



Z, GM, PYPL, UBER, ETSY, SQ, EXPE, ROKU

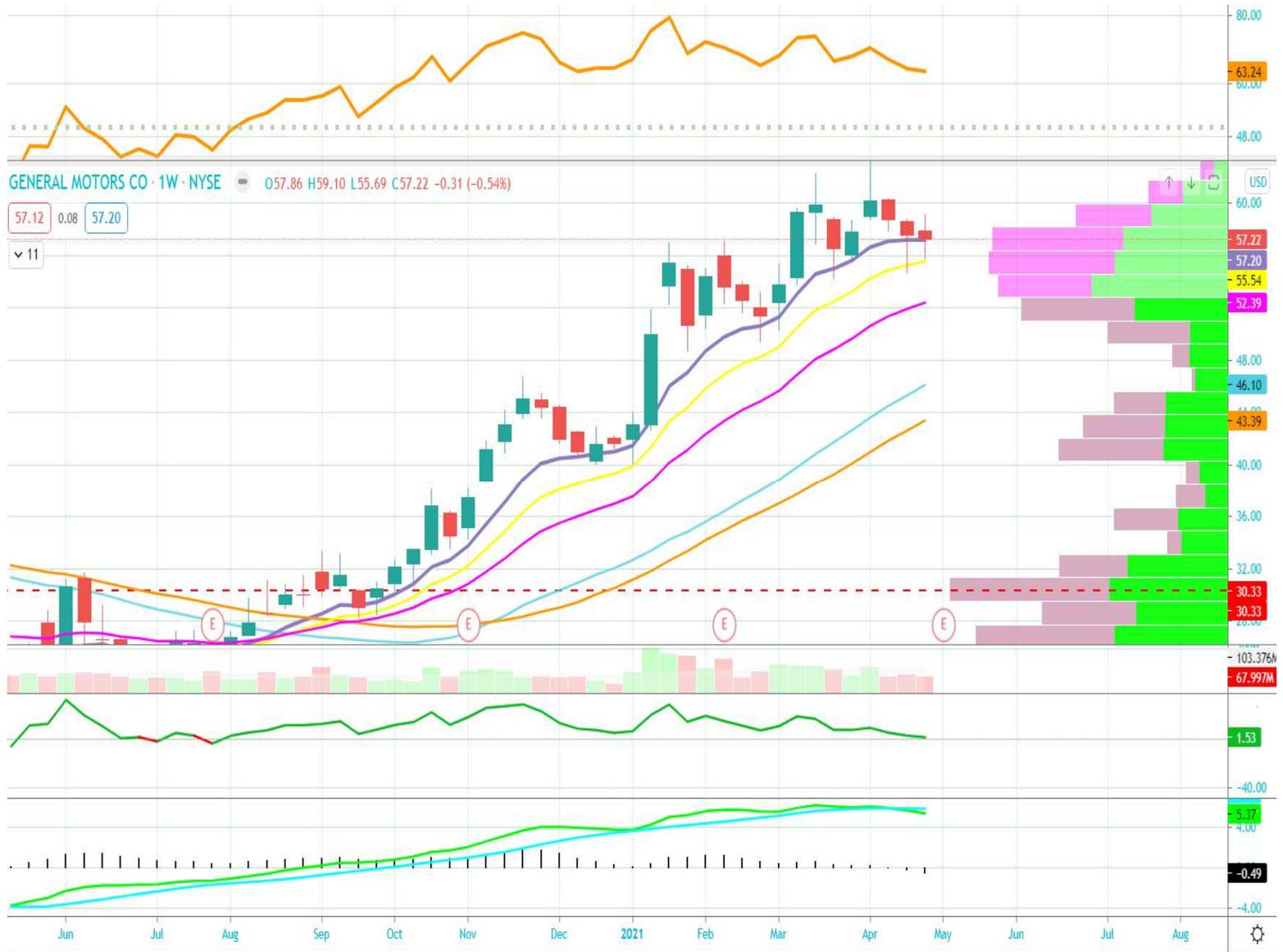
Zillow (Z) will announce earnings 5/4 after the close with the Street view at \$0.41 EPS and \$789M in Revenues (-16.4%), and Q1/FY21 seen at \$0.25/\$1.1B and \$0.91/\$5.46B. Z shares have closed higher the last six reports with an average max move of 18.4%. The \$23.4B online real estate company trades 9X EV/Sales with revenues seen rising 21.8% to close 2020 and expected to rise 63.5% in 2021 while profitability also set to start ramping at impressive growth rates. Zillow is benefitting from the underlying strength in the housing market and seeing strong traction in its transition from an advertising model to a transactional model with multiple higher value channels for monetization. Zillow has also become a player in the iBuyer market and last quarter announced a \$500M deal for ShowingTime as it builds out its real estate tech solutions. Analysts have an average target of \$200 on shares with short interest elevated at 16% of the float. Benchmark out on 4/21 calling the recent pullback an excellent entry point seeing the Housing boom playing out further and has a \$230 target on shares. Evercore ISI with a recent initiation and \$179 target seeing Z as the largest beneficiary of the housing market and IMT margin inflection point as well as improving iBuying unit economics. Jefferies out with a \$215 target after its housing survey. Hedge Fund ownership rose 5% in the latest quarterly filings, Ark a top holder as well as Coatue, Contour and Jericho. On the chart Z shares with a potential inverse head and shoulders pattern above its rising 200-day moving average, and a move above \$145 needed to clear the recent falling wedge pattern on the weekly. A move below \$125 would likely test back near \$115. Z options are pricing in a 9.5% move on earnings with 30-day IV Skew at +0.5 comparing to the +0.7 52-week average. On 3/5 Z with a large trade that opened 5000 January \$140/\$110 bull risk reversals and prior to that popular with large opening put sales in January 2022. On 4/6 a trade bought 10,000 September \$120 calls to open for \$33.5M.

