



## Earnings Snapshots 10/28/2024

PYPL, GOOG, MSFT, META, UBER, AMZN,  
AAPL

**PayPal (PYPL)** will announce earnings 10/29 before the open with the Street looking for \$1.07 EPS and \$7.886B in Revenues (+6.3%) and Q4/FY25 seen at \$1.10/\$8.45B and \$4.82/\$34.325B implying 9.2% EPS growth and 7.55% topline growth in 2025. PYPL shares have closed higher three of the last four reports with a six-quarter average max move of 10%. PayPal is a technology platform that enables digital payments and simplifies commerce experiences on behalf of merchants and consumers worldwide. PYPL has seen a lot of headwinds from slower growth amid rising competition. PayPal's new CEO Alex Chriss delivered an initial message that seemed to resonate with investors given the focus on execution, product improvements, disciplined capital allocation and clearer messaging. PYPL has a market cap of \$83.5B and trades 16.9X Earnings, 12.4X EBITDA and 12.45X FCF, valuation remains very attractive near 10-year lows. FastLane updates, Apple Pay integration, and Buy With Prime partnership are recent announcements. PYPL also expanded partnerships with Adyen, Fiserv, Shopify and Global Payments. The US Census Bureau reported non-store retail sales growth of 8% in 3Q, a bit improved from 7.6% in April-June, which should support largely consistent Branded TPV growth in 3Q of ~5%. Braintree growth had slowed rapidly to 19% in 2Q from the ~30% range of the year before on the back of price actions PayPal is taking. PYPL is also likely to discuss operational efficiency plans and capital return plans. Analysts have an average target of \$85 and short interest remains low at 2.3% of the float. Mizuho raised its target to \$100 saying share loss concerns to competition are overblown and PYPL deserves a higher multiple. Bernstein with an \$80 target downgraded shares, positive on product velocity but concerns with competitive pressures and Venmo losing share in peer to peer. PYPL shares are working out of a bull flag with the rising 21-MA supportive on this recent move higher. The longer-term chart has run into key volume node resistance near \$83 while the 200-week at \$93.85 a next upside target. On weakness look for support levels at \$77, \$74 and \$68. PYPL options are pricing in a 5.5% earnings move and 30-day IV Skew at +0.4 compares to the +0.3 52-week average. PYPL put/call open interest ratio is at the 17<sup>th</sup> percentile and average IV30 crush is -32%. PYPL still has massive June and December 2026 calls bought at \$62.5, \$67.5 and \$65 strikes in open interest. PYPL recently a buyer 1500 April \$75 calls and a seller of 1000 September \$75 puts.

Trade to Consider: Long **PYPL** Nov. 1<sup>st</sup> (W) \$82/\$88/\$92 Broken Wing Call Fly at \$1.25 Debit



