



CRWD, PDD, FDX

CrowdStrike (CRWD) will report results 3/16 after the close with the Street expecting \$0.08 EPS and \$250M in Revenues (+64.5%) and Q1/FY22 seen at \$0.05/\$267.8M and \$0.28/\$1.22B. CRWD shares have closed higher three of its last four reports with a six quarter average max move of 13.7%. The \$45.5B cloud-security leader trades 35X FY22 EV/Sales with revenues seen rising 78.7% in 2021 and 41.7% in 2022. Organizations are shedding outdated systems and accelerating their move to modern cloud-native technologies to meet the demands of today's threat landscape. It sees a large and expanding TAM of \$32.4B in 2021 reaching \$38.7B in 2023. Cloud security spend is expected to 1X from 2020 to 2023. Analysts have an average target of \$235 and short interest is around 4.7% of the float. OTR Global out positive on 3/2 showing strong checks. On 2/22 JMP raised its target to \$295 and on 2/17 Mizuho to \$270 on healthy demand checks. Canaccord started shares Buy on 2/16 with a \$280 target as a long-term secular winner as it captures larger shares of security budgets. Hedge Fund ownership rose 6% in the latest quarterly filings, Whale Rock adding to a large position and Matrix, Tiger Global and Coatue top concentrated holders. On the weekly chart CRWD held above the uptrend and the 38.2% retracement held as a recent low, while a 50% retrace back to \$141.5 would retest the November flag breakout. MACD has seen a recent bear crossover and this bounce has a lot of resistance up near the \$220 level. CRWD options are pricing in a 6.85% earnings move with 30-day IV Skew at +0.6 comparing to the +0.5% 52-week average. CRWD has 4000 March \$190 calls in OI from a large buy on 3/5 although 1/2 closed on 3/12, and 3500 Mar. \$200 calls from a large buy on 3/4.

Trade to Consider: Long the **CRWD** March \$200/\$220/\$240 Butterfly Call Spreads at \$4 Debit



Pinduoduo (PDD) will announce results 3/17 before the open with the Street looking for \$0.01 EPS and \$2.9B in Revenues (+89.4%) and Q1/FY21 seen at (\$0.05)/\$2.14B and \$0.07/\$12.48B. PDD shares have closed higher two of its last three reports, though lower five of eight, and a six quarter average max move of 15.8%. The \$199B ecommerce leader in Asia is trading 20X FY21 EV/Sales with revenues seen rising 72.5% in 2020 and 65.8% in 2021. PDD operates a next-generation ecommerce platform utilizing a feed-based shopping format integrating social and personal tailored advice. It is creating a whole new fun and interactive shopping experience. Pinduoduo has also become China's largest online platform for agricultural products by enabling direct selling from farms to the dining tables. Pinduoduo has built one of the world's largest online communities in the past 5 years. By focusing on bringing consumers more savings and more fun. Analysts have an average target near \$175 and short interest is 2.4% of the float. OTR Global out on 2/4 noting vendor checks showing accelerated growth in Q4. OpCo raised its target to \$200 on 1/27 on the secular trend of e-grocery adoption in China. On 1/26 Deutsche Bank started shares Buy with a \$199 target. Hedge Fund ownership rose 0.8% in the latest quarterly filings. On the chart PDD put in a hammer reversal last week to close above the 21-week EMA and VWAP off the October 2020 low, also completing a retest of the late 2020 flag breakout. Shares likely face resistance on a rebound move to \$175. PDD options are pricing in a 7.5% move on earnings and 30-day IV Skew at -0.1% compares to the +0.1% 52-week average. PDD has a lot of short puts in open interest across various strikes though \$130 to \$140 seen as key support for these short puts. The March \$165, \$185 and \$190 calls saw some size buys in early March.

Trade to Consider: Sell the **PDD** March \$150/\$145 Put Spreads to Open at \$1.70 Credit (Bull Put Spreads)



Fed-Ex (FDX) will announce results 3/18 after the close with the Street consensus at \$3.25 EPS and \$19.93B in Revenues (+14%) and Q4 expected at \$4.62/\$19.74B. FDX shares have closed higher three of the last four reports with a six quarter average max move of 9.3%. The \$71B freight shipping leader trades 14.3X Earnings, 0.95X Sales and 33.2X FCF with a 0.96% yield. FDX revenues are seen rising 15% in 2021 and 5% in 2022 with EBITDA growth of 43.7% and 9.4% respectively. FDX business continues to surge and should link closely to the reopening of economies globally and Macro recovery. FDX continues to show pricing power with it raising prices while cost efficiencies have also contributed to expanding margins. Analysts have an average target of \$323.50 and short interest is low at 1.3% of the float. CSFB lowered its target to \$350 last week noting margins are generally the focal point for FDX reports but thinks investors will forgive the higher cost/piece inflation as long as revenue/piece is sufficient and price surcharges are sticking. JPM with a \$340 target notes the quarter will be impacted by higher operating costs and poor weather. Hedge Fund ownership fell 18.7% in the latest quarter filings. On the chart FDX shares closed strong last week working out of a long base that measures to a target of \$285 and weekly MACD about to trigger a bull crossover. Shares have a lot of support built up in the \$250-\$260 zone. FDX options are pricing in a 5.75% earnings move with 30-day IV Skew at +0.1 comparing to the +1.8 52-week average. FDX last week with 1000 March 26th (W) \$262.50 calls bought to open, the April \$290 calls are up over 3500X in OI, April \$250 calls with 2000X bought, and April \$300 calls have seen over 8000 accumulate.

Trade to Consider: Long the **FDX** March/April \$290 Call Calendar Spreads at \$3.95 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.

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