



Inside Today's Blitz

- US Prepares to Intervene in Ukraine as Talks with Russia Near Conclusion
- Australian Inflation Surges as Housing, Fuel Lift Consumer Price Index
- **NVDA** is preparing to abandon its deal for ARM Holdings, per reports; **JPM** is buying a 49% stake in Viva Wallet; **UL** is slashing thousands of management jobs

Market Outlook

Futures indicating a lower open for the day with the **Dow** off by 60 bps, the **S&P** down 1.2%, and the **Nasdaq** down 1.75%. The **Russell** is down 1.1%. Energy is higher again with **WTI** up 65 bps. **Natural Gas** is down 4.5%. **Gold** and **silver** both modestly lower with the latter down 35 bps. **Copper** is down 40 bps. The **dollar** is up 30 bps again while **bonds** fell 50 bps. The **10-year yield** is back above 1.78%. **VIX** is 29.55. **Bitcoin** and **Ethereum** both down modestly. It's been a quiet night for macro news as the futures give back some of Monday's historic rally from the mid-morning lows. There was more hawkish central bank news overnight ahead of the Fed with Singapore tightening policy in a surprise move and Australian inflation coming in a bit hotter than expected. In Europe, the US and NATO continue to negotiate with Russia as they look to defuse tensions over Ukraine. The two sides will continue today in hopes of reaching a diplomatic agreement but the US, in the meantime, continues

to move troops into preparation for deployment. Elsewhere, IBM kicked off tech earnings on a positive note with shares higher by 3%. The BOJ is stressing the need to raise wages.

Asian markets are mostly lower this morning with the Hang Seng down 1.67%, Shanghai down 2.58%, and the Nikkei down 1.66%. In Europe, the major indices are rebounding with materials, energy, and banks leading the way. The DAX is up 66 bps, the CAC is up 77 bps, and the FTSE is up 83 bps. Computer peripherals-maker **Logitech** rose 10% after raising its earnings forecast for the year. **Credit Suisse** fell 1% after warning that it was likely to make a net loss in Q4. **Swatch Group** fell 1% despite after sales of Swiss watches recovered strongly last year from the slump caused by pandemic-related lockdowns. **Ericsson** rose 8% after reporting Q4 core earnings above expectations. **Rémy Cointreau** fell 2% after the French spirits group beat Q3 sales forecasts but left the outlook unchanged.

Calendar

Today... Earnings After the Close: AGYS, BXP, CADE, CNI, COF, FFIV, FCF, HA, MRTN, MSFT, NAVI, NXGN, RNR, RNST, SLGN, LRN, TXN, TRMK, UMBF, VBTX, WSBC; **Analyst Days:** CNXC

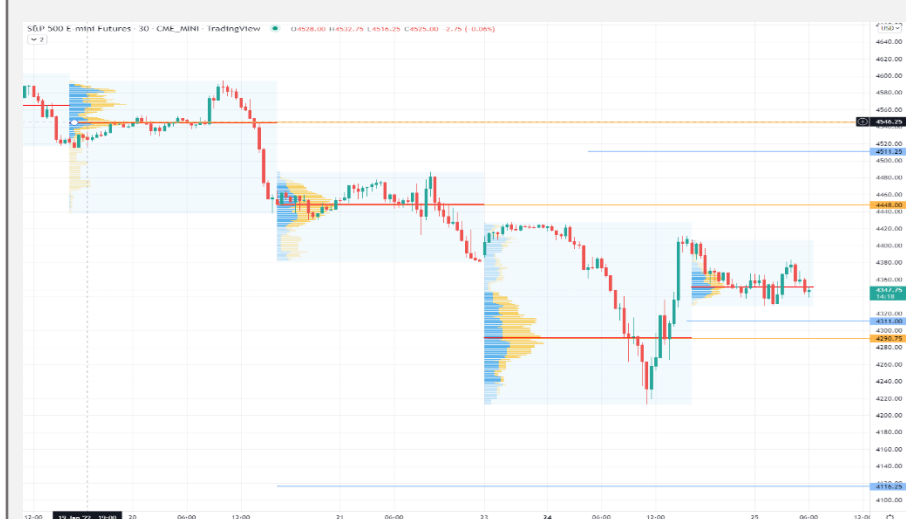
Tomorrow... MBA Mortgage Applications, Wholesale Inventories, New Home Sales, EIA Inventories, FOMC Decision and Press Conference;