**Alphabet (GOOG)** will release earnings 10/29 after the close with the Street consensus at \$1.85 EPS and \$86.2B in Revenues (+12.4%) and Q4/FY25 seen at \$2.04/\$95.7B and \$8.70/\$386.6B implying 13.7% EPS growth and 11.4% topline growth in 2025. GOOG shares have closed lower on results six of the last eight reports with a six-quarter average max move of 7.3%. Google continues to see strength from improving digital advertising budgets as the leader in search but faces a much more volatile environment with some companies cutting back on spending, while also a leading media play with YouTube's success and the cloud business has been a recent standout. Alphabet has outlined several initiatives to continue to build out its capabilities around shopping/commerce and creators. GOOGL's full integration of Bard into search is an important next step to showcase GOOGL's leading multi-year AI research and development. Olympics, elections, and AI-driven improvements are positives for Ads despite tougher 2H comps. GOOG has a \$2.05 trillion market cap and trades 19.2X Earnings, 6.27X Sales, 12.5X EBITDA and 33.8X FCF, trading fairly cheap to historical norms. GOOG is fighting multiple regulatory/antitrust headwinds. YouTube deceleration remains a risk due to Prime Video and Netflix competition, but Cloud and FX moves should help. Analysts have an average target of \$200 and short interest minimal at less than 1% of the float. Wedbush sees limited upside this year quarter citing decelerating Search growth, and possible competitive headwinds impacting YouTube following the launch of Prime Video ads earlier this year. BAML sees Q3 potential positives as: 1) Search strength suggesting AI is driving higher monetization, 2) Positive commentary on AI overviews driving higher usage, or new advertising opportunities, 3) YouTube benefit from political spend and brand stabilization, 4) Cloud strength from strong AI demand and capacity constraints at competitors. Risks seen as: 1) Search deceleration fuels concerns on competition and AI monetization, 2) miss on YouTube suggesting growing CTV competitive headwinds, 3) new hiring or Capex commentary suggesting margin pressure in 2025, 4) Cautious commentary reflecting growing Play Store headwinds, and 5) hardware related gross margin pressure or unexpected 1x 3Q expense items. On the chart, GOOG forming a potential large inverse head and shoulders pattern with a break over \$170 measuring to a \$190 target. GOOG needs to hold \$162 support as AVWAP off the recent low or risks falling to \$156.5 and \$150 supports. GOOG options are pricing in a 4.5% earnings move and 30-day IV Skew at +1.6 compares to the +1.4 52-week average. GOOG put/call open interest at the 17<sup>th</sup> percentile and average IV30 crush is -24.3%. GOOG recently saw a large buy of 7500 November \$160 calls for over \$8M. GOOG also has seen large buys of December \$170 and \$175 calls. GOOGL line has 20K March \$180 short puts and a lot of January \$160 short puts in open interest, also 10K March \$185 short puts and some size buys of Dec. \$165 calls recently.

Trade to Consider: Long the **GOOG** December \$170/\$185 Call Spreads at \$4.95 Debit



**Microsoft (MSFT)** will report results 10/30 after the close with the Street view at \$3.10 EPS and \$64.56B in Revenues (+14.2%) while Q2/FY25 seen at \$3.23/\$69.85B and \$13.15/\$279.2B implying 11.4% EPS growth and 13.9% topline growth in 2025, a modest slowdown from 2024. MSFT shares have alternated between red/greed closes after earnings the last eight quarters, red last quarter, and a six-quarter average max move of 4.57%. Microsoft continues to represent a rare combination of strong secular positioning and reasonable profitability-based valuation within the software space. Microsoft is well positioned to double its \$60B+ commercial cloud business (Azure, Office 365, Dynamics, and LinkedIn Commercial) and Office 365 could potentially double its installed base from 255M+ to 500M given the massive number of knowledge workers worldwide. Alignment to key secular trends and benefits from vendor consolidation point to continued share gains. MSFT has a market cap of \$3.18 trillion and trades 27.9X Earnings, 11.5X EV/Sales, 21.7X EBITDA and 43X FCF, valuation remaining near the high-end of the 10-year range. MSFT has lagged through Q3 with worries on Gross Margins, Capex, GenAI monetization and the OpenAI relationship builds. Steady workload migration to Azure and upgrade momentum in the Office premium E3/E5 cycle is expected to be partially offset by PC/Windows softness. Azure growth is seen around 33% this Q. Investor conversations around Microsoft's capital expenditures focus primarily on the magnitude of investment needed for rising GenAI training costs and the potential gross margin pressure arising from those. Analysts have an average target of \$500 and short interest low at 0.8% of the float. Loop's recent industry checks also continue to indicate a modest improvement in the IT spending environment in recent months as well as a healthy ramp of workloads from new cloud initiatives that have started since the beginning of the year. On the chart, MSFT has based nicely above a key \$415 level and \$432 a key upside level to clear to inflect the trend and work back to \$450. A move under \$405 volume node support risk falling back to \$375. MSFT options are pricing in a 3.1% earnings move and 30-day IV Skew at +3.3 compares to the +1.7 52-week average. MSFT put/call open interest ratio at the 22<sup>nd</sup> percentile and average IV30 crush is -23%. MSFT last week with a buyer of 20,000 February \$470 calls on an adjustment and also 4000 Dec. \$435 calls added, longer-term flows stay strongly bullish with size buys of Dec. \$440 and \$450 calls also in open interest. MSFT has a 30K contract buy of Nov. \$405 calls -9.5% from 7/31 in OI and also size Nov. \$380 and \$400 calls.