Trade to Consider: Long the **Z** May \$135/\$145 Call Spreads at \$3.20 Debit



General Motors (GM) will report results 5/5 before the open with the Street expecting \$1.04 EPS and \$32.67B in Revenues (-0.1%), and Q2/FY21 seen at \$1.11/\$33.3B and \$5.24/\$138.07B. GM shares have closed higher on earnings four of the last six reports with an average max move of 6.2%. The \$81.5B automaker trades 9X Earnings, 12X EBITDA and 7.6X FCF with revenues seen rising 12.7% in 2021 and EBITDA seen down 40%. GM is seeing pressures from rising commodity costs as well as supply-chain challenges stemming from semiconductors. GM continues to invest aggressively in EV/AV platforms as it intends to have a full electric fleet by 2035. Analysts have an average target of \$67 and short interest is low at 1.3% of the float. Evercore on 4/14 raising its target to \$65 though seeing risks into the Q1 report. Wells Fargo initiated Overweight with a \$67 target on 4/5 seeing GM lead the way in autonomous, electric and connected future of mobility. Hedge Fund ownership rose 2.4% in the latest quarterly filings. On the chart GM shares in a multi-week holding pattern sitting just under new highs, the \$59.50 resistance for a run back to \$63.50 highs. Shares are in a strong trend though below \$55 can fall back to \$52. GM options are pricing in a 3.5% move on earnings with 30-day IV Skew at +0.5 comparing to the +0.3 52-week average. GM has seen significantly bullish call flow for months including recent May 7th (W) and May 14th (W) call accumulation.

Trade to Consider: Long the **GM** June \$60 Calls \$1.90



PayPal (PYPL) will report earnings 5/5 after the close with the Street looking for \$1.01 EPS and \$5.9B Revenues (+27.8%), and Q2/FY21 seen at \$1.10/\$6.16B and \$4.57/\$25.71B. PYPL shares have closed higher five of its six reports with an average max move of 8.78%. The \$314B leader in online payments is trading 45.6X Earnings and 11.8X EV/Sales with revenues seen rising 19.8% in 2021 and 20.6% in 2022. PYPL will start to face tougher comps the remainder of the year after benefitting from the accelerated adoption of ecommerce. It has also been investing in the Cryptocurrency trend with a few recent acquisitions. Analysts have an average target of \$310 and short interest is low at 1.2% of the float. Barclays out positive into earnings on ecommerce indicators and mobile app data. It notes the Supper App narrative as PYPL has gradually introduced a suite of new products and services over the past year, including QR code payment, Venmo credit cards, crypto trading, and BNPL offerings, among others. BTIG raised its target to \$345 on 2/16 seeing sustained growth the next few years. Hedge Fund ownership fell 5% in the latest quarterly filings. On the chart PYPL shares forming a large cup and handle pattern and closed last week just above the 55-day moving average. PYPL needs to clear \$270 resistance for a run back to \$300. On weakness support sits back in the \$240-\$245 zone. PYPL options are pricing in a 5.35% earnings move and 30-day IV Skew at +0.4 compares to the +1.4 52-week average. On 4/6 the May \$290 calls bought 2000X, and on 3/25 the October \$230 calls with 900 bought while May \$270 calls with 10,000 opening since 3/10.

