



UBER, AMD, PYPL, AMZN, AAPL, ABNB

**Uber (UBER)** will report results 8/1 before the open with the Street expecting (\$0.01) EPS and \$9.33B in Revenues (+15.6%) and Q3/FY23 seen at \$0.04/\$9.51B and \$0.01/\$37.55B implying 17.8% revenue growth for 2023 while 2024 seen at 17% revenue growth and EPS seen jumping to \$0.92. UBER's top-line growth is moderating this quarter from a recent surge from easy comps but profitability is starting to ramp. UBER shares have risen after earnings the last four quarters as it keeps exceeding profitability estimates and a six-quarter average max move of 12.6%. 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's leaner post-COVID cost structure has improved recent results. UBER has detailed how it expects 50%/35%/15% of forward rideshare bookings growth to come from UberX/New Products/New Geographies. UBER's innovation-based products/growth include Taxi, U4B, Shared Rides and Reserve. The Street is at 23% Y/Y Mobility Bookings growth and 12% Delivery Bookings growth and US Mobility data points suggest slowing growth while International a likely source of upside. FX should become a y/y bookings tailwind for 3Q, while possible headwinds are more aggressive Lyft pricing or slowing delivery sector growth. UBER should benefit from a more favorable labor backdrop and continues to sign new partners to the platform such as Domino's Pizza. UBER has a \$94.3B market cap and trades 52X Earnings, 19X FY24 estimated EBITDA and a projected 4.4% FCF yield. Analysts have an average target of \$52.50 with short interest low at 2.7% of the float. Wedbush sees upside to bookings on the return to work, recovery in corporate travel and strength in leisure demand. Tigress recently started shares Buy with a \$66 target seeing ongoing innovation and partnerships driving upside to profitability. Evercore has a \$75 target seeing increased confidence in \$4B+ FCF in 2024. On the chart UBER shares are in a real strong trend but still not back to 2021 highs. Shares are working in a narrow range with \$50.20 the next clear target. On weakness, a retest of value near \$45 is a reasonable pullback target. UBER options are pricing in a 7.75% earnings move with 30-day IV Skew at +0.6 comparing to the +4.9 52-week average. UBER's put/call open interest ratio is at the 91<sup>st</sup> percentile and average IV30 crush is -19.55%. UBER flows started to skew a bit cautious the last three days after being very bullish for months including 10K Aug. 4<sup>th</sup> (W) \$45 puts bought and 1000 Oct. \$50 puts bought. UBER still has massive August \$42.5 and \$45 long calls in open interest as well as September \$40 and \$50 calls, so overall Net Deltas remain firmly bullish.

Trade to Consider: Long the **UBER** September \$50/\$55/\$60 Butterfly Call Spreads at \$0.80



