



GOOG, PYPL, AMD, FB, SPOT, AMZN

Alphabet (GOOG) will report results 2/1 after the close with the Street looking for \$27.32 EPS and \$72.13B in Revenues (+26.8%) and Q1/FY22 seen at \$24.90/\$66.06B and \$112.07/\$297.16B. GOOG shares have closed higher four of its last five reports and has a six quarter average max move of 6.27%. The \$1.83 trillion Tech giant trades 23.75X Earnings, 26X FCF and 2.6X EV/Sales with revenues seen rising 17% in 2022 and 2023 along with 22.7% and 50% EPS growth. GOOGL has become a major ecommerce play with its Google Shopping innovations continuing to drive growth. GOOGL is also positioned to benefit from the auto and travel recoveries. This quarter Search is seen growing 28% Y/Y and YouTube at 30% Y/Y as deceleration sets in. GOOGL faces a tough 1H set-up with comps and likely will continue to invest heavily in Cloud, Waymo and AR/VR. Four key drivers for Google on earnings calls are: 1) Y/Y revenue trajectory, 2) Y/Y margin trajectory, 3) capital allocation, and 4) disclosures/outlook. Analysts have an average target of \$4000 and short interest is low at 0.8% of the float. BAML raised its target to \$3470 on 1/19 seeing both tech investments driving better search results and YouTube monetization in the early innings. Cowen raised its target to \$3500 on 1/13 as checks show it remaining the firm worldwide leader in the digital ad market. On the chart GOOG reversed last week after filling a large volume pocket retesting a key breakout from 2021 with the \$2500 level major support, a move below leaves a pocket back to \$2400. Shares are below a rising 200-day moving average but closed Friday above the 8-day moving average which has curled upwards. The low recently also came right at VWAP off the mid-January 2021 breakout. GOOG options are pricing in a 3.6% earnings move with 30-day IV Skew at +7.7 comparing to the +2.9 52-week average. GOOG's put/call open interest ratio is at the 97th percentile and average IV30 crush is -16.6%. GOOG sees plenty of large trades but mostly been concentrated in these revers diagonal put spreads and has plenty of short put open interest exposure.

Trade to Consider: Sell the **GOOG** February \$2600/\$2580 Put Spreads for \$6.50 Credit (Bull Put Spread)



PayPal (PYPL) will release earnings 2/1 after the close with the Street view at \$1.12 EPS and \$6.86B in Revenues (+12.2%) and Q1/FY22 seen at \$1.16/\$6.74B and \$5.25/\$29.88B. PYPL shares have closed lower its last two reports after being higher six of the previous seven, a six quarter average max move of 7.75%. The \$185B payments company trades 31.1X Earnings, 37.9X FCF and 6.3X EV/Sales with revenues seen rising 18-20% each of the next three years and EPS growth seen at 14% in 2022. It will likely take several quarters for investors to gain confidence in normalized eCommerce growth rates and PYPL's ability to sustain its growth algorithm. Buy Now Pay Later, Honey, and Amazon's Venmo partnership are newer initiatives as upside drivers. Analysts have an average target of \$250 with short interest low at 1.5% of the float. Mizuho lowered its target to \$225 and noted 2H22 should be stronger as performance of payment stocks tracks two-year sales growth stack which should inflect positively. Jefferies cut shares to Hold on 1/12 seeing a muted growth outlook and no room for multiple expansion. PYPL shares have been crushed with weekly RSI at 24 though weekly MACD has been pushing higher on the histogram. PYPL is already below VWAP off the March 2020 lows and no notable support levels nearby, and VWAP from its IPO lines up with the next major level for shares back at \$115 as a retest of a major range breakout in 2020. PYPL options are pricing in a 6% earnings move with 30-day IV Skew at +9.9 comparing to the +2 52-week average. PYPL's put/call open interest ratio is only at the 26th percentile and average IV30 crush is -13.7%. PYPL has seen mixed flows with buyers in June \$130, March \$140, June \$155 and April \$150 puts of notable size while also seeing some bullish put sales like 2000 September \$150 and 1600 July \$140.