International Earnings: Samsung; **Earnings Before the Open:** ABT, APH, ANTM, T, ADP, BA, GLW, FBP, FCX, GD, HES, KMB, KNX, MKTX, MNRO, NDAQ, NYCB, NSC, OSK, PGR, PB, ROL, RES, SF, TEL

Overnight Markets

VIX	29.55	5.28%
Oil (WTI)	83.85	0.65%
US Dollar	96.21	0.32%
Gold	1838.9	-0.15%
Silver	23.72	-0.35%
Copper	4.3955	-0.39%
Bonds	155.13	-0.50%
Ethereum	2426.5	-0.60%
Bitcoin	36420	-0.75%
Natural Gas	3.846	-4.50%

Technical View



Key Levels to Watch

S&P futures (ES_F) are modestly lower this morning although balancing around Monday's value-area high at 4347.5. The pullback/consolidation hasn't been dramatic – we're well above VPOC at 4290.75 and the 50% retracement of the rally near 4311. Losing those ranges and under the lows at 4213 has downside to 4116.25. Above us are two untested POC at 4448 and 4545 while the 50% extension of the rally from yesterday's low is at 4511.25 and also on watch.

Economic Data

- **Australian** inflation rose 2.6% vs 2.3% est.
- **South Korea** GDP was 4.1% vs 3.9% est.
- **German** IFO was 95.2 vs 93 est.

Macro News

- **China** COVID cases hit a two-month low, per SCMP, ahead of the New Year Holidays and Olympics
- **US, NATO** will respond to **Russia's** demands within the next few days as diplomatic compromise remains a top option, per NYT
- **UK PM Johnson** is under further pressure over allegations of parties at 10 Downing Street that broke COVID protocol, per Reuters
- **North Korea** fired two more missiles, per CNN
- **Singapore** has tightened monetary policy on inflation risks, per Reuters, a surprise move

Movers

Gainers: BRO 17.5%, TRQ 8%, LOGI 6.5%, ERIC 6%, IBM 5.7%, MDRX 3%

Losers: FTI -7%, PETS -5%, SOFI -4%, DISCA -3.5%, SPGI -3.5%

Insider Buying

LAZR, VOXX, STRR, AIB, TETE

IPO Calendar

Credo Tech (CRDO) issuing 25M shares at \$10-\$12

Verdant Earth (VDNT) issuing 6.25M shares at \$7-\$9

Samsara Vision (SMSA) issuing 4.1M shares at \$5-\$7

Stock-Specific News

Consumer Goods

- **Unilever (UL)** is looking to slash thousands of management positions, per Reuters, as they look to tighten up operations
- **TM** now plans to make 11M vehicles in FY22, up 20% Y/Y, per Nikkei, in a strong sign of confidence the supply chain issues are waning
- **Remy Cointreau** shares are lower this morning in Europe after earnings despite a strong quarter, per Reuters. The company left FY guidance unchanged
- **Swatch** posted strong results this morning, per Reuters, topping Street estimates on top and bottom line

On the Chart

TM nice reversal yesterday off of the 1/4 gap and room back above \$201.5 to the recent highs at \$213.50.

Consumer / Business Services

- **Walmart (WMT)** is exploring strategic options for certain parts of their Central American business, per Bloomberg
- **SPOT** is facing pressure from recording artist Neil Young who threatened to remove his entire catalog over Joe Rogan's disinformation around COVID, per Bloomberg
- **GPS** is frustrated with their Kanye West partnership, per FT, as it is moving forward at a much slower pace than hoped
- **KSS** is facing another activist, Macellum, who wants a board seat and public commitment to explore a sale
- **Seven & I** is under pressure from shareholders to pursue a split, per FT

Hawk Database

WMT recent buyers in the May \$140 calls and June \$145 calls, the latter over 7500X