Trade to Consider: Long **MSFT** Nov. 1<sup>st</sup> (W) \$440/\$450 Call Spreads at \$2.80 Debit



**Meta Platforms (META)** will post quarterly results 10/30 after the close with the Street looking for \$5.27 EPS and \$40.3B in Revenues (+18%) while Q4/FY25 seen at \$6.38/\$46.2B and \$24.59/\$184.83B implying 14.9% EPS growth and 14.2% topline growth in 2025, down from 2024 growth rates. META shares have closed higher five of the last seven reports with a six-quarter average max move of 13.5%. META management sees the advertising business returning to better revenue growth with high margins. The monetization ramp in WhatsApp, Messenger, and Reels is a reason for optimism. Engagement is growing with AI Content Discovery and Reels leading the way and monetization is improving. META expanded its AI partnership with MSFT and distribution through AWS & HuggingFace, which should drive more developer adoption, improve META's innovation feedback loop, and ultimately accelerate META's AI-based innovation on its core applications. META has a market cap of \$1.45 trillion and trades 23.45X Earnings, 9.7X Sales, 13.8X EBITDA and 29.2X FCF, valuation at the mid-point of the 10-year range. The combination of higher engagement from AI investments, increased advertiser efficiency and ramping of incremental monetization formats (e.g. WhatsApp & Llama) is allowing META to sustain strong growth. Meta continues to drive revenue growth through several initiatives, most recently via their launch of unified video recommendations on Facebook, which combines Reels and other FB video content types into the same feed. Meta could see strength from: 1) new AI tools and new CRM integration driving higher ROI and incremental ad spend, 2) ramping messaging and Reels monetization, and 3) modest (100-200bps) political ad spend benefit. Sensor Tower data suggests healthy Instagram time spent and user growth. Analysts have an average target of \$613 and short interest low at 1.3% of the float has risen steadily into the report. Bernstein raised its target to \$675 last week on higher CPMs and better ad spending from Temu and Shein. Goldman sees a path to Meta delivering at-or-above its revenue guidance range for Q3 and sustained mid-teens total revenue growth through 2025. BAML notes risks are Risks are: 1) High expectations for 3Q revenue beat, 2) 4Q outlook that underwhelms on tough comps, a shorter holiday shopping window and/or pressure on APAC ad spend, 3) Conservative management commentary to keep 2025 estimates in check (1Q'25 has a 5pt tougher ex-FX y/y growth comp), 4) commentary suggesting even bigger than expected 2025 capex ramp, and 5) cautious commentary on FTC case in the US or EU DMA enforcement actions. On the chart, META shares consolidating tightly for two weeks above monthly upper value, support levels at \$560 and below can retest the \$540 spot while the 200MA closer to \$497. META options are pricing in a 5.7% earnings move and 30-day IV Skew at +2.6 compares to the +1.4 52-week average. META put/call open interest ratio at the 56<sup>th</sup> percentile and average IV30 crush is -26.2%. META November options have 5850 \$570 calls bought in open interest and 4,900 of the \$580 calls with no major bearish positions. On 9/25 there was a size buy in December \$600 calls.

Trade to Consider: Long the **META** November/December \$600/\$540 Strangle Swap at \$12.90 Debit (Short Nov. Strangle and Long Dec. Strangle)