**Advanced Micro (AMD)** will announce results 8/1 after the close with the Street looking for \$0.57 EPS and \$5.31B in Revenues (-18.9%) and Q3/FY23 seen at \$0.73/\$5.82B and \$2.85/\$6.45B implying a decline in revenues of 2.6% in 2023 and EPS down 18.7% while FY24 seen at 19.5% topline growth with 49% bottom-line growth. AMD is expected to return to Y/Y growth next quarter which will then accelerate the following quarters, a potential inflection point for shares. AMD shares have closed lower three of the last four reports, a six-quarter average max move of 9.55%. AMD is a fabless semiconductor company that designs CPUs, GPUs, and custom ICs for a variety of end-markets, generally focused on consumer, enterprise, and data center applications. The company operates several segments: Computing & Graphics; Enterprise, Embedded, and Semi-Custom; and Adaptive Computing (Xilinx business). Data center plus Xilinx products now make up approximately 50% of gross profit dollars, and with strong share gain potential for both. AMD increased its AI accelerator TAM outlook to \$150B+ in 2027 vs. \$64B in 2025 prior, as compared to \$30B in 2023. AMD stands to be a major beneficiary and share gainer as it relates to generative AI. AMD is operating near cycle lows with just 1% Q/Q data center growth seen. NVDA's full-stack AI platform will pressure AMD data center GPU market share upside. AMD has a market cap of \$179B and trades 26.65X Earnings, 22X FY24 estimated EBITDA and a forecasted 3% FCF yield. Analysts have an average target of \$133.50 with short interest low at 3.2% of the float, increasing 13% Q/Q. Citi out cautious last week with Meta and Alphabet lowering Capex. Wolfe recently started coverage at Outperform with a \$150 target on inventory normalization and sees further market share gains against Intel. Citi opened a negative catalyst watch seeing downside with a correction in data center, gaming and embedded markets. On the chart, AMD shares are consolidating under monthly value with \$110 a key level trying to hold, a break and a volume pocket move back to \$97 can be seen while the 200-MA is near \$87. A move back above \$115 inside value targets VPOC near 120.50 and then upper value at 131. AMD options are pricing in a 6.3% earnings move and 30-day IV Skew is showing bull inversion at -1.2 comparing to the +4 52-week average. AMD put/call open interest ratio is at the 59<sup>th</sup> percentile and average IV30 crush is -14.55%. AMD has recently seen some large buys in September \$135 calls, Oct. and Dec. \$120 calls and sellers in March \$95 and \$85 puts. AMD does have 15K August \$115 puts in open interest from buyers.

Trade to Consider: Long **AMD** August \$110/\$100 Put Spreads at \$3 Debit



**PayPal (PYPL)** will announce results 8/2 after the close with the Street consensus at \$1.16 EPS and \$7.27B in Revenues (+6.9%) with Q3/FY23 seen at \$1.22/\$7.32B and \$4.95/\$29.59B implying 7.5% revenue growth and 19.8% EPS growth in 2023 with 2024 seen at 9.1% topline growth and 14.5% bottom-line growth. PYPL shares have closed higher three of the last five reports, though hit hard last quarter, an average six-quarter max move of 13.1%. PYPL has faced headwinds with a lot of blowback on recent policies as well as an overall slowing consumer spend environment in ecommerce. Share gains and the stabilization of eCommerce growth would be the key to move shares higher while margins remain a key topic as the company initiated cost-savings initiatives. PYPL is likely to also benefit from rising rates that will support its OVAS revenue, which incorporates interest income on customer deposits. With 43% of revenue coming internationally PYPL FX headwinds should moderate. Venmo is an important path for PayPal to keep winning more checkout share with the Gen Z/Y population and added 4 net new merchants increasing its acceptance to 7% by count and 35% by volume (including Amazon). Despite PayPal's impressive scale and wide acceptance lead over other digital wallets, it has continued to grow acceptance by count by ~6 merchants annually among the largest online retailers. The big debate has been the impact of Apple Pay taking share. A potential main catalyst is whether we get clarity on the CEO search. PYPL has cited initiatives to drive improved profitability of the unbranded processing business, including expanding it into the SMB market (PayPal Complete Payments, PPCP solution) and internationally, as well as cross-selling higher-margin value-added services. Spending data has shown eCommerce stabilizing/improving. PYPL has a market cap of \$80B and trades 13X Earnings, 2.85X Sales, 10.9X EBITDA and a forecasted 9%+ FCF yield in 2024. Analysts have an average target of \$90 with short interest low at 1.8% of the float. BTIG started shares Buy on 6/13 with an \$85 target seeing attractive entry with the recent reset in shares. Atlantic cut shares to Neutral seeing no quick fixes to its branded market share or transaction margins. On the chart, PYPL shares are consolidating under its 200-MA and a break above \$75.8 can target a key VWAP at \$79.50 while \$89.50 is VWAP off highs. A loss of key \$70 supports would set up for value retest at \$67 and VPOC at \$64.25. PYPL options are pricing in a 7.5% earnings move with 30-day IV Skew bullish inverted at -0.3% comparing to the +4.1 52-week average. PYPL put/call open interest ratio is at just the 8<sup>th</sup> percentile, a sentiment concern, while average IV30 crush is -20.8%. PYPL has seen strong bull flows the past month including sellers in September \$72.5 and August \$75 puts, while 12,000 August \$80 calls added to OI since mid-month, 20K September \$90 calls bought and some longer-dated size call buys.