Trade to Consider: Long the **PYPL** February \$160/\$150 Put Spreads at \$3.15 Debit



Advanced Micro (AMD) will report earnings 2/1 after the close with the Street expecting \$0.76 EPS and \$4.52B in Revenues (+39.5%) and Q1/FY22 seen at \$0.70/\$4.32B and \$3.36/\$19.27B. AMD shares have closed lower four of its last five reports with a six quarter average max move of 7.7%. The \$124B Semi trades 31.35X Earnings, 8.35X Sales and 41.8X FCF with revenues seen rising 19% in 2022 along with 27% EPS growth. TSM's comments on strength in High Performance (HPC) likely bode well for AMD. AMD remains a top semi with strong design win momentum in server CPU. Analysts have an average target of \$145 with short interest at 5.8% of the float. Piper cut shares to Neutral on 1/20 cautious on 2H22 auto market as well as concerns on a PC slowdown. KeyBanc upgraded to Overweight on 1/11 with a \$155 target as a beneficiary from robust high teens cloud data center growth in 2022 and should meaningfully outpace industry growth given significant share gains at CSPs. On the chat AMD shares broke below the rising 200-day moving average last week and a retest of the \$95 prior breakout level may be in order though the low last week was right at VWAP off the July 2020 breakout. AMD options are pricing in a 4.8% earnings move with 30-day IV Skew at +7.1 comparing to the -0.3 52-week average. AMD's put/call open interest ratio is at the 53rd percentile and average IV30 crush is -12.3%. AMD sees a ton of daily options action and some mixed flows, recent bear buyer of 4000 May \$95 puts stood out while have also seeing size call buys.

Trade to Consider: Long the **AMD** February 4th (W) \$105/\$110 Call Spreads at \$2.20 Debit



Meta (FB) will announce earnings 2/2 after the close with the Street consensus at \$3.84 EPS and \$33.41B in Revenues (+19%) and Q1/FY22 seen at \$3.03/\$30.12B and \$14.25/\$140B. FB shares have closed lower four of its last five reports with an average six quarter max move of 6.75%. The \$820B advertising leader trades 21.1X Earnings, 7.3X Sales and 22.9X FCF with revenues seen rising 19% in 2022 along with just 2.3% EPS growth due to rising expenses. IDFA headwinds remain a factor and FB faces tough comps through 1H22. SensorTower data suggests some pressure on FB users, a 4Q risk, but strong growth for Instagram. FB Reality Labs disclosures will be in focus. Investors expect comments on promotion of Reels in FB Newsfeed, with ad impression growth in focus as Reels may have lower monetization. Other focal points include traction of on-platform shopping features, plans for Messenger & WhatsApp monetization and, of course, hardware and software traction around the Metaverse vision. Analysts have an average target of \$400 with short interest low at 1.2% of the float. RBC lowered its target to \$400 citing mixed spending trends and some outsized Tiktok exposure. OTR Global upgraded shares to Positive on 1/19 on solid advertisement spend growth in Q4. On the chart FB basing last week and remains below all key moving averages though the low came right at the 38.2% Fibonacci off March 2020 lows and its rising 83-week EMA. FB's VWAP off the March 2020 low aligns nicely with the major volume node of support as a retest of its 2021 flag breakout near \$282 and even stronger support at \$270. FB options are pricing in a 4.6% earnings move and 30-day IV Skew at +9% compares to the +2.8% 52-week average. FB's put/call open interest ratio is at the 23rd percentile and average IV30 crush is -16.9%. FB had a buyer of 5000 January 2024 deep ITM \$200 calls on 1/24 but has also seen buyers in May \$270, \$260 and \$250 puts.