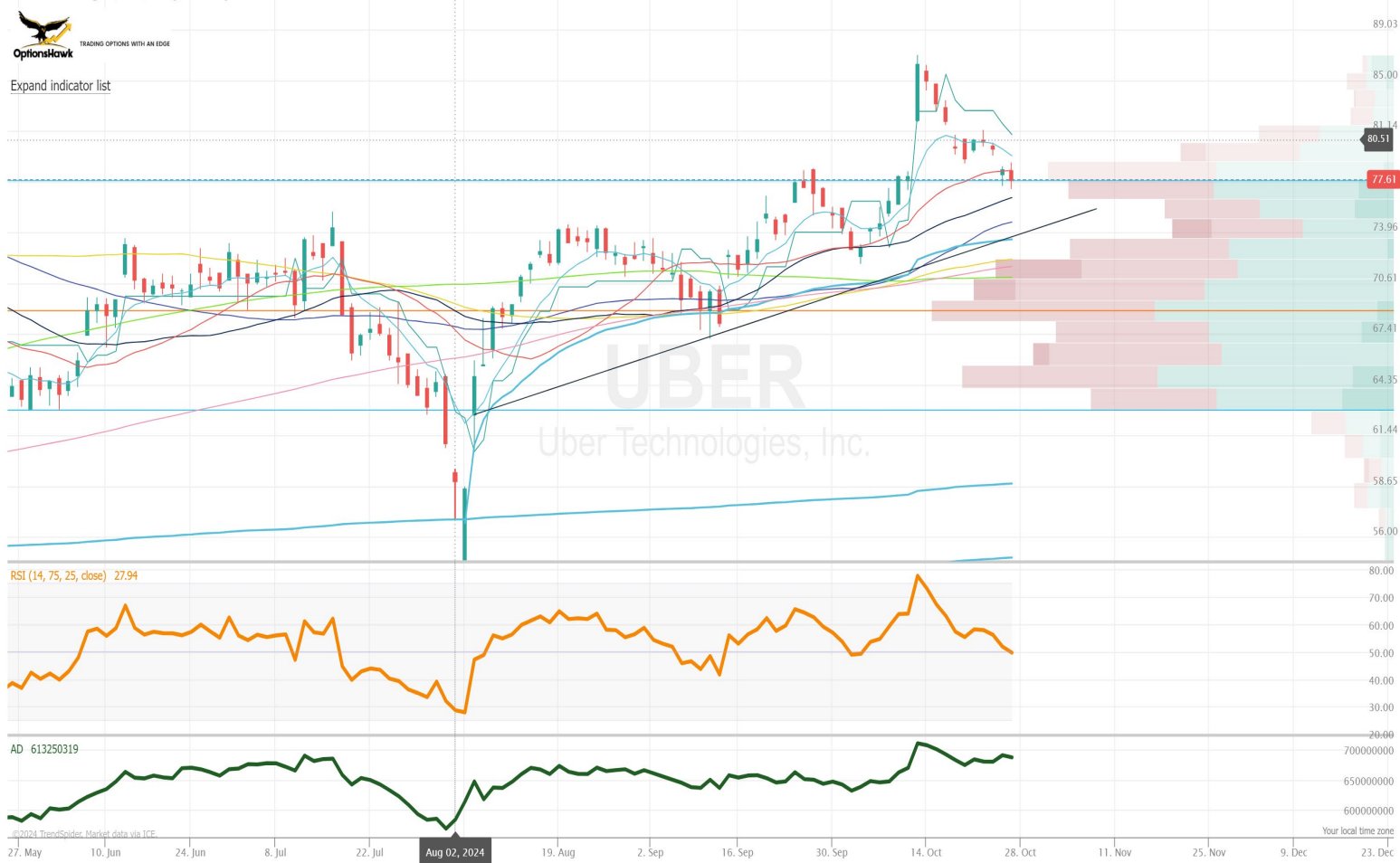




**Uber (UBER)** will announce earnings 10/31 before the open with the Street view at \$0.62 EPS and \$10.98B in Revenues (+18.1%) and Q4/FY 25 seen at \$0.71/\$11.6B and \$3.34/\$50.185B implying 50.5% EPS growth and 15.7% topline growth in 2025. UBER shares have closed higher seven of the last nine reports with a six-quarter average max move of 8.2%. UBER's mobility business is seen growing at a 29% CAGR through 2026 with take rates expanding to 24% from 19% on improved service fee structures, efficiency & use of certain incentives/promotions. Uber has framed the global serviceable addressable market for food delivery to be \$795B. UBER should benefit from a more favorable labor backdrop and continues to sign new partners to the platform. The company has consistently beat expectations on profitability with its leaner cost structure. UBER held an investor update in February and the new three year outlook includes a 14-19% CAGR for Bookings and a 37-40% CAGR for EBITDA. UBER is well positioned to grow its Mobility & Delivery businesses over time, supported by MAPC and trip frequency momentum as UBER expands multi-product usage, membership penetration, and the use of emerging Mobility & Delivery products, namely Grocery & Retail. Recent partnerships with Waymo, Cruise, Aurora, & others supports its leadership as an AV provider. UBER has a \$163B market cap and trades 33.9X Earnings, 4.1X