



Earnings Snapshots 4/26/2021

**TSLA, GOOG, MSFT, AMD, SPOT, PINS,
AAPL, FB, GOOG, AMZN, TWTR**

Tesla (TSLA) will announce earnings 4/26 after the close with the Street looking for \$0.79 EPS and \$10.29B in Revenues (+72%) and Q2/FY21 seen at \$0.99/\$11.39B and \$4.32/\$49.2B. TSLA shares have closed lower three of its last four reports with a six quarter average max move of 10%. The \$700B EV leader is trading 14X EV/Sales with revenues seen rising 56% this year and 30% in 2022. The focus into the report will be capacity build-out (Berlin), upside to delivery numbers, and the gross margins. Tesla reported preliminary 1Q21 vehicle deliveries of about 185K. The company commented in the press release that the new S and X models have been well received, and that the company is in the early stages of ramping production. Tesla is likely to face some margin headwinds from rising supply chain costs and also production expansion could be impacted by supply chain challenges. Analysts have an average target of \$650 and short interest remains high at 25.5% of the float. MSCO raised its target to \$900 into earnings raising its annual delivery forecast to 809K unit which is still below consensus. Citi is at a Sell and sees a lot of gross margin noise likely this quarter. On 4/12 Canaccord upgraded shares to Buy with a \$1071 target noting the generation and storage unit could yield \$8B in revenues by 2025 and Tesla continues to expand its ecosystem. Hedge Fund ownership rose 5% in the latest quarter filing. On the chart TSLA shares forming a potential cup and handle pattern after the rising 144-day MA held firm as support into weakness, a move above \$745 can measure to a \$900 target. The weekly with a nice base breakout and MACD nearing a bull crossover while RSI held the 50 level, bullish momentum intact. To the downside if shares lose \$690 it can be a quick move back to \$600. TSLA options are pricing in a 5.5% earnings move and 30-day IV Skew at +7.1 compares to the +0.6 52-week average. TSLA sees an enormous amount of options positioning, on 4/22 the December \$650/\$1000 call spreads bought 10,000X as one of the more notable positions. On 2/22 the March 2023 \$900 calls opened 30,000X for \$810M. A 2/5 trade of 20,000 June \$800/\$850 call spreads remains in OI.

Trade to Consider: Long the **TSLA** June \$800/\$880/\$960 Butterfly Call Spreads at \$10 Debit



Alphabet (GOOGL) will report results 4/27 after the close with the Street looking for \$22.30 EPS and \$56.9B in Revenues (+23.5%), and Q1/FY21 seen at \$15.70/\$51.55B and \$69.71/\$227.16B. GOOG shares have closed higher three of its last four reports with a six quarter average max move of 6.54%. The \$1.52 trillion Tech leader trades 28.2X Earnings, 6.8X EV/Sales and 35.55X FCF with revenues seen rising 24.5% in 2021 as the advertising market recovers and EPS seen rising 19%. Google should see strong momentum in its core advertising business, continued strength in YouTube, and strong growth in Cloud. Analysts have an average target of \$2350 with short interest low at 1% of the float. Jefferies raised its target to \$2700 from \$2400 into earnings on positive checks showing accelerated momentum in the ad business and strength in Cloud. KeyBanc raised its target to \$2,625 into earnings expecting solid results. JPM raised its target to \$2,575 and sees potential for bigger capital returns. Cowen raised its target to \$2600 into the report noting a bunch of tailwinds into Q2 including easy comps. Hedge Fund ownership rose modestly in the latest quarterly filings. On the chart GOOG shares closed the week at new highs and has continues strength since last quarter's results, support back at \$2110 on weakness. Shares are stretched up against potential channel resistance. GOOG options are pricing in a 4.15% earnings move and 30-day IV Skew at +2.5 compares to the +3.2 52-week average. The GOOGL line as 3500 each of the May \$2200 and \$2300 calls in open interest from buyers and 2000 of the \$2080 calls. The June \$1800 calls have 6400X and July \$2400 calls with 2950X.

