



Earnings Snapshots 7/26/2021

TSLA, AAPL, MSFT, GOOGL, AMD, FB,
PYPL, AMZN, PINS

Tesla (TSLA) will report results 7/26 after the close with the Street looking for \$0.97 EPS and Revenues of \$11.24B (+86.3%) with Q3 seen at \$1.19/\$12.82B. TSLA shares have closed lower four of the last five reports and a six quarter average max move of 7.5%. The \$620B EV leader is trading 105X Earnings, 17.25X Sales and 77.85X FCF with revenues seen rising 55% in 2021 and 34% in 2022 and EBITDA growing 52% and 40% respectively. Investors are likely to focus on delivery expectations, the capacity buildout (Berlin), gross margin upside and the FSD status. Analysts have an average target of \$700 and short interest is 5% of the float. TSLA posted Q2 deliveries of 201,250 earlier this month that beat estimates. CSFB out last week expecting a beat on EPS & Revenues as well as gross margins. Barclays is bearish on valuation but expects an earnings beat as price increases outweigh cost pressures. Electrek reported last week Tesla is on a hiring spree ahead of an expected US demand ramp. Goldman raised estimates on 7/13 but does see several headwinds in the quarter with chip shortages, high freight costs, rising input costs and limited S/X volumes. MSCO has a \$900 target and a recent note on a potential major opportunity in India. Hedge Fund ownership fell modestly in the latest quarterly filings, the top holding for BAMCO. On the chart TSLA has been forming a consolidation the last few weeks below a key trend and volume level at \$705 and a move above can target a run to \$850. On the other-hand a move under recent \$620 support would likely target YTD lower value at \$578. TSLA options are pricing in a 6.3% earnings move and 30-day IV Skew at +5.4 is fairly steep to the +2.4 52-week average. TSLA flows have been strongly bullish biased since July with 16,000 of the July 30th (W) \$640 short puts in OI, the Aug. 13th (W) \$650 short puts opened in size Friday, and steady buying in October/November upside calls.

Trade to Consider: Long the **TSLA** July 30th (W) \$660/\$670 Call Spreads for \$3.50 Debit