Trade to Consider: Long the **PYPL** May \$270/\$290/\$300 Unbalanced Call Fly at \$4 Debit



Uber (UBER) will release results 5/5 after the close with the Street consensus at (\$0.54) EPS and \$3.28B in Revenues (-7.6%) and Q2/FY21 seen at (\$0.45)/\$3.68B and (\$1.53)/\$16.1B. UBER shares have closed higher three of the last five reports with a six quarter average max move of 7.88%. The \$102.5B ride-sharing and delivery company trades 6.5X EV/Sales with revenues seen rising 44.5% in 2021 and 37% in 2022. UBER has been reporting monthly booking numbers while recent news has focused on potential headwinds from treating workings as "gig-employees." Analysts have an average target of \$70 and short interest is 4.3% of the float. On 4/27 Needham started shares Buy with a \$77 target noting it sees the potential for the move up the adoption curve in Delivery during the pandemic to be sticky and look for Uber to benefit from its expansion into other verticals like grocery and alcohol, where recent acquisitions should help drive share quickly. It is also positive on improving mobility trends and the subscription service potential. On 4/20 Nomura started shares Buy with an \$80 target citing its scale as a key competitive advantage and sees a path to profitability by the end of the year. Jefferies started at Buy on 4/1 with a \$75 target seeing a strong recovery in 2021 and in delivery ordering habits are likely to persist post-pandemic. Hedge Fund ownership surged 18% in the latest quarterly filings, notable large holders include Jackson Square, Altimeter, Coatue and Tiger Global. On the chart UBER pulled back to trend support and the rising 21-week moving average last week, sitting just above a key mid-channel level. A move below \$53 could target a sharp move back under \$50 while shares need to clear \$60 for a breakout and eventual run to \$65/\$70. UBER options are pricing in a 6.1% earnings move and 30-day IV Skew at +0.2 compares to the +1.3 52-week average. UBER has seen some size call buys into May 7th (W) calls into recent weakness, also a seller of 5000 January 2023 \$52.5 puts to open seeing limited downside in shares. UBER still has 60,000 May \$60 calls in OI from buyers, 20,000 September \$60 calls, 70,000 January \$70 calls and 30,000 June \$65/\$50 bull risk reversals.

Trade to Consider: Long the **UBER** May 7th (W) \$55 Straddle at \$4.85 Debit



Etsy (ETSY) will release earnings 5/5 after the close with the Street expecting \$0.88 EPS and \$530M in Revenues (+132%), and Q2/FY21 seen at \$0.67/\$494.4M and \$3.04/\$2.18B. ETSY shares have closed lower six of its last eight reports, a six quarter average max move of 12.5%. The \$26.5B ecommerce company trades 51.7X Earnings and 11.3X EV/Sales with revenues seen rising 26% this year and 20.5% next year. Etsy recent investments drives incremental buyer frequency through personalization, search and marketing, and generates leverage across its cost structure. Analysts have an average target of \$240 on shares and short interest is 5% of the float. Jefferies out positive last week expecting a beat on Q1 numbers. KeyBanc downgraded shares last week seeing limited upside to earnings revisions near-term. Evercore started shares Outperform with a \$265 target on 4/5 citing its scaled marketplace platform with a differentiated value proposition with attractive long-term margin and earnings potential. Citi calls ETSY a valuable platform for highly fragmented categories that are large transacted online. Hedge Fund ownership fell 16.7% in the latest quarterly filings. On the chart ETSY sold off last week to lower value and also sits right on its rising 21-week moving average. A move below \$196 can start a move back to its rising 200-day moving average at \$166. Shares are coiled and a move higher can target \$225 and then \$250. ETSY options are pricing in an 8.9% move on earnings and 30-day IV Skew at +1 compares to the +1 52-week average. ETSY has seen sellers of June \$180 puts buy the \$220 and \$230 calls while selling the \$250 calls, the May \$220 and \$230 calls also been bought with sales of \$250 and \$270 calls in May, a 1/20 opening sale of 4000 January \$200 puts and 4000 January 20223 \$230 long-term calls have been bought.