Trade to Consider: Long the **GOOGL** May/July \$3400 Call Calendar Spreads at \$40 Debit



Microsoft (MSFT) will announce earnings 4/27 after the close with the Street view at \$1.78 EPS and \$41B in Revenues (+17%), and Q4/FY22 seen at \$1.78/\$42.97B and \$8.10/\$182.92B. MSFT shares have closed higher six of its last eight reports with a six quarter average max move of 3.46%. The \$1.9 trillion PC and Cloud leader trades 32.25X Earnings, 11.6X EV/Sales, and 56X FCF with a 0.86% dividend yield. MSFT revenues are expected to grow 14.8% in 2021 and 11.4% in 2022. Microsoft as well positioned to capitalize on strong digital transformation spending and cloud adoption. The global PC market grew at its fastest pace in at least 20 quarters, according to Gartner. MSFT likely also continues to see margin expansion as a result of its changing mix. Analysts have an average target of \$275 and short interest is low at 0.7% of the float. BAML raised its target to \$300 into the report expecting upside to Azure estimates, upselling of Office-365, and better PC shipments. Evercore expects another beat/raise quarter and sees MSFT continuing to take wallet share. Hedge Fund ownership rose 1.95% in the latest quarterly filings. On the chart MSFT closed last week near new highs, on weakness a retest of \$245 would be an initial target. The weekly channel pattern still has upside room to \$275 before meeting some resistance. MSFT options are pricing in just a 2.75% move on earnings and 30-day IV Skew at +2.6 compares to the +3.2 52-week average. MSFT recently with 7500 July \$265 calls bought, 3500 August \$265 calls bought and 6000 April 30th (W) \$250 calls from a trade 3/26.

Trade to Consider: Long the **MSFT** May/July \$270 Call Calendar Spreads at \$4 Debit



Advanced Micro (AMD) will report quarterly results 4/27 after the close with the Street consensus at \$0.44 EPS and \$3.21B in Revenues (+79.7%) and Q2/FY221 seen at \$0.47/\$3.29B and \$1.97/\$13.54B. AMD shares have closed lower on earnings 6 of the last 8 reports with a six quarter average max move of 7.6%. The \$96B Semiconductor leader trades 32.75X Earnings, 9.8X Sales and revenues seen rising 38.7% in 2021 and 15.8% in 2022. AMD has been a strong story of share gains in PC and server CPU markets, gross margin expansion, and strong operating leverage. Its recently launched Milan product is expected to driver higher levels of adoption across cloud service providers and enterprise customers leading to better margins. Analysts have an average target of \$102 with short interest at 7.6% of the float rising 34% Q/Q. RBC recently started shares Outperform with a \$100 target as a secular winner with an advantage to Intel. Northland upgraded AMD on 3/25 expecting its market share gains to continue. Hedge Fund ownership rose 9% in the latest quarterly filings. On the chart AMD shares have been working on forming a long basing pattern above \$75, and above \$84.50 would free shares up for a strong move back to upper value above \$90 with weekly MACD nearing a bull crossover. AMD options are pricing in a 6% earnings move with 30-day IV Skew at -0.9% comparing to the +0.4 52-week average. AMD last week with size buyers of May 7th (W) \$90 calls and some recent buyers of July \$80/\$90 call spreads as well as put sellers in October \$70.

Trade to Consider: Long **AMD** May \$85/\$90 Call Spreads at \$1.45 Debit



Pinterest (PINS) will announce results 4/27 after the close with the Street consensus at \$0.07 EPS and \$473.7M in Revenues (+74%) and Q2/FY21 seen at \$0.10/\$530M and \$0.85/\$2.52B. PINS shares have closed higher four of its last five reports with a six quarter average max move of 24.9%. The \$45.75B internet company trades 18.4X EV/Sales with revenues seen growing 48.8% in 2021 and 35.9% in 2022. PINS is a strong user engagement story and also strong potential for longer-term monetization opportunities while its investment into technology are in the earlier stages. Analysts have an average target of \$90 with short interest high at 22.9% of the float, rising 39% Q/Q. Bernstein on 4/16 called PINS weakness a buying opportunity on strong spending checks. Evercore started shares Outperform on 4-5 as a highly differentiated asset in the middle of a powerful product cycle inflection. BAML downgraded shares in March expecting a Q1 beat and growth acceleration into Q2 but reduced the forward multiple on shares. Hedge Fund ownership rose 4% in the latest quarterly filings. On the chart PINS has a sloppy looking pattern with a sideways choppy range, lower support of \$66.40 and upper resistance at \$87, while the rising 21-week moving average has been supportive. PINS options are pricing in an 11.4% earnings move and 30-day IV Skew at 0 compares to the -0.2 52-week average. PINS recently with some size action including bullish covered risk reversal spreads in August and June selling the \$65 puts to buy upside call spreads. PINS also with 7000 April 30th (W) \$75 calls bought in OI.