Sales, 22.3X EBITDA and 34.3X FCF, valuation attractive as its multiple is not growing at the pace of profits. Recent reports suggest UBER has some interest in acquiring Expedia, which has cheap valuation and could offer impressive synergies to a 155M Uber user-base. Sensor Tower data suggesting minute share shift and steady quarter-over-quarter usage trends in Q3. BAC aggregated credit and debit card data for Online delivery growth accelerated slightly in September. Analysts have an average target of \$89 and short interest has remained steady at 2.5% of the float. BAML raised its target to \$96 on positive checks and new verticals supporting growth. On the chart, UBER has pulled back into the report retesting monthly value, a loss of \$77.5 leaves room back to key support near \$72. A push back above \$80 sets up for a move to the \$85-\$90 zone. UBER options are pricing in a 5.45% earnings move and 30-day IV Skew at +0.6 compares to the +0.9 52-week average. UBER put/call open interest ratio at the 100<sup>th</sup> percentile and average IV30 crush is -26.8%. UBER has 13K Dec. \$65 short puts in open interest and 11,500 Dec. \$67.5 short puts while Nov. \$75 calls have seen 11,000 bought. UBER also has seen 9500 March \$80 calls accumulate in open interest and 4500 March \$95 calls also bought.

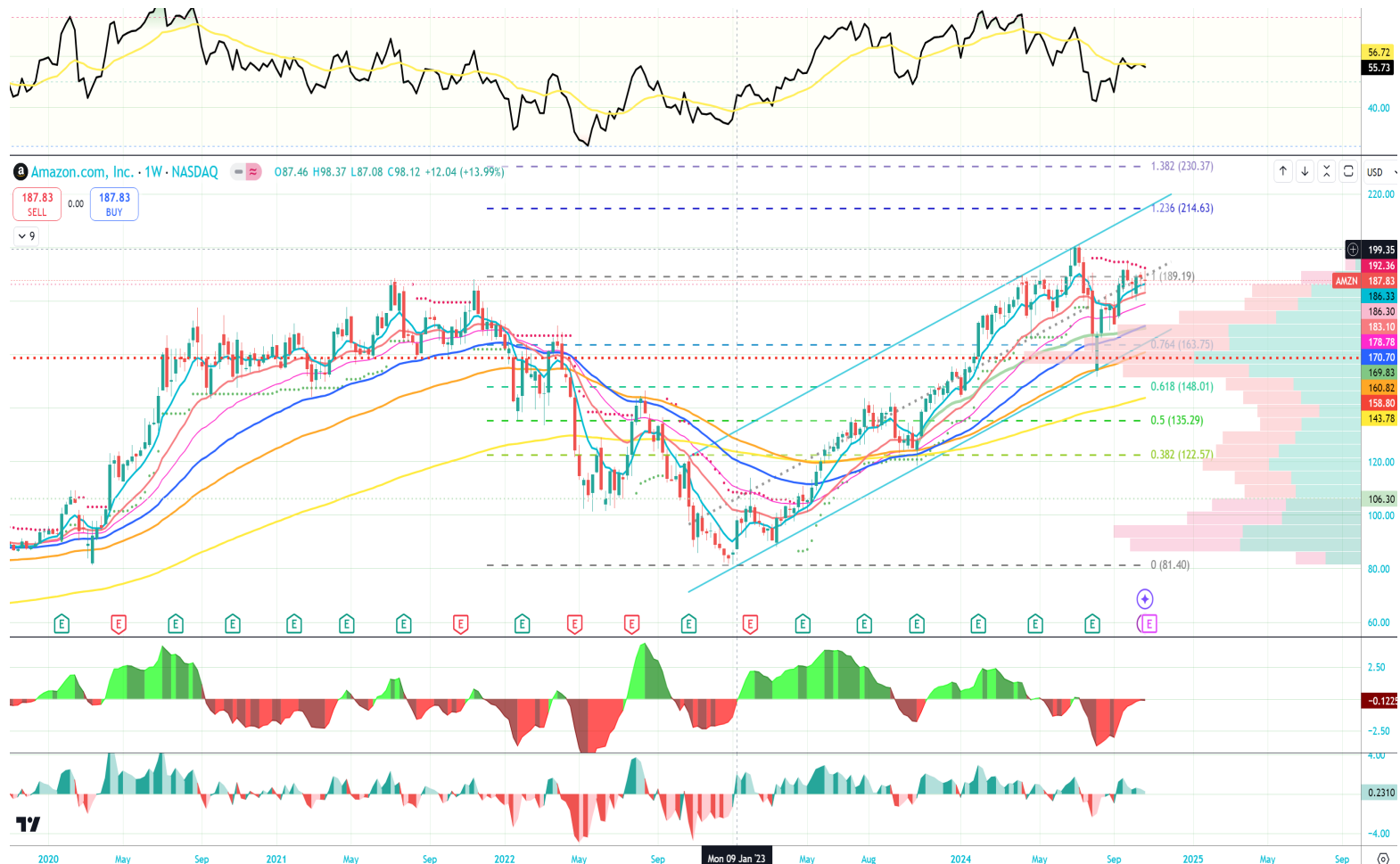
Trade to Consider: Long **UBER** November \$75/\$70/\$65 Put Butterfly Spreads at \$0.85 Debit