Trade to Consider: Long **PYPL** September \$75/\$80 Call Spreads at \$1.75 Debit

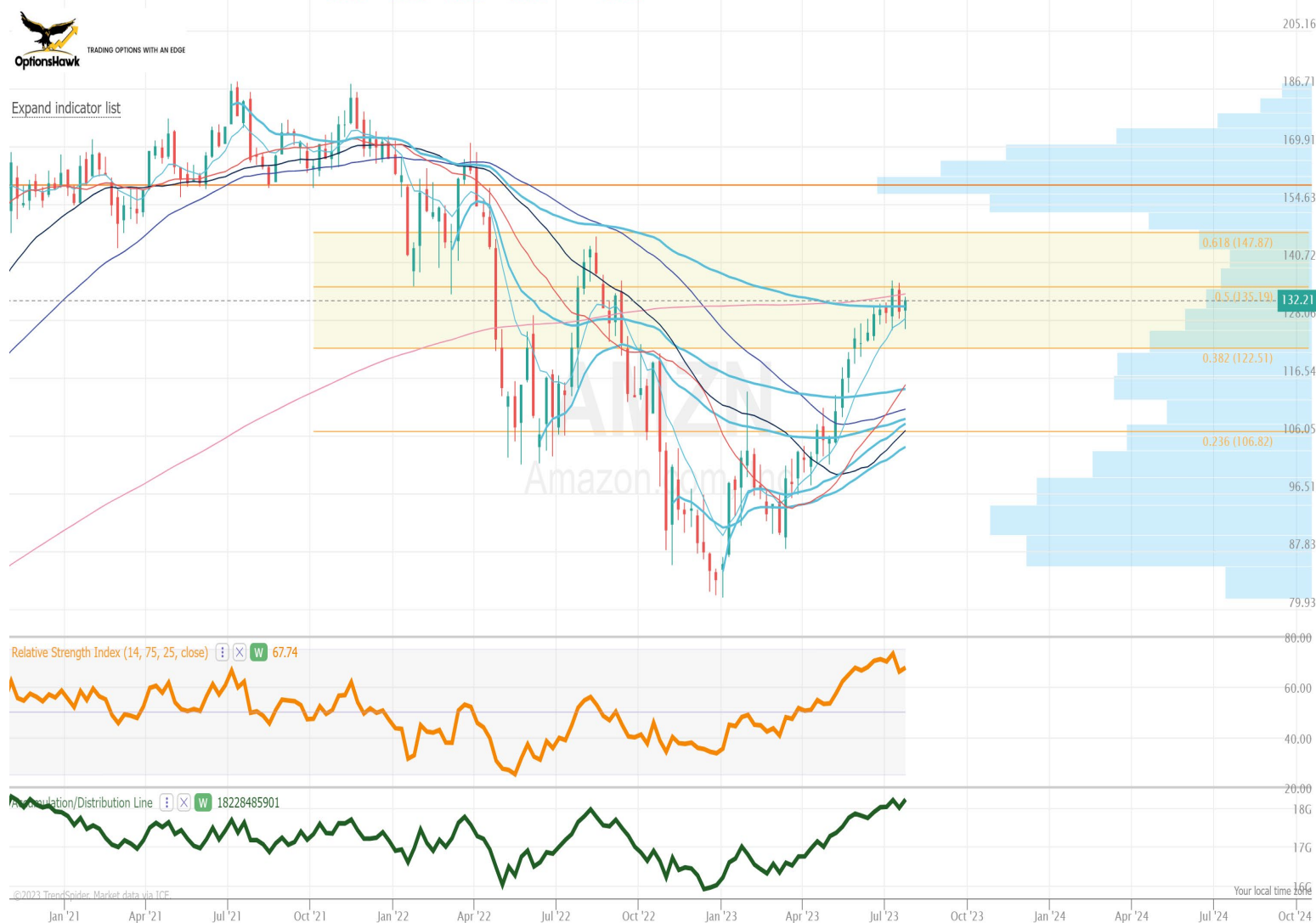




**Amazon (AMZN)** will release earnings 8/3 after the close with the Street view at \$0.35 EPS and \$131.47B in Revenues (+8.4%) and Q3/FY23 seen at \$0.40/\$138.14B and \$1.59/\$561B implying 9.1% revenue growth and 3284% EPS growth while 2024 seen at 11.6% topline growth and 62.2% EPS growth with growth seen accelerating into 2H23 and 1H24. AMZN shares have closed lower 9 of its last 11 earnings reports, a nasty streak, with a six-quarter average max move of 11.8%. 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. AMZN has a market cap of \$1.3 trillion and trades 51X Earnings, 15.5X EBITDA and a forecasted 2.5% FCF yield in 2024. AWS growth will be in focus with the Street expecting deceleration to 9.5% growth Y/Y. Online spending declined 1% Y/Y in 2Q, stable vs. 1Q. Early 3Q & Prime Day commentary suggest a strong start to the quarter. 2H'22 (last year) had both disappointing sequential AWS dollar adds and the worst eCommerce holiday since the Great Recession which could set up for easy comps this year with improving AWS growth and better retail margins main stock drivers. Analysts have an average target of \$143 with short interest less than 1% of the float. JPM called AMZN a best idea into Q2 results on better ecommerce trends and market share gains while AWS set to reaccelerate in 2H and retail margins are set to expand. On the chart, AMZN shares consolidating the last few weeks with \$125.7 holding as key support followed by \$122.70 and then \$117. AMZN shares are stalling at VWAP off the 2021 highs and the 50% retrace level so above \$135 could unleash a strong push to next resistance near \$147. AMZN options are pricing in a 5.5% earnings move with 30-day IV Skew at +0.2 comparing to the 52-week average of +4.4. AMZN put/call open interest ratio is at the 33<sup>rd</sup> percentile while average IV30 crush is -24%. AMZN flows have skewed mostly bullish with large buys in September \$135 and \$140 calls, August \$130 calls and even November \$150 calls and October \$140 calls.

Trade to Consider: Long **AMZN** August / October \$145 Call Calendar Spreads at \$2.55 Debit

Amazon.com, Inc., Weekly, Nasdaq + Nyse BQT O 130.31 H 133.01 L 126.11 C 132.21 Period +1.46% Market closed