Trade to Consider: Long the **PINS** June \$80/\$85 Call Spreads at \$1.55 Debit



Spotify (SPOT) will report results 4/28 before the open with the Street expecting (\$0.49) EPS and \$2.59B in Revenues (+26.9%), and Q2/FY21 seen at (\$0.63)/\$2.73B and (\$2.08)/\$11.25B. SPOT shares have closed lower 4 of the last 5 and 8 of the last 10 reports, a six quarter average max move of 11.3%. The \$50B streaming media leader trades 4.7X EV/Sales with revenues seen rising 25% in 2021 and 20% in 2022. SPOT saw acceleration in user growth for both premium and ad-supported platforms in Q4 and planning incremental price hikes in 2021 for an HQ version. SPOT continues to expand into new markets and also with new products, recently acquiring Locker Room for a new live audio experience. SPOT has a lot of opportunities to push into new areas with upside potential from Podcasts, Advertising, Live Events and even Commerce. Analysts have an average target of \$325 and short interest at 4.1% of the float has risen 40.8% Q/Q. Jefferies with a strong bullish note last week at Buy with a \$360 target seeing long-term growth and margin upside as a platform that is more than just streaming. Citi upgraded shares to Neutral on 4/5 expecting 3M-6M Premium net adds this quarter. JPM raised its target to \$385 in February more positive on the international expansion, advertising opportunity and interface enhancements. Hedge Fund ownership rose 5% in the latest quarterly filings. On the chart SPOT has been trying to base above the VWAP off March 2020 lows and sits right at its 200-day moving average, potential lower channel support as well. A move above the 21-week near \$292 frees shares up for a move to YTD VPOC at \$317 and then upper value near \$365 as weekly MACD curls higher and nears a bull crossover. A move under \$250 can leave room for a sharp slide. SPOT options are pricing in a 6.35% earnings move and 30-day IV Skew at +1.8 compares to the 0% 52-week average. SPOT has been popular with put sales at May \$210, and some smaller ones in July \$250 and May \$240.

Trade to Consider: Sell the **SPOT** July \$260/\$250 Put Spreads at \$3.50 Credit (Bull Put Spread)



Apple (AAPL) will announce quarterly results 4/28 after the close with the Street view at \$0.98 EPS and \$77.9B in Revenues (+32.4%), and Q3/FY21 seen at \$0.82/\$68.87B and \$4.47/\$334.07B. AAPL shares have closed lower three of the last four reports, a six quarter average max move of 4.89%. The \$2.2 trillion Tech leader trades 28.6X Earnings, 7.53X Sales and 33.53X FCF with a 0.61% dividend yield. AAPL revenues are seen rising 21.7% in 2021 before facing tougher comps in 2022 and only 4.4% growth seen. Apple is expected to report very strong Mac and iPad numbers while the iPhone cycle remains strong, and some concerns that Services growth may start to slow. Apple has started to innovate once again and recently held an Event preview some new offerings. Analysts have an average target of \$153 and short interest is low at 2.2% of the float. MSCO out last week with a \$158 target expecting shares to re-rate higher and sees a beat and raise quarter. Canaccord with a \$155 target and Buy rating positive on the new product launches and sees Apple benefitting from the 5G cycle. Hedge Fund ownership rose modestly in the latest quarterly filings. On the chart AAPL shares are flagging just under upper YTD value, and above \$135 can target back to \$145 highs. Shares have a confluence of support back in the \$120/\$125 zone. AAPL options are pricing in a 3.8% earnings move and 30-day IV Skew at +1.2 compares to the +2.3 52-week average. AAPL recent large trades include 5000 May \$134 short puts opened, 3500 August \$140 calls bought, and has 30,000 May 7th (W) \$120/\$135 call spreads in OI from a trade on 3/31.

Trade to Consider: Sell the **AAPL** May 7th (W) \$135 Straddle for \$7.20 Credit



Facebook (FB) will release results 4/28 after the close with the Street seeing \$2.37 EPS and \$23.66B in Revenues (+33.4%), and Q2/FY21 seen at \$2.52/\$25.4B and \$11.35/\$107.82B. FB shares have closed lower the last two reports after being higher three of the previous four, a six quarter average max move of 7.28%. The \$842B social media leader trades 22.2X Earnings, 9.8X Sales and 35.65X FCF with revenues seen rising 25% in 2021 and 19.5% in 2022. FB sets up for strong results as the digital ad recovery continues. Analysts have an average target of \$340 with short interest low at 1.2% of the float. BMO raised its target to \$375 last week seeing it climbing a wall of worry. Jefferies sees the forecast too conservative based on their checks and notes robust ad spending. Deutsche Bank raised its target to \$385 positive on ad prices and spending trends, and investors shifting the focus away from iOS changes. Hedge Fund ownership rose 3.9% in the latest quarterly filings. On the chart FB shares with a strong move out of its base since early March recently to new highs. The volume profile up here is thin so weakness could pull shares back to \$280 while the rising 200-day is at \$271. The weekly has emerged out of consolidation with the first Fibonacci extension target yet to be hit at \$327. FB options are pricing in a 5% earnings move with 30-day IV Skew at +2.2 comparing to the +3.2 52-week average. FB has seen size bull flow for weeks now, the May \$310 calls with 10,000 bought, July \$340 calls with 15,000 bought, April 30th (W) \$305, \$310 and \$315 calls with size buys, and more.