Financials

- **JP Morgan (JPM)** is buying a 49% stake in Viva Wallet, a leading EU cloud-based payments fintech, per Bloomberg
- **CS** is warning of a large litigation reserve charge in Q4, per Reuters, while their wealth management unit suffered from outflows
- **Sezzle** is in talks to be acquired by Zip, per Reuters, the latest consolidation move in the BNPL space

Healthcare

- **Change Healthcare (CHNG)** is looking to shed assets ahead of their deal closing within United Health, per Bloomberg, as they seek an easier regulatory approval process
- **Sierra Oncology (SRRA)** pivotal study shows drug improves anemia and other symptoms of myelofibrosis
- **MDRX** announced a new buyback of \$250M; Co. sees preliminary Q4 revenue above Street at \$390M to \$395M vs \$386.75M; Raising FY

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- **DCPH** says Phase 3 results for ripretinib in gastrointestinal tumors did not meet primary endpoint
- **LLY, REGN** will slow use of their monoclonal antibody treatment as neither is effective against Omicron, per WaPo
- **SDC** is suspending operations in eight countries, cutting workforce

Industrials

- **CSX Corp (CSX)** named a new CFO, Sean Pelkey, a key part of their transformation team
- **AJRD** says they expect the FTC to sue to block their deal with Lockheed Martin before the Jan. 27 deadline
- **Hyundai** says that semi supplies will normalize by Summer for auto production, per Nikkei

Energy & Materials

- **LYB** is reportedly not finding strong interest in their Houston refinery, per Reuters. The company was hoping for a speedy deal
- **IPAR** pre-announced a strong Q4 with revenues of \$210.8M vs \$171M and now sees FY above Street
- **RIO** has reached an agreement with the Mongolian government over copper mining, per Reuters

Technology

- **Nvidia (NVDA)** is making plans to abandon their deal for ARM, per Bloomberg, as they continue to face tough regulatory scrutiny. Softbank will likely IPO the company. Nvidia will pay \$1.25B in a break fee for not finishing the transaction
- **Verisk (VRSK)** is selling their 3E business to New Mountain Capital for \$950M (\$630M in cash at close and additional based on milestones hit)
- **CTXS** is inching closer to a deal today, per Bloomberg, as banks work on financing for Vista/Elliott, per Bloomberg
- **JD** is working on a Hong Kong IPO for JD Technology, per SCMP
- **NFLX** is losing market share within the US streaming market, per 9to5 Mac, but they remain the dominant platform with 25% share versus Amazon (19%), Disney (13%), Hulu (13%), HBO (12%) and Apple (5%)

On the Chart

CSX pulled back to the 50% retracement of the recently rally and hammer yesterday gives a nice spot to lean on for a move back into January value at \$35.50

On the Chart

JD with a nice hammer yesterday and continues to find buyers at January VPOC at \$70.85, a key spot to watch with room up to \$78

Analyst Notes

Upgrades

- **PBF** raised to Overweight at Piper as the analyst believes there is a fundamental multi-year investment case for the U.S. refiners, driven by a combination of low product inventories, accelerated capacity rationalizations, robust demand recovery, and the slowing pace of capacity addition
- **MSP** raised to Overweight at MSCO; A rebound in new customers, an ongoing recovery in the core business and the launch of a major new product cycle lays the groundwork for durable 20%+ growth and margins
- **NKE** raised to Overweight at Wells Fargo, the analyst expects accelerating trends for Nike in fiscal 2023 and recent channel checks in China suggest the brand can improve sequentially from Q2. Longer term, Nike is well positioned to retain its number one market share in the region
- **NEWR** raised to Overweight at MSCO; an improved technology platform and transition to a new business model sets the stage for better growth after a sustained period of disruption; acceleration to 20%+ growth in 2022 which should serve to narrow the valuation gap vs. peers
- **DAL** raised to Buy at Berenberg as US airlines' demand recovery is more advanced, valuations are more compelling relative to history and balance sheets are generally in a better position
- **PAA** raised to Outperform at Bernstein
- **BPMC** raised to Buy at Stifel
- **VIAC** raised to Neutral at KeyBanc
- **CGNX** raised to Outperform at Daiwa
- **BF.B** raised to Buy at Berenberg
- **DESP** raised to Buy at Citi
- **MDRX** raised to Outperform at Leerink
- **CHUY** raised to Buy at Benchmark
- **NI, PEG, XEL** raised to Outperform at Evercore
- **SNOW** raised to Buy at Loop Capital
- **CFLT** raised to Buy at DA Davidson

