



ZM, SE, SNOW, AVGO

Zoom (ZM) will report results 3/1 after the close with the Street looking for \$0.79 EPS and \$811.8M in Revenues (+331%) and forecasts see Q1/FY22 at \$0.72/\$805M and \$2.96/\$3.52B. ZM shares fell 15% last quarter on results have being the higher the previous three reports, a six quarter average max move of 16.9%. The \$106B communication platform provider trades 31.6X FY22 EV/Sales with revenues seen rising 36.5% in 2022 after an 88% jump in 2020 and 315% climb in 2021. ZM has impressive metrics across the board and has been winning larger customer while penetration rates remain low at the enterprise level (just 12% of the Global 2000 represent customers spending more than \$100,000 in ARR). ZM also sees a \$23B opportunity or Zoom Phone by 2024. Analysts have an average target of \$466 and short interest is elevated at 22% of the float. MSCO out on 1/13 defending shares noting Zoom had 75M-100M users at its peak and only monetizing less than 20M today, potential for upside. Hedge Fund ownership fell 6.5% in the latest quarterly filing, top holders include Tiger Global and Whale Rock, though both reduced. On the chart ZM broke out of a weekly wedge and pushed higher before stalling at resistance, shares now basing above its rising 200-day moving average with room back to \$475 on a move above \$435. If shares lose \$350 there is a volume pocket for a retest of the 2020 flag breakout back to \$282. ZM options are pricing in a 9% move on earnings with 30-day IV Skew at +1.5 in-line with its 52-week average. On 1/12 ZM with a buyer of 5000 May \$280 calls for \$49M remains in OI and June \$340 puts sold 2500X on 2/11 with 1000 of the \$440 calls bought. ZM on 2/22 with 2000 March 12th (W) \$450 calls bought for \$3M and on 1/21 the August \$210 calls bought 2000X for \$35M.

Trade to Consider: Long the **ZM** March 5th (W) \$375 Straddles at \$49 Debit



Sea (SE) will announce quarterly results 3/2 before the open with the Street expecting (\$0.54) EPS and \$1.9B in Revenues (+144%) with forecasts looking for Q1/FY21 at (\$0.35)/\$1.7B and (\$1.56)/\$7.81B. SE shares closed lower last quarter after being higher 7 of the prior 8, a six quarter average max move of 12.15%. The \$120B hypergrowth provider of ecommerce, online gaming and fintech trades 15X FY21 EV/Sales with revenues seen rising 133.7% in 2020 and then 53.7% in 2021. Sea's digital payments platform and possible Singapore digital banking license offer further sources of upside. SE has built a huge base of customers and now focus turns to monetization efforts which should accelerate sustainable profitability and topline growth despite any volatility in the macro outlook. Shopee continues to rank as the #1 in the shopping category across Southeast Asia and Taiwan by download, average monthly active users and the total time spent in app on Android based on App Annie. Analysts have an average target of \$255 and short interest at 6.4% of the float is down 25.8% Q/Q. Cowen raised its target to \$320 last week positive into results and raising estimates. On 2/1 MSCO raised its target to \$250 from \$188 on increased monetization and notes it is establishing itself as a Super App, and potential for \$90/share opportunity for the new banking opportunity. Hedge Fund ownership rose 5.8% in the latest quarterly filings, a bunch of notable top holders like Tiger Global, Alkeon, and Whale Rock. On the chart SE shares pulled back to its 55-day moving average and YTD VPOC last week while further weakness would likely hold the flag breakout retest and 21-week moving average in the \$200/\$210 zone. Shares have a convergence of moving average resistance in the \$250-\$255 zone. SE options are pricing in a 9.9% move on earnings with 30-day IV Skew at 0 comparing to the +1.5 52-week average. SE is a name that sees a lot of opening put sales with January \$230, May \$230, August \$240, and August \$220 sold in size recently while March \$270, March \$310, March \$297.5 and on 2/16 the August \$340 calls bought 2000X for \$6M as well.