Trade to Consider: Long the **FB** April 30th (W) \$305/\$320/\$330 Unbalanced Call Fly at \$3.40 Debit



Amazon (AMZN) will release earnings 4/29 after the close with the Street view at \$9.50 EPS and \$104.44B in Revenues (+38.4%), and Q2/FY21 seen at \$10.84/\$108.5B and \$47.66/\$474.46B. AMZN shares have closed lower on earnings 5 of the last 7 reports, a six quarter average max move of 6.3%. The \$1.668 trillion cloud and ecommerce leader trades 50.5X Earnings, 3.5X EV/Sales and 64.35X FCF with revenues seen rising 22.9% in 2021 and 17.5% in 2022. AWS remained the highlight last quarter and with all indications of strong IT spending it should be set for another strong quarter. Analysts have an average target of \$4000 and short interest is low at 1.2% of the float. BMO raised its target to \$4200 last week noting tough Q1 comps but expecting a positive shift in the margin profile moving forward. JPM likes AMZN best of the FANG names into earnings and has a \$4400 target, expecting strong guidance. Hedge Fund ownership rose 3.6% in the latest quarterly filings. On the chart AMZN remains inside a weekly consolidation range, above the \$3435 level can start a trend move higher and MACD on the weekly is crossing bullish. On weakness shares have a golden cross back at \$3195. AMZN options are pricing in a 4.2% earnings move with 30-day IV Skew at +1 comparing to the +1 52-week average. AMZN has been seeing some upside call spreads open and the May \$3400 call open interest has surged to above 7000 from 1500 on 4/9.

Trade to Consider: Sell the **AMZN** May \$3200/\$3180 Put Spreads for \$5.50 Credit (Bull Put Spreads)



Twitter (TWTR) will announce earnings 4/29 after the close with the Street expecting \$0.14 EPS and \$1.03B in Revenues (+26.9%), and Q2/FY21 seen at \$0.17/\$1.06B and \$0.92/\$4.8B. TWTR shares have closed higher on results 5 of the last eight reports, alternating green/red closes the last seven (green last Q) and a six quarter average max move of 16.1%. The \$51.3B social media leader trades 54X Earnings, 10.3X EV/Sales and revenues seen rising 29% in 2021 and 22.7% in 2022. TWTR continues to invest in improving its platform and increasing monetization initiatives making the platform more attractive for both users and advertisers. Twitter expects to grow mDAU to at least 315mn by Q4 2023, significantly above consensus mDAU of 251mn, driven primarily by new products and growth in developing markets. Analysts have an average target of \$72 and short interest at 3.7% of the float has risen 33% Q/Q. OTR Global upgraded shares to Mixed from Negative last week on positive ad spending checks. Jefferies expects a strong Q1 beat and upside to Q2 though notes expectations are high into the quarter. Argus raised its target to \$82. Hedge Fund ownership rose 5.4% in the latest quarter filings. On the chart TWTR shares consolidating since late February with the rising 21-week moving average supportive since last year. If shares can get back above \$68 the \$72 and \$79 levels come into focus while \$61 and \$55 seen as key support levels. TWTR options are pricing in an 8.9% earnings move with 30-day IV Skew at +0.9 comparing to the +0.2 52-week average. TTWR with a large spread recently that bought 12,000 May 7th (W) \$62.50 puts, though may have been protective, while June \$70 short puts opened 10,000X on 4/13. TWTR flows have been fairly mixed, the Jan \$70 calls with 4000X added to OI on 4/20 and substantial June \$65 and \$60 short puts from trades in mid-February. The July \$75 calls notable with 24,500 in OI with size buyers 2/5 and July \$70 calls have 10,800.

Trade to Consider: Sell the **TWTR** May \$73/\$61 Strangle for a \$4.25 Credit



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