**Apple (AAPL)** will report earnings 8/3 after the close with the Street consensus at \$1.19 EPS and \$81.64B in Revenues (-1.6%) and Q4 seen at \$1.36/\$90.17B while 2024 seen at \$6.59/\$410.65B implying 10.1% EPS growth and 6.7% Revenue growth as growth is seen improving through 2024. AAPL shares have closed higher five of its last six reports with an average max move of 5.5%. 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. Elevated buybacks and institutional under ownership should also provide support. 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. AAPL has a market cap of \$3 trillion trades 30X Earnings, 24X EBITDA and with a 3.3% FCF yield. Expectations in this quarter based on checks are for weaker iPhone numbers offset by strength in Services with better App Store growth and subscriptions. iPhone 15 launch could be delayed and impact Q4 guidance. History shows Apple outperforms by 5-10 pts after guiding the Sept Q higher. Analysts have an average target of \$193 with short interest less than 1% of the float. BAML outlines key debates as (1) Do iPhone / Hardware cycles matter and emerging market opportunity, (2) secular trajectory of Services growth (sustainability of double digits/teens growth) and cyclical slowdown of ad and gaming, (3) potential reversal of COVID tailwinds (iPads and Macs), (4) new product momentum (AR/VR headset opportunity), (5) levers for gross margin upside, (6) supply chain shifts out of China into other regions (e.g. India), (7) can iPhone mix (and hence ASP) remain a tailwind for the next few years after a few very strong years? and (8) risk from increased regulation. MSCO has a \$220 target seeing a focus on guidance for improving gross margins and accelerating Service growth from June. On the chart, AAPL shares in a two week consolidation with support on weakness seen at 187 and 184 levels followed by 179.3 as a sharp dip level to buy. AAPL has reached its 123.6% Fibonacci extension with the \$205 level the next target as the 1.382% level. The \$140/\$175 range breakout measures to a \$210 upside target. Apple options are pricing in a 2.9% earnings move and 30-day IV Skew at +2.9 compares to the +5.3 52-week average. AAPL put/call open interest ratio is at the 37<sup>th</sup> percentile and average IV30 crush is -17.8%. AAPL saw large buys of Aug. 11<sup>th</sup> (W) 192.50 calls on Friday though mixed overall with some size buys also in Sep. 195 and August 192.5 puts last week. A 6/16 buyer of 25,000 October \$205 calls remains in open interest while call seller shave target Oct. 210, June 2024 220 and December 225 strikes.