Downgrades

- **VMW** cut to Neutral from Buy at Citi the analyst notes VMware's leadership position in new markets is satisfactory but not definitive, and considering the likelihood of stagnant profitability expansion resulting from investments and revenue mix shift, she sees near-term valuation expansion being out of reach

Hawk Database

NKE featured write-up 1/24 with 10K June \$125 calls bought and 3500 Sep. \$95 calls for nearly \$40M

On the Chart

NEWR a software chart holding stronger than most tested support and put in a nice trade-against candle on 1/24.

Hawk Database

DAL buyers accumulating 20,000 April \$45 calls and a 12/20 buyer 4000 June \$44 calls

- **KR** cut to Underweight at Wells Fargo; the analyst expects Q4 earnings to once again exceed consensus as Omicron extends what has arguably been the best backdrop for grocers in history but it simply can't last in his view. Top-line momentum should stall on the combination of Omicron re-open/end of stimulus, while brewing risk in the set-up for product inflation, labor cost pressure increasing at an inopportune time, and management seems poised to set the bar too high for 2022
- **CTXS** cut to Sell at Citi
- **CNQ** cut to Neutral at Goldman Sachs
- **MPC** cut to Neutral at Piper
- **BL, PLAN, QTWO** cut to Neutral at KeyBanc

Hawk Database

KR recently topped out and has seen 5K Feb \$45 puts bought and 8K March \$49 puts bought

Initiations

- **SQM** started Buy at Loop Capital, as one of the world's largest integrated lithium producers, SQM is a play on the tectonic ongoing 'Energy Transition' shift, and the global EV adoption momentum
- **PANW** started Buy at Citi, \$585 PT, offers defensive exposure as software investors continue to rotate out of high multiple software assets
- **CRWD, ZS, AKAM, VRNS, CYBR, FTNT** started Buy at Citi; **CHKP, SAIL, FSLY** started Sell
- **CAMT** started Buy at BAML
- **TWLO** started Overweight at Atlantic
- **VRAY** started Buy at Stifel

Other Notes

- **ALGN** has positive read-through from Candid's pivot, says Piper; the decision by DTC clear aligner provider Candid in shutting down its DTC clear aligner offering is further validation of the challenge companies face in competing in a clear aligner market dominated by Align
- **AFRM** checks are positive in Mizuho survey; their proprietary survey shows healthy appetite and a promising start to the checkout option on Amazon and suggests that a significant portion of Affirm's users may have already tried checking out with Affirm on Amazon, potentially leading to notable upside to the company's volumes
- **COIN** pullback provides attractive entry says Piper

Trade Ideas

Taiwan Semi (TSM) high-quality name bouncing strong yesterday off of January VPOC and closing back above the 55-EMA and recent base breakout. A move above \$127.50 key for short-term momentum back to recent highs near \$135. The pullback yesterday tested the top of a narrow multi-week range, too, and the broader continuation higher targets \$165-\$170.



Technical Scans

Bullish Reversal Days: APD, SHW, MNST, CVNA, YETI, LULU, GRMN, POOL, MKTX, STNE, FOUR, Z, SGEN, HZNP, RGEN, TWST, UNH, RMD, WST, MASI, ALGN, ISRG, ARWR, GNRC, TREX, COST, RH, U, ROKU, GLOB, NOW, DDOG, WDAY, COUP, BILL, SHOP, FVRR, SNOW, PEGA, TEAM, DOCU, TWLO, UBER, VEEV, CHGG, ADSK, SNPS, OKTA, ANET, PINS, MTCH, AMZN, ETSY, FTCH, AVGO