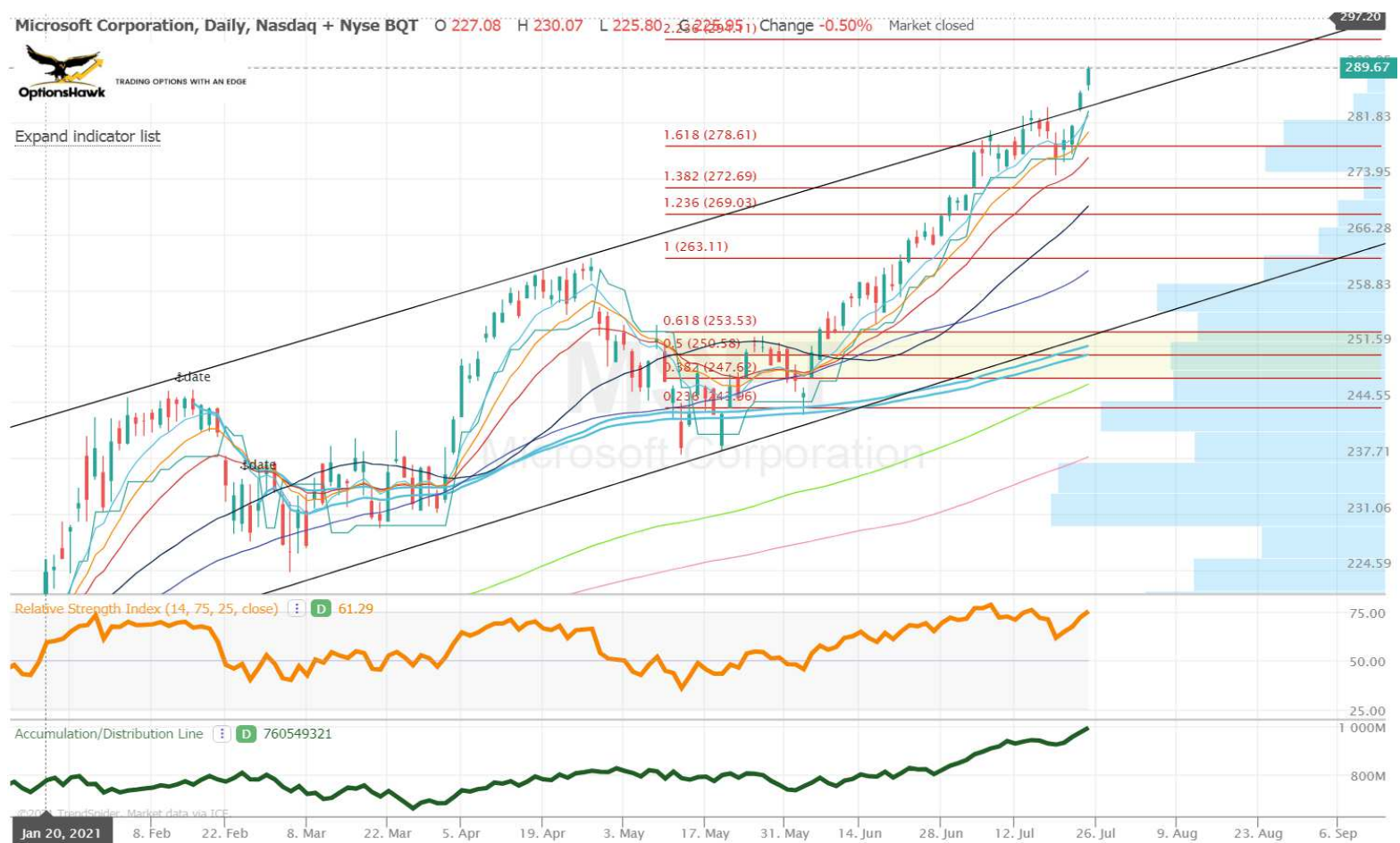
Apple (AAPL) will report earnings 7/27 after the close with the Street expecting \$1.01 EPS and \$73.28B in Revenues (+22.8%) and Q4 seen at \$1.13/\$81.54B. AAPL shares have closed lower the last three reports and an average six quarter max move of 4.92%. The \$2.5 trillion company trades 27.8X Earnings, 7.73X Sales and 33X FCF with a 0.59% yield and the company has remained active with buybacks and dividend raises. CAICT data for handset shipments in China for the months of April, May and June were weak, with total CQ2'21 handset shipments down 27% Y/Y. Apple said they have \$3bn-\$4bn in revenue backlog flowing into FQ4 driven by iPad demand backlog. This should also act as a tailwind to revenue indications for FQ4. The Street expects 43M iPhone units. Analysts have an average target of \$160 and short interest is 0.55% of the float. Goldman previewing the quarter expects a strong report & guide with re-opening driving an iPhone demand boost and notes that strong initial iPhone build orders and substantial iPad revenue backlog point toward positive indications for September QTR revenue. BAML expects strong hardware number but service growth moderating though concerns of the Delta variant resulting in a combination of both tougher comps and weaker hardware demand moving forward. Third party data on developer revenues indicates that Apple global App store revenue grew 16% y/y in F3Q21 (Mar quarter), while global downloads declined 14% y/y partly on tough compares and on continued economic reopening. Margins could face pressure from the mix shift though FX may provide a boost. Canaccord raised its target to \$175 last week noting strong demand across its products and estimates are too conservative into the 5G upgrade cycle. Wedbush with a \$185 target seeing the supercycle continuing into 2022 with early strong iPhone 13 demand checks. Hedge Fund ownership fell 3.65% in the latest quarterly filings, Berkshire Hathaway not with a \$108B stake. On the chart AAPL has seen a very strong run-up into this quarter and currently flagging under the \$150 recent high with a \$156 target level as a 1.382 extension. On weakness AAPL has support at the 21-MA at \$142.40 as well as just above at \$145 as 1-mont VPOC. AAPL options are pricing in an earnings move of 3.4% with 30-day IV Skew at +1 which compares to the +1.4 52-week average. AAPL trades have been very active with opening put sales in August 6th (W), August 13th (W) and August expirations. We saw the October \$165 calls bought 40,000X in a roll out on 7/16 and also 20,000 of the \$170 calls. On 7/2 there was a buyer of 20,000 December \$150/\$160 call spreads.

Trade to Consider: Long the **AAPL** July 30th (W) \$155 / Aug. 6th (W) \$150 Diagonal Call Spreads for \$1.90 Debit



Microsoft (MSFT) will report on 7/27 after the close with the Street expecting \$1.90 EPS and \$44.1B in Revenues (+16%) and Q1/FY22 seen at \$1.95/\$42.5B and \$8.38/\$186.58B. MSFT shares have closed lower three of the last four quarters with a six quarter average max move of 3.65%. The \$2.18 trillion company trades 34.6X Earnings, 13.65X Sales and 58X FCF with a 0.77% dividend yield. IDC estimates that PC shipments grew 13% Y/Y in C2Q21. PC demand remained resilient in the second quarter and continued to grow despite persistent supply constraints. With a strong presence across all layers of the cloud stack, including applications, platforms, and infrastructure, Microsoft is well positioned to capitalize on a number of long-term secular trends, including public cloud and SaaS adoption, digital transformation, AI/ML, BI/analytics, and DevOps (amongst others). Analysts have an average target of \$300 and short interest is 0.6% of the float. BAML has a \$325 target and sees sustained Azure and Office 365 strength leading to a beat. Goldman conversations point to demand strength and notes comps in cloud, Azure and commercial bookings face easy comps. It sees the focus on FY22 guidance and sees MSFT well positioned as DX and cloud adoption continues to grow as percentage of mix. Barclays raised its target to \$325 last week seeing a more optimistic 2H outlook. Citi hiked its target to \$378 with recovering IT budgets, uptick in reseller growth, reacceleration in consumption models and faces easy comps with conservative guidance. Hedge Fund ownership fell 1.3% in the latest quarterly filings. On the chart MSFT has run-up hard into number hitting record highs and breaking outside of the upper rising channel resistance with \$294 a remaining upside Fibonacci extension level. This move to new highs does show a bearish RSI divergence and a retest of \$280 may be in order. MSFT options are pricing in a 2.65% earnings move and 30-day IV Skew at +2.8 compares to the +2.6 52-week average. MSFT option flows have been mostly bullish but has seen some opening call sales at October \$300, November \$300 and July 30th (W) \$297.50 strikes. On 7/15 and 7/16 the October \$285 and \$290 calls saw size buyers.

Trade to Consider: Long the **MSFT** August/October \$295 Call Calendar Spreads at \$4.50 Debit



Google (GOOGL) will report its results on 7/27 after the close with the Street consensus at \$19.34 EPS and \$56.16B in Revenues (+46.6%) and Q3 seen at \$20.11/\$58.78B. GOOGL shares have closed higher four of the last five quarters with an average six quarter max move of 7.3%. The \$1.8 trillion company trades 28X Earnings, 9.2X Sales and 35.7X FCF with revenues seen growing 30% in 2021 and 16% in 2022. Google should be positioned for a very strong quarter in its core advertising business with the reopening while YouTube remains a strong upside driver and its Cloud business continues to build out an impressive ecosystem. Alphabet warned on increasing investments and accelerating pace of hiring on 4Q earnings call, but was seemingly more benign on expenses on the 1Q call. Q/Q expense growth will be in focus for the earnings reaction. Analysts have an average target of \$2800 with short interest minimal at 1% of the float. BAML has a \$2755 target and expects in-line numbers with a recovery in search, YouTube ad revenue acceleration while margin trends and capital allocation are in focus for investors. BAML notes Google Cloud growth vs AWS/Azure will be important for sentiment as it sees Cloud as driving the most new value creation among all of Google's non-ad segments. CSFB raised its target to \$3350 from \$2755 last week expecting strong numbers. Hedge Fund ownership fell 3.4% in the latest quarterly filings. On the chart like most large cap Tech peers Google ran up hard last week to record highs and hitting the upper weekly Bollinger Band though the rising channel in 2021 still leaves upside room to \$2840 for next week. On weakness a gap fill back to \$2565 and the 21-MA near \$2513.5 levels to be aware of. Google options are pricing in an earnings move of 3.9% and 30-day IV Skew at 1.3 comparing to the +2.8 52-week average. GOOGL has seen some August \$2400 and \$2500 calls open against sales of \$2600 calls. The September \$2700 calls with 2500X bought in OI while August \$2600/\$2900 call spreads opened back on 4/27 for 2000X.

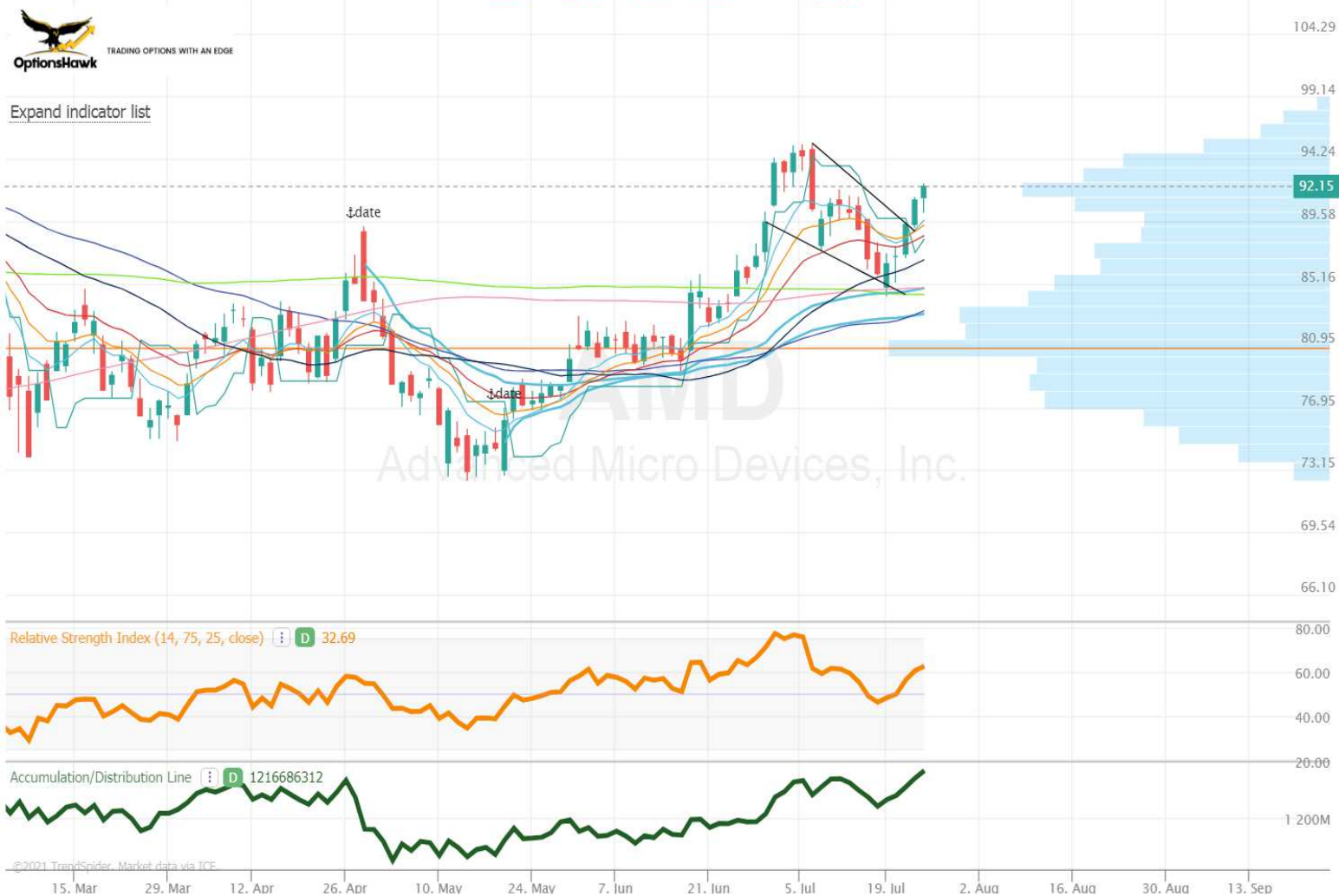
Trade to Consider: Long the **GOOGL** August \$2750/\$2900/\$3000 Unbalanced Call Fly at \$23 Debit



AMD (AMD) will report quarterly earnings 7/27 after the close with the Street view at \$0.54 EPS and \$3.62B in Revenues (+87.5%) with Q3/FY21 seen at \$0.56/\$3.82B and \$2.17/\$14.76B. AMD shares have closed lower five of the last six reports with an average max move of 7.87%. The \$113B Semi trades 34X Earnings, 9.9X Sales and 65.5X FCF with revenues seen rising 51% in 2021 and 15.6% in 2022. AMD is essentially flat YTD so a strong report could see a nice upside reaction. AMD continues to be a market share gainer while investors are concerned with PC demand, game console demand, crypto, supply constraints and opex leverage. Analysts have an average target of \$107 with short interest at 7% of the float. Goldman expects a beat and raise on strong demand across client CPU, server CPU, GPU, and semi-custom SoC, and a gradually improving supply backdrop. Citi upgraded to Neutral on 7/15 noting share gains accelerating in the server market. Hedge Fund ownership dropped a sharp 13.6% in the latest quarterly filings. On the chart AMD started to work out of a falling wedge pattern last week with current upside resistance near \$96 forma long weekly range breakout that measures twenty points higher. AMD has plenty of nearby support on weakness at \$87, \$85 and \$83 levels. AMD options are pricing in a 5.3% earnings move with 30-day IV Skew bullish inverted at -0.6 and compares to the -0.5 52-week average. AMD has a buyer of 2000 August \$88 calls on 7/23, the Dec. \$105 calls with 5000X bought, the August \$97.5 calls bought 4000X to open 6/30, Oct. \$95 calls with size buys on 6/29 while 20K August \$105 short calls sit in OI.

Trade to Consider: Long the **AMD** August \$95/\$100 Call Spreads for \$1.45 Debit

Advanced Micro Devices, Inc., Daily, Nasdaq + Nyse BQT O 80.23 H 81.81 L 76.78 C 77.75 Change -3.09% Market closed



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Facebook (FB) will report earnings 7/28 after the close with the Street expecting \$3.04 EPS and \$27.87B in Revenues (+49.2%) and Q3/FY21 seen at \$2.94/\$28.22B and \$13.14/\$116B. FB shares have closed higher on results three of the last five reports with a six quarter average max move of 7.75%. With recent strong results out of Snap and Twitter, Facebook should be set-up for a big report and its new initiatives into social shopping is gathering momentum. The \$1.05 trillion company trades 24.3X Earnings, 11.2X Sales and 43.8X FCF. Analysts have an average target of \$400 with short interest low at 1.1% of the float. CSFB raised its target to \$480 last week on conversations with advertisers that ad budgets have expanded across most sectors. Jefferies raised its target to \$400 expecting a strong beat. OTR Global cut shares to Mixed on 7/13 after channel checks showed Apple's iOS 14 privacy update hindering direct-response and app-install advertisement spending. Hedge Fund ownership fell 1.6% in the latest quarterly filings. On the chart FB another name that ran hard last week to record highs and is quite extended with its channel showing limited upside to around \$380 near-term while downside could fill the gap and test 1-month VPOC at \$351.50. FB options are pricing in a 5% earnings move with 30-day IV Skew at +1 comparing to the +2.5 52-week average. On 7/13 the September \$375/\$405 call spreads were bought 3500X, a large buy of 2500 December \$320 calls also that day, and plenty of size longer term bull positioning that has adjusted on the run higher.

Trade to Consider: Sell the **FB** August \$385/\$380/\$340/\$335 Iron Condor for a Net Credit of \$2.40



PayPal (PYPL) will report its results 7/28 after the close with the Street expecting \$1.13 EPS and \$6.27B in Revenues (+19%) and Q3/FY21 seen at \$1.14/\$6.44B and \$4.73/\$25.89B. PYPL shares have closed higher six of the last seven reports with an average six quarter max move of 7.6%. The \$365B payments company trades 52.4X Earnings, 16X Sales and 70X FCF with revenues seen rising 20%+ the next three years and EBITDA 20-25% annual growth. Analysts have an average target of \$320 and short interest is low at 1.2% of the float. PYPL could see a boost in TPV growth from travel in Q2 with the consensus at 33% growth. BAML sees modest upside to estimates and the outlook while investors look for more detail on the Super App strategy and Digital Waller 2.0 planned for Q3 to drive new users to the platform and increase engagement. Barclays raised its target to \$343 last week on strong ecommerce growth that decreased sequentially. Wells Fargo raised its target to \$350 confident in TPV/Revenue growth through 2025 with higher take rates and margins still in an up-cycle. SIG raised its target to \$360 on recent announced pricing changes, crypto engagement, and potential innovative wallet features. Hedge Fund ownership dipped 5.7% in the latest quarterly filings, a concentrated holding for Edgewood and FundSmith. On the chart PYPL not overly extended is working out of a consolidation to new highs and the first Fibonacci extension target is way up to \$342. PYPL support levels are at \$300, \$292 and \$274.50 on weakness. PYPL options are pricing in a 4.9% earnings move with 30-day IV Skew at +2.1 comparing to the +1.2 52-average. PYPL recent flows have seen 2000 September \$300 puts sold to open, 2000 September \$270 synthetic long, 2000 October \$300 calls, but mostly muted activity.

Trade to Consider: Long the **PYPL** July 30th (W) \$310/\$325/\$340 Butterfly Call Spreads at \$3.30 Debit



Amazon (AMZN) will report earnings 7/29 after the close with the Street consensus at \$12.23 EPS and \$115B in Revenues (+29.5%) and Q3/FY21 seen at \$12.97/\$118.6B and \$55.87/\$490.4B. AMZN shares have closed lower eight of the last eleven quarters and a six quarter average max move of 5.9%. The \$1.87 trillion company trades 50.5X Earnings, 4.47X Sales and 86X FCF with revenues seen rising 27% in 2021 and 18.5% in 2022 with EBITDA growth of 33.4% and 24.6% respectively. Analysts have an average target of \$4200 and short interest is low at 1.1% of the float. Mizuho is at Buy with a \$4400 target positive on advertising trends and a meaningful rebound in discretionary spending while cloud remains very strong with a positive backdrop. Hedge Fund ownership was essentially flat Q/Q. On the chart AMZN recently dipped back to retest its key long-term range breakout and bounced strong now back above key moving averages. AMZN supports line up at key round numbers of \$3500, \$3400 and \$3300. The recent high was right at the 1.618 extension of the March 2021 correction while the next level of 2.236 is up to \$4115. Shares have plenty of room to both sides in this larger rising wedge pattern which puts \$3850 and \$3370 as high/low supports for Friday expiry while \$3930 a measured move target of the July flag breakout. AMZN options are pricing in a 3.6% earnings move with 30-day IV Skew at +1.1 comparing to the +1.4 52-week average. AMZN flows with limited action, the September \$3550 calls bought 1000X on 7/19 while 3500 October \$3300/\$3350 call spreads opened, the July 30th (W) \$3800 calls have 3000 in open interest from buyer flow, and the September \$3600 calls have 3850X in OI from buyer flow.

Trade to Consider: Long **AMZN** July 30th (W) \$3730/\$3750 Call Spreads at \$6.70 Debit



Pinterest (PINS) will report results 7/29 after the close with the Street seeing \$0.13 EPS and \$562M in Revenues (+106%) and Q3/FY21 seen at \$0.18/\$630.6M and \$0.91/\$2.6B. PINS shares have closed higher on earnings three of the last four reports, lower last quarter, and a six quarter average max move of 23.15%. The \$50B internet company trades 59X Earnings and 26X Sales with revenues seen rising 53% in 2021 and 33% in 2022 while profitability also ramps sharply. PINS is coming off a strong quarter from increased advertiser demand and early read-throughs for Q2 positive while it also continues to see strong international growth. PINS remains a bullish story on the upside for further user growth/engagement as well as the long-term monetization opportunity. Analysts have an average target of \$84 with short interest at 4% of the float. MSCO raised its target to \$85 last week after SNAP/TWTR strong trends. JPM has a \$95 target though noted in April slower user growth trends may weigh on its multiple and it needs to show strong monetization trends to offset slower engagement. Hedge Fund ownership declined over 22% in the latest quarterly filings. On the chart PINS has a very choppy weekly chart and last week pushed back above 8 and 21 day moving averages with near-term resistance at \$81.70 while a 1.382 extension level sits up at \$102. PINS has room to fall on weakness with support likely at \$72 and \$64 though \$69 as VWAP off May lows also in play. PINS options are pricing in an 11.2% earnings move with 30-day IV Skew at 0 comparing to the -0.2 52-week average. PINS flows have leaned more negative than peers with buyers last week in August \$72.5 puts, August \$73 puts and August 6th (W) \$70 puts. PINS has seen some bullish opening put sellers at September \$67.5, January 2023 \$75 and November \$75.

Trade to Consider: Long the **PINS** July 30th (W) \$75/\$70/\$65 Put Butterfly Spreads at \$0.90 Debit



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