Trade to Consider: Long the **FB** February \$300/\$270/\$250 Unbalance Put Butterfly Spread at \$6.40 Debit



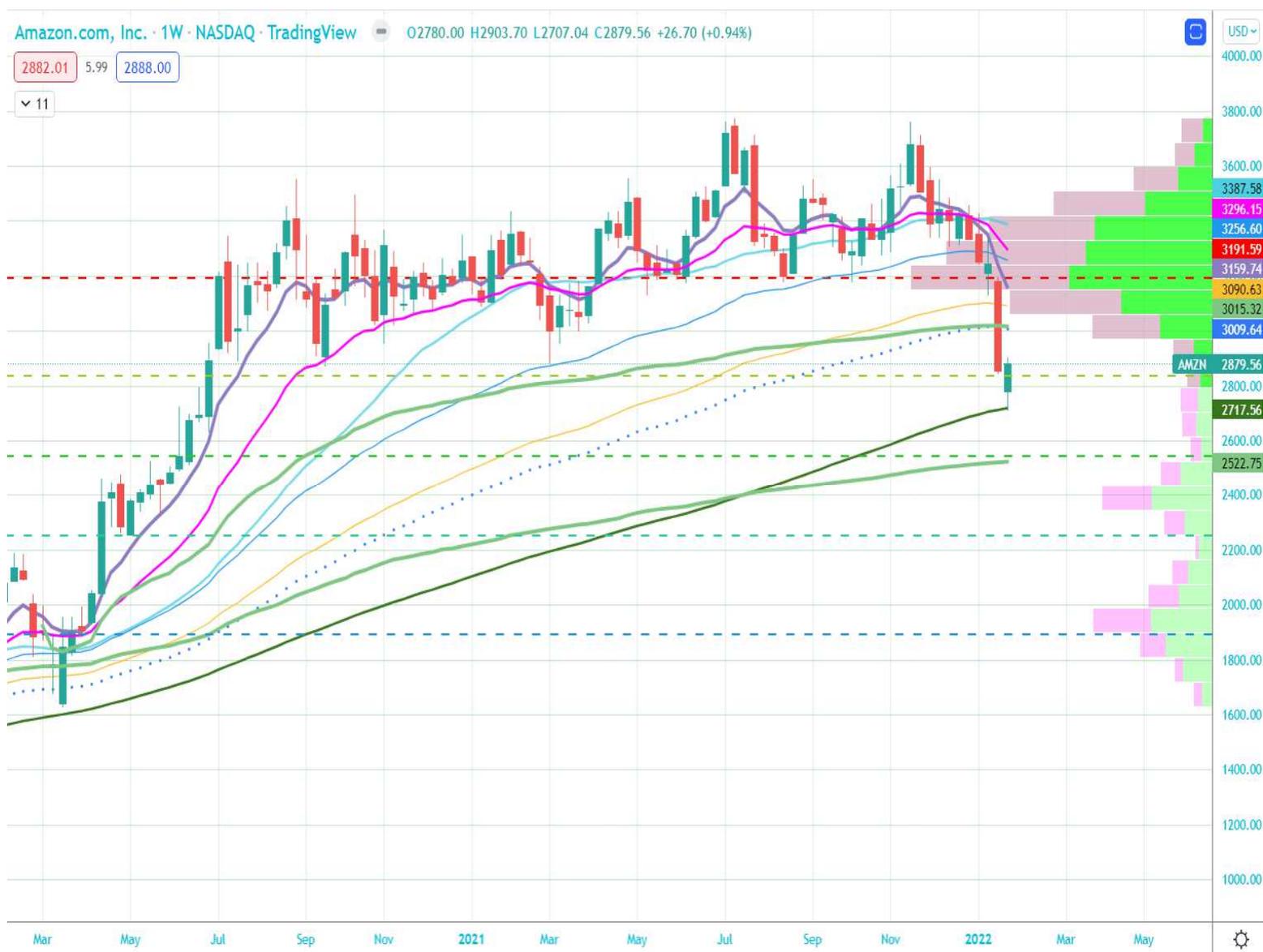
Spotify (SPOT) will release earnings 2/2 after the close with the Street looking for (\$0.48) EPS and \$3.03B in Revenues (+17.2%) and Q1/FY22 seen at \$0.11/\$2.89B and \$0.45/\$12.83B. SPOT shares closed higher last quarter after being lower on earnings ten of its previous twelve reports, a six quarter average max move of 9.9%. The \$32.55B streaming media leader trades 119X FY22 EBITDA and 2.5X EV/Sales with revenues seen rising 12.7% in 2022 and EBITDA +54.5% as a long-duration play. Q3 results were supportive of the SPOT investment thesis with strong user growth and improving unit economics. On margins, podcasting and marketplace are contributing - both trends that should continue into '22. SPOT is seeing strong success in podcasting and marketplace which can drive margin inflection in 2022. Analysts have an average target of \$292 with short interest at 3.8% of the float. KeyBanc lowered its target to \$260 from \$365 on uncertainty of the pace of margin expansion and user growth. On the chart SPOT shares are weak below all major moving averages and very little bounce strength, also below VWAP from the IPO with weekly RSI at 28.5. Shares did retest a major volume node zone from its 2019/2020 consolidation with \$160 minor support and \$140 major support. SPOT options are pricing in an 8% earnings move and 30-day IV Skew at +1.4 compares to the +0.6 52-week average. SPOT's put/call open interest ratio is at the 51st percentile and average IV30 crush is -18.55%. SPOT recently with size buyers in January 2024 \$300 and \$400 calls also with 1900 Feb. \$185 calls bought on 1/27. SPOT with 1600 Jan. 2023 \$190 puts sold to open 8/3 in a large trade remains in OI.

