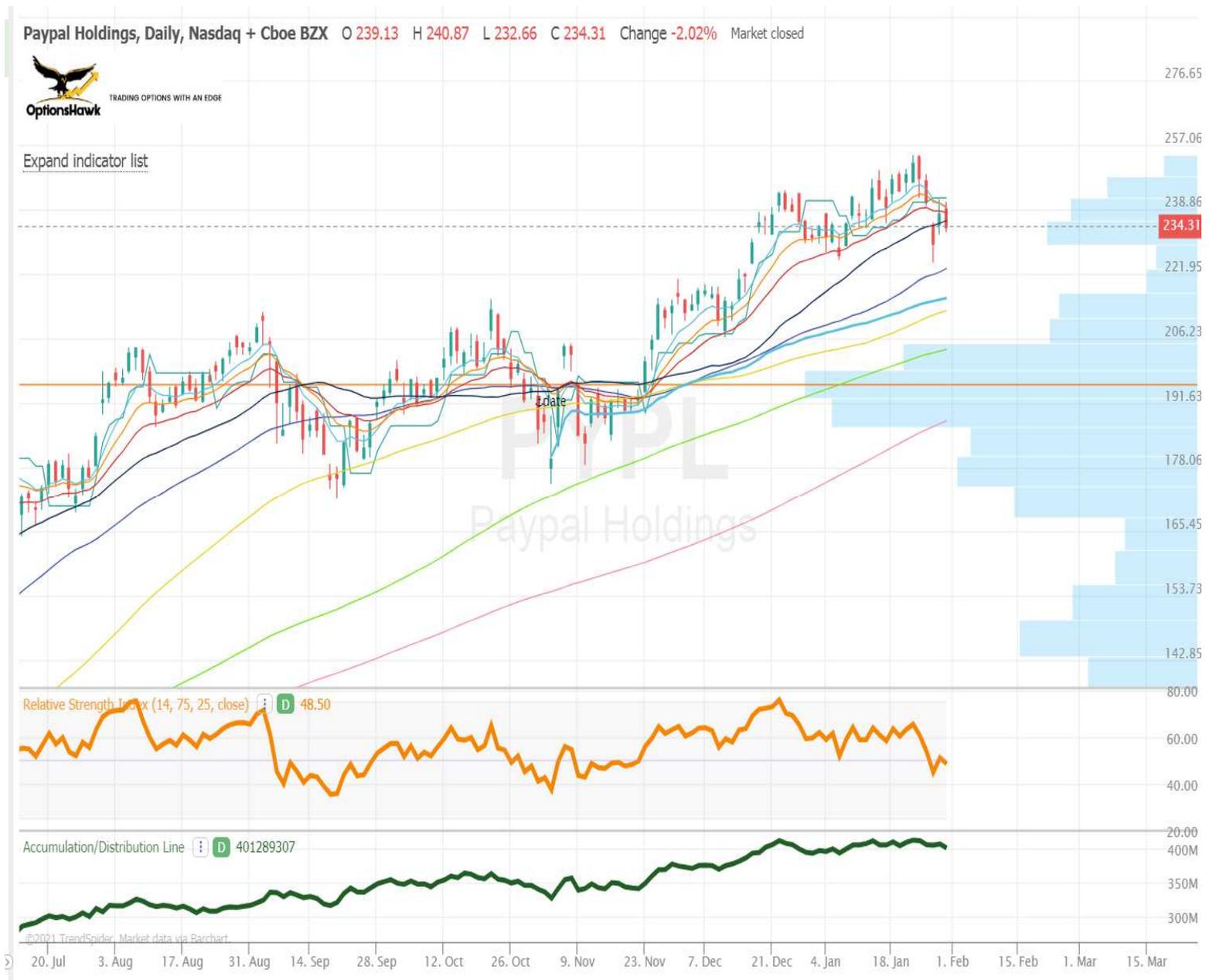
Qualcomm (QCOM) will report quarterly numbers 2/3 after the close with the Street view at \$2.09 EPS and \$8.24B in Revenues (+62%) and Q2/FY21 seen at \$1.56/\$7.06B and \$7.15/\$30.3B. QCOM shares have gained sharply on earnings reports the last two quarters, while lower 5 of the previous 7, and a six quarter average max move of 9.1%. The \$178.5B Semiconductor leader trades 19.5X Earnings, 7.6X Sales and yields a 1.67% dividend with revenues seen rising 39.5% in 2021 after growing 11% in 2020 while EPS seen rising 70.5%. QCOM is a leader in 5G and has benefitted from the new iPhone cycle as well. Analysts have an average target of \$169 and short interest low at 1.4% of the float. Barclays upped its target to \$150 expecting beat and raises but shares fairly valued. KeyBanc raised its target to \$180 with robust demand for smartphones and the 5G market seen doubling in 2021. Canaccord raised its target to \$180 seeing strong earnings through 2022 and beyond with global smartphone volumes recovering. Baird on 12/22 started shares Outperform with a \$200 target seeing market share gains and the 5G cycle leading shares higher. Hedge Fund ownership rose 1.5% last quarter with Aristotle Capital a top holder while Matrix reduced its position. On the chart QCOM shares in a strong uptrend the last few months and been staying above the rising 13-week moving average. Shares currently have good support levels at \$152 and \$144. QCOM options are pricing in a 6% earnings move and 30-day IV Skew at 0 compares to the +1.5 52-week average. QCOM has seen strongly bullish positioning including opening put sales at July \$155, March \$155, July \$145 and January \$145 strike in size. QCOM has also attracted buyers of February \$150 calls, April \$180 calls, July \$220 calls, June \$165 calls and March \$185 calls.