Uber Technologies, Inc., Daily, Nasdaq O 54.85 H 58.65 L 54.84 C 58.51 Period +6.67% Market closed



**Amazon (AMZN)** will announce earnings 10/31 after the close with the Street expecting \$1.14 EPS and \$157.25B in Revenues (+9.9%) while Q4/FY25 seen at \$1.34/\$186.2B and \$5.80 EPS and \$704.2B in Revenues implying 22.7% EPS growth and 10.8% Revenue growth in 2025. AMZN shares closed sharply lower last quarter on results after being higher the four previous reports, a six-quarter average max move of 8.67%. Amazon continues to have a massive retail business that faces headwinds of slowing consumer spending and rising costs but the focus remains on AWS, a behemoth in cloud which continues to scale and see increased spending. AMZN also has a massive opportunity in Advertising and has been making moves into Healthcare. Prime Video Ads is a potential boost to the advertising businesses. AMZN has a market cap of \$1.97 trillion and trades 32.15X Earnings, 14X EBITDA, 3.26X Sales and 40.8X FCF, valuation near record lows versus its 10-year range. A shift to consumables from discretionary spending is likely impacting 1P margins, 3P services, and advertising. AWS compression from record 1H margins is a risk to weigh on the Q4 outlook. Q3 AWS data was constructive and the Street is expecting 20% growth. BAC aggregated credit & debit card data indicates that Online spend growth was stable. Exposure to accelerating AI-driven cloud demand is the top reason to own Amazon. Analysts have an average target of \$220 and short interest is low at 0.9% of the float but has risen from 0.6% of a large float. MSCO sees material upside to retail profit and increased confidence in AMZN's ability to deliver \$100B+ of '26 EBIT and \$10-11 of '26 FCF/share. Pivotal started AMZN at Buy with a \$260 target on 10-11 citing the largest organic revenue growth opportunity of any mega cap tech company, driven by the Web Services segment. Amazon also has the highest potential of its peers to materially boost operating margins driven by scale, leveraging robotics and benefits from an increasing percent of revenue from high margin cloud computing and a rapidly growing Advertising business. On the chart, AMZN shares consolidating below trend resistance and above \$195.5 can make a push to new highs. Support at lower monthly value aligns with 200MA at \$179.65 and AVWAP off the lows also near that level. AMZN options are pricing in a 4.7% earnings move and 30-day IV Skew at +3.1 compares to the +1.6 52-week average. AMZN put/call open interest ratio at the 80<sup>th</sup> percentile and average IV30 crush is -31.9%. AMZN November options have 35,000 November \$185 calls bought and 25,000 of the \$190 calls bought in open interest while \$200 and \$205 strikes seen some sales. A large buyer in Dec. \$170 calls 31,775X a \$70M position from early August and Dec. \$200 calls also bought over 10,000X recently while \$210 and \$220 strikes seen sales. AMZN also recently with 15,000 March \$220 calls with buyers and Dec. 2026 \$170 calls had buyers in August for 8000 contracts.