Trade to Consider: Sell the **ETSY** June \$195/\$190 Put Spreads for \$2.30 Credit (Bull Put Spread)



Square (SQ) will announce earnings 5/6 after the close with the Street view at \$0.16 EPS and \$3.33B in Revenues (+141%), and Q2/FY21 seen at \$0.29/\$3.51B and \$1.25/\$14.31B. SQ shares closed lower last quarter on results after being higher the prior five reports, a six quarter average max move of 10.82%. The \$112.5B payments leader trades 7.7X EV/Sales with revenues seen rising 50.7% in 2021 and 18% in 2022. SQ's Cash App has been a major success and continues to add users at a rapid pace while offering the ability to participate in Bitcoin. SQ will be able to monetize its growing user based while the Merchant business will face easy comps in 2021 and the company has global growth as a priority that will continue to fuel its expansion. The addition of Credit Karma Tax was a smart move and tax refund season should drive strong trends. SQ continues to expand product offerings to monetize recent growth with the addition of Square Card, Cash Card, Stock Brokerage, and other financial services. Analysts have an average target of \$275 on shares and short interest elevated at 9.8% of the float. Barclays out positive on 4/20 seeing stimulus driving upside to the Cash App. Needham raised its target to \$310 seeing upside to estimates from recent initiatives. KBW upgraded to Outperform on 3/31 as a long-term winner within an underserved market with two large and successful ecosystems. Hedge Fund ownership fell 1.7% in the latest quarterly filings. On the chart SQ shares are sitting above some key VWAPs and forming a cup and handle look, a move above \$275 measures to a \$350 upside target. On weakness look for support at \$225 for a rebound. SQ options are pricing in a 5.6% move on earnings and 30-day IV Skew is at +0.4 comparing to the +0.5 52-week average. SQ has seen some buyer flow in May 28th (W) \$255 and \$260 calls, the June \$260 puts have 10,000 in OI from buys, and otherwise fairly light positioning though June \$200 calls have 13,000 deep ITM from buys.

Trade to Consider: Long the **SQ** May/June \$220 Calendar Put Spreads at \$3.60 Debit



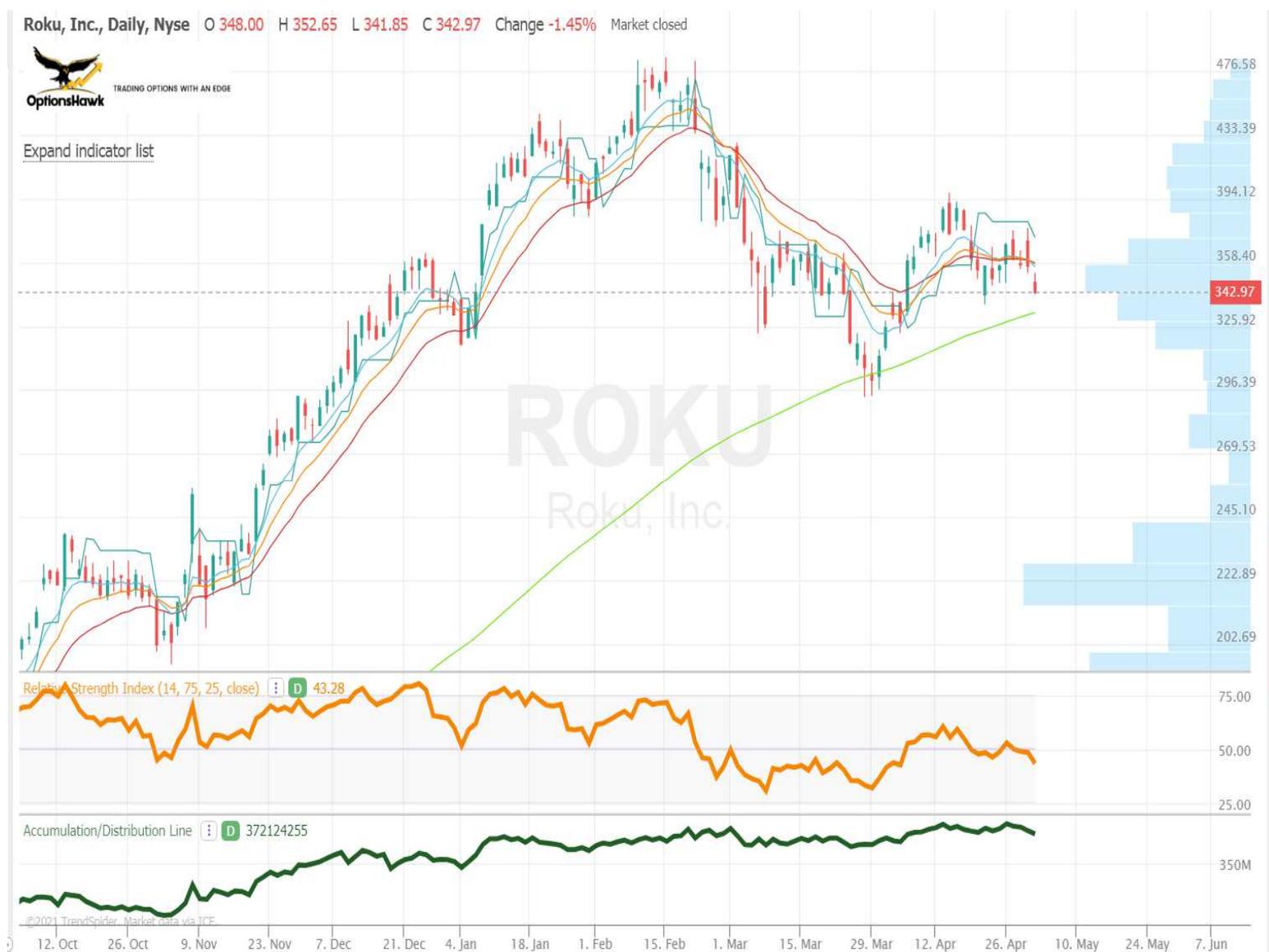
Expedia (EXPE) will report results 5/6 after the close with the Street looking for (\$2.31) EPS and \$1.12B in Revenues (-49.4%) and Q2/FY21 seen at (\$0.58)/\$1.72B and (\$0.32)/\$7.62B. EXPE shares have closed lower four of its last six reports with an average max move of 11.2%. The \$26B OTA trades 29.9X Earnings and 4.4X EV/Sales with revenues seen rising 46.6% in 2021 and 38% in 2022 as pent-up demand for travel is unleashed. EXPE used the downturn to restructure and significantly cut costs and increase marketing efficiency, moves that should pay off in the long-term as bookings recover. EXPE has undergone a big management shift with Barry Diller back taking more control and they expect to unlock value by utilizing more AI/data to analyze customer habits and make more targeted conversions. The shift under Diller is also likely to accelerate those trends towards lower costs and take better advantage of their scale. Analysts have an average target of \$175 with short interest elevated at 9.2% of the float. Cowen on 4/22 with a raised \$200 target updating long-term estimates and sees it set-up for a beat-and raise with improving trends. Truist on 4/19 raised its target to \$237 seeing a robust recovery in US travel demand and EXPE with higher margins driven by fixed cost reductions. Hedge Fund ownership jumped 8.7% in the latest quarter, D1 Capital and Melvin size buyers with large stakes. On the chart EXPE shares have been forming a long and tight flag needing to clear \$180 convincingly for a leg higher and likely move to \$200. Shares have support back at \$169 and below would leave room for a steep fall to \$146. EXPE options are pricing in a 4.9% move on earnings with 30-day IV Skew at 0 comparing to the +1.1 52-week average. EXPE recently with 6000 May \$170 calls bought, seen sales at the \$200 call strike, buyer of 3500 May \$175 calls, and has 14,500 January \$130 calls bought still in OI.