Trade to Consider: Long **AAPL** August 4<sup>th</sup> (W) \$195/\$200 Call Spreads at \$2.20 Debits



**Airbnb (ABNB)** will report results 8/3 after the close with the Street expecting \$0.77 EPS and \$2.42B in Revenues (+15%) and Q3/FY23 seen at \$1.99/\$3.21B and \$3.45/\$9.54B implying 13.5% Revenue growth and 23.8% EPS growth in 2023 while 2024 seen at 13.7% topline growth and 16.6% bottom-line growth as Y/Y growth rates are seen falling the next few quarters as comps toughen. ABNB shares have closed lower three of the last four after being higher its first six quarters as a public company, and a six-quarter average max move of near 11%. Total bookings for alternative accommodations are seen growing to \$85B in 2026 from \$40B in 2019. ABNB management is targeting long-term 30%+ Adjusted EBITDA margins in improved variable costs, marketing efficiency & managing fixed expenses. ABNB has not even tapped into a massive potential market of Experiences and it is also quietly expanding into Hotels with its deal for HotelTonight. ABNB's results speak to 3 key underlying strengths of the ABNB platform: 1) Long term stays are ramping; 2) Supply initiatives are working; 3) EBITDA flow through is rising on better expense controls. ABNB is benefitting from the recovery in travel volumes as well as trends towards urban areas and International should materially benefit the company. Long term stays continue to ramp, as they now account for 20% of room nights booked. ABNB has a market cap of \$95B and trades 38.2X Earnings, 27.5X EBITDA and with a 3% FCF yield. 2Q23 travel data and travel company reports suggest some US trends have softened since late-Feb/March (though improved in June), but International strength can drive upside. There is risk of sentiment shift on travel in 2H'23 as Summer '23 could be the peak of the post-COVID Intl travel rebound. 3rd party data suggests room night growth upside for ABNB but expectations have also increased. Airbnb's 3Q nights and 2H ADR outlook will be in focus. Analysts have an average target of \$135 with short interest elevated at 13% of the float and rising 66% Q/Q. KeyBanc raised its target to \$160 last week as spend data indicates accelerating travel spend and a more favorable FX environment. On the chart ABNB is above all key VWAPs with recent movement and a the 61.8% Fibonacci sits at \$167.85 while \$182 is the top of long-term value. ABNB lower supports come in at \$147, \$140, and then value retest at \$129.50. ABNB options are pricing in a 6.7% earnings move with 30-day IV Skew at +1.5 comparing to the +4.9 52-week average. ABNB put/call open interest ratio is at the 57<sup>th</sup> percentile and average IV30 crush is -21%. ABNB has a large buy in January 2025 \$140 puts 4400X from 7/14 and has seen August \$145 put buys with mixed flow overall as August \$155 calls bought 1500X on 7/27.

Trade to Consider: Long **ABNB** August/September \$140 Put Calendar Spreads at \$1.60 Debit



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**Not Investment Advice or Recommendation**

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