Trade to Consider: Long **QCOM** March \$160/\$180 Call Spreads \$6.25



PayPal (PYPL) will report quarterly results 2/3 after the close with the Street expecting \$1 EPS and \$6.1B in Revenues (+22.8%) and Q1/FY21 seen at \$0.99/\$5.62B and \$4.54/\$25.43B. PYPL shares have closed higher 4 of the last 5 reports with a six quarter average max move of 8.37%. The \$275B online payments leader trades 52X Earnings, 10.7X FY21 EV/Sales and 54.35X FCF with revenues seen growing 20% in 2020 and 18.7% in 2021. PYPL will face some tougher comps in 2021 from the accelerated ecommerce driven payments demand but continues to be a major winner in payments. Analysts have an average target of \$256 and short interest at 1.2% of the float is down 15% Q/Q. KeyBanc raised its target to \$300 noting ecommerce trends and accelerating digital prospects. MSCO upped its target to \$297 seeing volatility near-term and the Investor Day in February a catalyst, but sees attrition rates staying low. BTIG on 1/20 upgraded to Buy with a \$300 target seeing sustainable growth and upside from the push into cryptocurrencies and digital wallets. Mizuho took its target to \$350 with Bitcoin volumes surging and sees \$2B in incremental revenues. Hedge Fund ownership fell 4% last quarter, notable top holders include Edgewood, FundSmith, Lone Pine and Polen. On the chart PYPL shares have been trading sideways for a couple months, testing near the rising 55-MA on lows last week. Shares have a volume pocket below \$230 back to \$217. PYPL options are pricing in a 5.95% earnings move with 30-day IV Skew at +0.6 comparing to the +2.4 52-week average. PYPL recently with 7000 March \$240 puts sold to open, March \$290 calls with 3000X bought to open, March \$240 calls opening 13,000X, sellers in March \$310 and June \$300 calls, and size positions from October remain in March \$200 and \$210 call OI.

Trade to Consider: Long the **PYPL** February \$240/\$260/\$280 Call Butterfly Spreads at \$3.50 Debit



Peloton (PTON) will report earnings 2/4 after the close with the Street consensus at \$0.09 EPS and \$1.03B in Revenues (+120.6%) and Q3/FY21 seen at \$0.04/\$1.09B and \$0.38/\$3.95B. PTON shares have closed lower 4 of its 5 reports with an average max move of 11.6%. The \$42B fitness product/service company trades 10.3X FY21 EV/Sales with revenue growth of 99.6% in 2020 and forecasted at 116.5% in 2021. Analysts have an average target of \$155 and short interest stable at 7% of the float. UBS cut to Sell on 1/19 with a \$124 target citing valuation and overly optimistic views. KeyBank took its target to \$185 after PTON's deal for Precor as highly synergistic and supportive of long-term growth. Hedge Fund ownership rose 16% last quarter with Tiger Global adding to a large position along with Coatue. On the chart PTON shares have been consolidating above its recent break above October highs with \$135 seen as current support which is near the 55-MA, and followed by \$115 level. The upper end of the current value range is \$165 and above targets a move to \$185. PTON options are pricing in an 8.35% earnings move and 30 day IV Skew at 0 compare to the +1 52-week average. PTON has seen 5000 of the weekly \$160 calls accumulate in OI, June \$165 short calls have opened 10,000, 5500 January \$200 calls bought, 4000 January \$190/\$100 bull risk reversals, and recent buys of 1000 February \$165 and \$170 calls.