Trade to Consider: Long **AMZN** December/March \$220 Call Calendar Spreads at \$4.25 Debit



**Apple (AAPL)** will report quarterly earnings 10/31 after the close with the Street consensus at \$1.53 EPS and \$94.3B in Revenues (+5.4%) and Q1/FY25 seen at \$2.38/\$127.4B and \$7.40/\$419B implying 11.4% EPS growth and 7.3% Revenue growth in 2025, a step-up from 2024 growth. AAPL shares have closed higher six of the last nine reports including the last two, a six-quarter average max move of 4.63%. Apple's industry-leading retention rates and expanding ecosystem of hardware and services has already created one of the world's most valuable technology platforms that centralizes and controls everything from traditional communication to entertainment, social media engagement, photo & video development, gaming, business, payments, travel, fitness, and more. Given Apple has stopped disclosing unit volumes for its products investors should be increasingly focused on ARPU trends. The Apple business model is shifting from one that maximizes hardware shipment growth to one that maximizes installed base monetization, underscored by increased services and installed base disclosures, and a move away from reporting units and ASPs. If Apple were to monetize advertising beyond the App Store, it could potentially be a \$20B business by 2026. Apple enters a multi-year iPhone upgrade cycle driven by need for the latest hardware to enable Generative AI features to be introduced in 2024/2025. Services has been the key to growth as a higher margin mix and as the installed base continued to grow. A bevy of negative iPhone reports likely has lowered the bar/sentiment into this report. Apple continues to drive upside from Services with the ever-expanding ecosystem while also a capital return heavyweight. Apple is very early in its AI journey and a long-term upgrade cycle for AI phones is set to kick off next year. AAPL has a \$3.5 trillion market cap and trades 31.25X Earnings, 24.4X EBITDA and 33.7X FCF, valuation at a 10-year high. Sensor Tower's data suggests App Store net revenue grew 13.4% Y/Y in the September Q. Potential strength from wearables (new AirPods, Watch series 10), new MacBooks and new iPads can boost Dec Q revenues relative to Street. Analysts have an average target of \$240 and short interest is low at 0.9% of the float. BAML models 52M iPhones for September and 80M for December. KeyBanc cut AAPL to Underweight last week seeing shares expensive and iPhone sales set to disappoint. On the chart the \$237 level been resistance and AAPL showing bearish divergences on the weekly chart. The long-term rising channel pattern leaves room for AAPL to run to \$280 by the end of Q1 2025 if shares clear \$240. AAPL should have plenty of support near \$225 but if that is lost \$218. AAPL options are pricing in a 2.3% earnings move and 30-day IV Skew at +3.9 is steep compares to the +2.2 52-week average. AAPL put/call open interest at the 26<sup>th</sup> percentile and average IV30 crush is -22.4%. AAPL has large November \$240 and \$245 call open interest from buys but also mixed flows in \$225 and \$235 call strikes. AAPL has 100,000 January \$200 calls bought in open interest and recent rolls to 40,000 February \$265 calls bought.

Trade to Consider: Long **AAPL** Nov. 1<sup>st</sup> (W) \$232.5/\$225/\$217.5 Put Butterfly Spreads at \$1.90 Debit



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These trade ideas are to be self-managed as there will be no follow-up, and each user must take full responsibility of the trade, and only take action on trades that fit his/her risk profile and are comfortable trading.

**Not Investment Advice or Recommendation**

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