Trade to Consider: Sell the **SE** March \$230/\$220 Put Spreads for \$4.15 Credit (Bull Put Spreads)



Snowflake (SNOW) will announce earnings 3/3 after the close with the Street calling for (\$0.17) EPS and \$178.5M in Revenues (+103.6%) and Q1/FY22 seen at (\$0.24)/\$213M and (\$0.86)/\$1.1B. SNOW shares jumped 16% higher on its initial report last quarter. The \$73.7B cloud infrastructure company trades at a wild 65X FY22 EV/Sales with revenues growing 174% in 2020, 119% in 2021, and seen rising 90% in 2022. SNOW is a leading cloud-based data-warehousing company and well-established in the space with Gartner estimating a 10% market share, third best in the world behind SAP and Apache Hive. SNOW has set itself apart from peers as their software is platform agnostic and can be run on AWS, Azure, and Google's cloud, giving them a distinct advantage in a market growing rapidly. Gartner estimates that 75% of all databases will be in the cloud by 2022 and hybrid strategies likely more accelerated while IDC sees the revenue opportunity in storage doubling by 2023 to over \$180B. Analysts have an average target of \$310 and short interest is elevated at 17% of the float. Goldman started shares Neutral with a \$310 target on 1/21 noting SNOW well positioned to capture secular growth trends including cloud migration and secure data sharing though valuation reflects the upside. CSFB sees SNOW playing an increasingly important role across the entire data value chain. Citi raised its target to \$325 on a continuation of secular trends across data, analytics and vertical software. Altimeter Capital, Coatue, Tiger Global and D1 Capital notable top holders. On the chart SNOW is fairly broke below all key moving averages and retesting a base breakout from last November. On weakness shares can take out post-IPO lows and head under \$200 while upside potential could pick up on a move above \$303. SNOW options are pricing in a 10.75% earnings move and 30-day IV Skew at -0.7% compares to the 52-week average of -2.4%, less inverted than it has tended to be in 2021. SNOW with 1000 December \$300/\$350 call spreads bought on 2/26, on 2/24 the August \$260 puts sold to open 700X, and otherwise fairly mixed and scattered activity.

Trade to Consider: Sell the **SNOW** March \$315/\$305/\$235/\$225 Iron Condor for \$4.05 Net Credit



Broadcom (AVGO) will report results 3/4 after the close with the Street consensus at \$6.56 EPS and \$6.61B in Revenues (+12.9%) and Q2/FY21 seen at \$6.23/\$6.33B and \$26.23/\$26.35B. AVGO shares closed lower last quarter on results after being higher the previous three quarters, a six quarter average max move of 5.6%. The \$186B Semi transforming into more of a Software company is trading 16.7X Earnings and 30.7X FCF with a 3.05% dividend yield, one of the few value/growth combinations in Tech, and revenues seen rising 10.3% in 2021 with 18.5% EPS growth. AVGO's Semiconductor Solutions focus on Networking, Broadband, Wireless, and Server markets. Broadcom has greater than 80% share of switching and routing silicon market in cloud and data center, also a strong position in providing optical connectivity solutions. Analysts have an average target \$480 and short interest low at 1.1% of the float. OpCo raised its target to \$575 last week noting supply constraints remain an industry-wide theme, but AVGO's dominant franchise-driven model and sees cloud and 5G leading to double digit growth. JPM calls AVGO a top pick with a \$500 target recently citing strength in cloud/hyperscale ASIC revenues. Piper also with a \$500 target confident in the long-term strategic position. Hedge Fund ownership was relatively flat last quarter. On the chart AVGO is in a strong long-term uptrend and last week pulled back to just above its rising 55-day moving average. VWAP off the October lows aligns with its 21-week moving average at \$427 as a key level to buy a dip. Shares need to clear \$482 for a run of new highs above \$500. AVGO options are pricing in a 4.3% earnings move and 30-day IV Skew at 0 compares to the +2.4 52-week average. AVGO has recently seen opening sellers in March \$520 and \$540 calls. It has not seen much activity, the April \$400 puts sold to open 1000X.

Trade to Consider: Long the **AVGO** March/April \$500 Call Calendar Spreads at \$5.80 Debit



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