Trade to Consider: Long **SPOT** February \$180/\$185 Call Spreads at \$1.75 Debit



Amazon (AMZN) will announce earnings 2/3 after the close with the Street looking for \$3.71 EPS and \$137.6B in Revenues (+9.6%) and Q1/FY22 seen at \$10/\$120.33B and \$50.24/\$552.07B. AMZN shares have closed lower its last five reports and eight of the last ten with a six quarter average max move of 5%. The \$1.4 trillion ecommerce and cloud leader trades 57.3X Earnings, 17X EBITDA and 2.6X EV/Sales with revenues seen rising 17.4% in 2022 and EBITDA seen up 21.7%. Amazon providing additional disclosures is seen as an upside catalyst with it employing 68,000 engineers ex-AWS spending \$19B/year. Amazon has lagged large-cap Tech on concerns about decelerating growth, retail share loss, labor costs, and the durability of retail top-line growth and profitability. Amazon N. America retail margins may be closer to 4.3% rather than the reported 2.7% if additional disclosures are announced. Analysts have an average target of \$4000 with short interest low at 0.8% of the float. Goldman has Amazon as a top pick for 2022 but sees EBIT this quarter at \$4.3B versus Street at \$6.9B. Cleveland Research out positive last week seeing sales growth above the consensus. BMO lowered its target to \$3600 from \$4100 with lower margins seen for 2022/2023 due to ongoing investments in the fulfillment network. On the chart AMZN has been weak and sits below all major moving averages with its low last week coming right at the rising 144-week EMA. AMZN has actually moved into a massive volume pocket which extends back to a retest of the \$2035 level. One interesting level of note is \$2540 as VWAP and a 50% retrace off the December 2018 lows. AMZN options are pricing in a 5.25% earnings move and 30-day IV Skew at +6.1 compares to the +2.2 52-week average. AMZN's put/call open interest ratio is at the 48th percentile and average IV30 crush is -14.9%. AMZN has mostly seen intricate spreads trading and similar to Google with the reverse diagonal put spreads.

Trade to Consider: Long **AMZN** February \$2850/\$2800 Put Spreads at \$19.50 Debit



Disclaimer:

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

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

Content is for informational and educational purposes only, and is not to be construed as specific investment advice or recommendations. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek qualified professional financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, OptionsHawk has not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information does not consider the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors