



ABNB, SHOP, DASH, DE

Airbnb (ABNB) will announce quarterly results 2/14 after the close with the Street consensus at \$0.25 EPS and \$1.86B in Revenues (+21.5%) and Q1/FY23 seen at (\$0.01)/\$225.8M and \$2.81/\$9.38B implying FY23 growth of 8.3% for EPS and 12.2% for Revenues. ABNB shares have closed lower the last two reports after being higher the previous 6, a six-quarter average max move of 9.2%. 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 \$73B and trades 20X EBITDA, 6.6X EV/Sales and 22.7X FCF. While growing ADRs have been positive for bookings in 2021-2022, elevated ADRs vs 2019 could see pressure in future quarters from slowing demand for AA, and a mix shift away from big homes and longer stays. Airbnb has indicated that margins can be stable in 2023 even if ADRs are down modestly given inherent leverage in the model. Analysts have an average target of \$125 with short interest near 10% of the float. MSCO cut to Underweight in December on slowing listings growth, occupancy headwinds, and lower room night demand. Gordon Haskett cut to Underperform on 1/25. ABNB shares are up 27% YTD after hitting a new post-IPO low in late 2022 and VWAP off those lows at \$102.50 potential support while VWAP from its IPO is up at \$143. Shares recently failed at a major \$120 volume node and above leaves a large pocket back to \$140 while VWAP from Nov. 2021 highs at \$129.20. ABNB options are pricing in an 8% earnings move and 30-day IV Skew at +4.2 compares to the +6.9 52-week average. ABNB's put/call open interest ratio at the 88th percentile and average IV30 crush is -19.2%. ABNB has 4500 April \$110 short calls in OI and on 12/2 a large buyer of 7000 January \$100 puts while bullish flow mostly put sales at \$90 and \$85 strikes.

Trade to Consider: Long the **ABNB** February/March \$100 Put Calendars for \$2.10 Debit



Shopify (SHOP) will report results 2/15 after the close with the Street view at (\$0.01) and \$1.65B in Revenues (+19.5%) and Q1/FY23 seen (\$0.01)/\$1.44B and \$0.06/\$6.62B implying FY23 revenue growth of 20.2%. SHOP shares have closed strongly higher the last two reports after being lower five of the previous seven, a six-quarter average max move of 13.14%. Shopify is a leading provider of essential internet infrastructure for commerce, offering trusted tools to start, grow, market, and manage a retail business of any size. Shopify makes commerce better for everyone with a platform and services that are engineered for simplicity and reliability, while delivering a better shopping experience for consumers everywhere. SHOP has a \$62.5B market cap and trades 7.3X EV/Sales while trading at wild valuations on profitability. A trend this quarter has been weaker prints from companies exposure to SMBs which could impact SHOP results. Analysts have an average target of \$44 with short interest at 3.7% of the float. Scotiabank recently started shares Neutral on robust valuation and notes upside from recent subscription price increases may be countered by weaker merchant solution results as consumer spending slows. Roth raised to Buy on 1/30 seeing tough comps behind the company. Deutsche Bank upgraded to Buy with a \$50 target on 1/23 as SHOP outpaces ecommerce growth on stronger adoption trends. SHOP shares are up 39% YTD and VWAP off the October low is at \$37.60 while retracement levels of note at \$42.80 and \$39.20. The measured move out of its bottoming pattern measures to the 200-week at \$65.50 as a target. A loss of \$46 support likely targets the 55-MA near \$40.60 while \$36 a major VPOC. SHOP options are pricing in a 9.55% move on earnings and 30-day IV Skew at +4 compares to the +4.9 52-week average. SHOP put/call open interest ratio is at the 44th percentile and average IV30 crush is -12.2%. SHOP has a massive 30K June \$30 call position in open interest form a 1/18 roll and saw plenty of June \$35 and \$30 short puts open. SHOP buyer of 4000 February \$47.5 puts on 1/31 a day when January \$50 puts also bought some size.

Trade to Consider: Long **SHOP** February \$47.5/\$42.5 Put Spreads at \$1.65 Debit



Doordash (DASH) will announce earnings 2/16 after the close with the Street expecting (\$0.68) EPS and \$1.76B in Revenues (+35.7%) and Q1/FY23 seen at (\$0.66)/\$1.88B and (\$2.29)/\$7.9B implying 21% revenue growth while EBITDA seen climbing 65.5% Y/Y. DASH shares have closed higher six of its eight earnings reports with a six-quarter average max move of 14.88%. DASH's Marketplace enables merchants to establish an online presence and expand their reach by connecting them with millions of consumers and includes DashPass, a membership program. DASH's Platform Services business consists of Drive and Storefront and offers services to help merchants facilitate sales through their own channels. DASH continues to expand their platform as they see a huge opportunity in ecommerce and emerging verticals like grocery where they have a long runway. DASH also notably announced a deal for Finnish delivery firm Wolt Enterprises for €7B that lays the foundation for the company to gain massive global scale in more than 22 countries and accelerate their international growth initiatives. DASH's market-leading US restaurant business generates the highest EBITDA/order of any global peer. It drives EBITDA growth while also enabling DASH to reinvest in current/new growth vectors. DASH has a market cap of \$24B and trades 31X EBITDA, 70X FCF and 2.3X EV/Sales. DASH has continued to expand key partnerships including a recent one with Starbucks. DASH's continued strong execution and the durability of customer demand aided by high Dashpass penetration (DASH is still not seeing trade down or weakness across income cohorts, although basket size shrinking slightly) demonstrate the habitual (albeit discretionary) nature of the food-delivery product. Analysts have an average target of \$72 and short interest at 6.6% of the float has risen 30% Q/Q. Moffett-Nathanson recently started Outperform with a \$79 target citing strong unit economics and abating headwinds. Jefferies started shares Underperform on 1/9 citing slower market share gains and more modest growth for the category moving forward. Piper cut to Underweight on recessionary pressures. DASH shares are +18% YTD and recent resistance came right at VWAP off the March 2022 highs. The wide \$42 to \$76.50 zone is building large volume as a potential long-term base and VWAP from the IPO is near \$110. Support at VWAP off the October lows near \$53.30 while lower monthly value at \$49. Clearing \$65 is key to upside while \$71.50 also major resistance. DASH options are pricing in a 12.55% earnings move and 30-day IV Skew at +5.1 compares to the +6.1 52-week average. DASH put/call open interest ratio is at the 84th percentile and average IV30 crush is -19.25%. DASH recently with a buyer of 4000 Feb. \$72 calls, 2000 Feb. \$61 calls, and a massive roll that bought 35,000 May \$45 calls.

Trade to Consider: Sell the **DASH** February \$55/\$51 Put Spreads for \$1.30 Credit (Bull Put Spreads)



Deere (DE) will report results 2/17 before the open with the Street looking for \$5.54 EPS and \$11.28B in Revenues (+28.6%) and FY23 seen at \$28.07/\$53.48B implying 2023 as a year with 11.6% revenue growth and 6.4% EBITDA growth through nearing peak cycle. DE shares closed higher the last two reports after being lower three of the prior five, a six-quarter average max move of 7.06%. DE has benefitted from strong operational improvements, a thriving tech solutions unit and a robust Ag market. Orders continue to trend strongly with Deere noting that its order books are largely full though it likely will face cost headwinds. DE has a market cap of \$121B and trades 14X Earnings, 13.3X EBITDA and 54X FCF. Multi-year growth drivers vis a vis elevated farm fleet ages, low dealer inventories and supportive farm P&Ls all remain firmly in play through FY23. On the back of severe weather drought conditions grain prices are seen remaining elevated. Analysts have an average target of \$465 with short interest low at 1% of the float. Citi upped its target to \$505 from \$425 on 12/1 with higher confidence on ad equipment fundamentals. DE shares are -2.5% YTD and a potential double-top in play while major support convergence at \$385 as VWAP off July 2022 lows and a 38.2% retracement while the 200-day is at \$275. DE shares are holding lower monthly value support but under \$403.50 would expect a move to \$385 or \$375. Upside resistance is at \$428 while above can look to \$450 new highs. DE options are pricing in a 4% earnings move and 30-day IV Skew at +5.1 compares to the +3.6 52-week average. DE put/call open interest ratio at the 86th percentile and average 30-day IV crush is -14.83%. DE does not have a lot of notable open interest, the March \$390 puts with buyers has 2690 in OI and 1500 June \$420 and 1000 March \$380 puts with buyers.

Trade to Consider: Long the **DE** March \$400/\$380/\$360 Put Butterfly at \$1.90 Debit



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