Trade to Consider: Long **PTON** February \$150/\$165 Call Spreads at \$4.60 Debit



Snap (SNAP) will report results 2/4 after the close with the Street consensus at \$0.07 EPS and \$854M in Revenues (+52%) and Q1/FY21 seen at (\$0.02)/\$701M and \$0.23/\$3.52B. SNAP shares have been sharply higher two of its last three reports, lower three of the prior four, a six quarter average max move of 20.88%. The \$80B social media leader trades 21.6X FY21 EV/Sales with revenues seen rising 42.9% in 2020 and 43.7% in 2021. Analysts have an average target of \$50.50 and short interest is 6.8% of the float. Wells Fargo raised its target to \$62 into earnings and Evercore to \$57 saying conversations with marketers were the most bullish they have ever seen. Canaccord raised its target to \$58 citing its success with the younger audience and attracting new advertisers to the platform. Piper started at Overweight with a \$66 target as a mobile first, visual and video product experience embraced by Millennials and Gen Z. Cowen took its target to \$62 noting stretched valuation but potential for major ARPU upside. Hedge Fund ownership fell 14% last quarter with Edgewood a top holder adding to its position. On the chart SNAP has spent weeks bouncing in the \$48/\$55 zone with the 55-MA test holding last week. A move below \$48 would target a fall to \$44 while above \$54 should target new highs to \$60. SNAP options are pricing in a 12.5% move on earnings with 30-day IV Skew at -0.1 comparing to the +2.1 52-week average. SNAP sees a ton of options activity with some notable recent size buys of February \$70 and January 2023 \$80 calls and 6450 February \$57 calls. A block of 10,000 January \$50 puts were sol to open back on 1/11 while April \$60 calls have 28,000X in OI from accumulation.

Trade to Consider: Long **SNAP** April \$60/\$70 Call Spreads for \$2.20 Debit



Pinterest (PINS) will announce earnings 2/4 after the close with the Street looking for \$0.32 EPS and \$645M in Revenues (+61%) and Q1/FY21 seen at (\$0.02)/\$425.5M and \$0.64/\$2.33B. PINS shares have closed sharply higher each of its last two reports, a six quarter average max move of 27.1%. The \$42.6B internet company trades 17X FY21 EV/Sales with revenues seen rising 42.8% in 2021 after 43% growth in 2020. Analysts have an average target of \$75 and short interest elevated at 16.5% of the float. Wells Fargo raised its target to \$85 positive on the 2021 advertising recovery. Stifel on 1/20 started at Buy with an \$85 target as PINS has carved out a valuable niche in social media seeing robust EBITDA margins at scale ahead for the company. KeyBank on 1/19 raised its target to \$86 on the improving advertising environment. Baird upped its target to \$80 seeing more committed budgets across brands and on positive Q4 industry checks. Hedge Fund ownership rose 26% in Q3 filings, Melvin Capital, Whale Rock and Ark top notable holders. On the chart PINS shares have struggled to clear the recent range high near \$75 and tested back near its rising 21-week MA last week. PINS has a pretty sloppy chart of price-action that needs to resolve. PINS options are pricing in a 17.5% move on earnings with 30-day IV Skew at -1 comparing to the +0.7 52-week average. PINS recently with a buyer of 5000 March \$75 calls, the September \$75 calls with 5000X bought on 1/13, February \$70 calls have 20,000 in OI from a large buy, and 2000 August \$55 short puts opened recently.

Trade to Consider: Long **PINS** February \$70/\$75 Call Spreads at \$1.65 Debit



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