Trade to Consider: Long the **EXPE** May/July \$190 Call Calendar Spreads at \$4.35 Debit



Roku (ROKU) will report earnings 5/6 after the close with the Street view at (\$0.15) EPS and \$491M in Revenues (+52.9%) and Q2/FY21 seen at (\$0.24)/\$549.4M and (\$0.26)/\$2.57B. ROKU shares have closed higher the last two reports after being lower the previous four, a six quarter average max move of 10.5%. The \$47B streaming platform leader trades 16.8X EV/Sales with revenues seen rising 44% in 2021 and 38% in 2022 and profitability also starting a strong ramping cycle. ROKU is benefitting from a strong advertising shift of dollars to the CTV market. The US opportunity along is estimated at \$70B and there is also a large International opportunity. Analysts have an average target of \$485 with short interest low at 4% of the float. Wedbush last week upgraded shares to Outperform with a \$475 target seeing attractive entry with expectations for accelerated user expansion, the secular shift in TV, and the start of international expansion. Evercore started coverage at Outperform with a \$400 target on 4/5 as a leader in long-form ad-supported video streaming, audience size and product quality. Hedge Fund ownership fell 4.6% in the latest quarter, Ark a top holder and Gilder Gagnon Howe with a large stake. On the chart ROKU shares closed weak last week under several key VWAPs and \$325 potential support. Shares need to clear \$375 to work out of this possible bottoming pattern. ROKU options are pricing in an 8.7% earnings move and 30-day IV Skew at 0 compares to the 52-week average of -0.4. ROKU has 1500 May \$390 calls bought in OI from 4/6, 1350 July \$480 calls from 2/3, 1000 July \$430 calls from 1/22 and 1500 July \$350 short puts. ROKU also a trade on 12/22 put on 2000 July \$360/\$300 bull risk reversals that remain in open interest.

Trade to Consider: Long **ROKU** July \$360/\$400 Call Spreads for \$12.20 Debit



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