Small-Cap Options Flow

Caleres (CAL) unusual volume on 1/24 with 1650 February \$22.50 calls bought \$1.30 to \$1.40 and name with 5,000 of the \$25 calls in open interest. Shares are basing at VWAP from the November 2020 earnings gap higher, a key area where momentum shifted higher. A breakout of the bull flag above \$27 has room to run to \$34-\$35. The \$933M company trades 6.3X earnings, 0.35X sales, and 4X FCF with a 1.15% yield. CAL is a footwear retailer through their Famous Footwear stores and licensed brands such as Dr. Scholl's Shoes, Blowfish Malibu, and LifeStride. The company also has private label offerings across athletic, casual, and dress footwear. The company has been focusing on expanding their distribution channels with more and more sales moving towards DTC. They've got a well-capitalized digital platform, robust logistics offering, and treasure trove of consumer data around purchases. CAL is coming off a strong holiday period and raising their outlook on 1/10 citing strong momentum in their core business. Analysts have an average target for shares of \$34.50 with a Street High \$40. Loop Capital raising estimates on 11/19 citing record low markdowns and a faster than expected rebound in Famous Footwear. The firm sees sales growing 43% after last year's 28% decline amid a reversion to more normal shopping patterns. Short interest is 6%. On 1/14, the CAO bought \$75K in stock on the open market at \$22.69. Hedge fund ownership rose 6.5%.

Extras

Coca Cola (KO) with over 3,850 May \$57.50 puts bought this morning from \$2.18 to \$2.29

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Draft Kings (DKNG) with 4000 February \$20 calls bought up to \$2.02 to open this afternoon

Diamondback Energy (FANG) with 2,500 September \$135 calls bought for \$11.50 in a stock replacement

Advanced Micro (AMD) had a buyer of 1700 April \$120 calls for \$9.65 offer

Daqo New Energy (DQ) with 2000 February \$40 calls bought this afternoon for \$1.85 to \$2.40 as IV jumped higher

Facebook (FB) buyer this morning of 3000 January 2024 \$200 deep ITM calls for around \$40M

Affirm (AFRM) with 2,000 April \$40 puts sold to open today from \$4.35 down to \$4.10

Azek (AZEK) with 2,000 March \$35 calls bought from \$1.80 to \$1.90 to open this afternoon

Hilton (HLT) afternoon buyer of 5000 May \$155 calls \$6.50 to \$6.60 similar to MAR call adds

Freeport (FCX) late day opening sale 1500 Jan. 2024 \$35 puts for \$7.75

Mosaic (MOS) opening sale 2500 March \$35 puts for \$1.60

Boeing (BA) late day opening sale 500 August \$215 puts for \$31.95

Doordash (DASH) afternoon buyer of 500 October \$20 calls for \$24

Li Auto (LI) stock replacement bought 2000 June \$30 calls \$3.05

What They're Saying

Halliburton (HAL) earnings call on investments into longer cycle businesses.... “We continue to invest in technology, both digital and hardware, that maximizes asset value. In 2021, we brought to market over 50 new technologies, including our iStar Intelligent formation evaluation platform and the next generation of our iCruise system for harsh drilling environments. Our multiyear investment in drilling technologies is paying off, and we expect to outgrow the market as international drilling activity ramps up. We have unique international growth opportunities in specialty chemicals and artificial lift. As Halliburton expands the international footprint of these businesses, we have a pipeline of opportunities that are longer cycle and should be margin-accretive. Strong cash flow starts with strong margins, and Halliburton's margins are the best in class. We completed the most aggressive set of structural cost reductions in our history. We also made significant changes to our processes that drive higher contribution margin, for example, how we perform equipment maintenance and provide engineering support. These changes give us meaningful operating leverage as North American activity accelerates.”

IBM earnings call on what is seeing in the market and if volatility will impact spending, M&A.... “We are seeing high demand for our capabilities in several areas. Clients are eager to automate as many business class as possible, especially given the new employee demographics. This dynamic is likely to play out over the long term. They are also using AI and predictive capabilities to mitigate friction in their supply chains. Cybersecurity remains a major area of concern as the cost of cybercrime, already in the billions of dollars, rises each year. As clients deal with these challenges and opportunities, they are looking for a partner they can trust and who has a proven track record in bringing about strategic transformation projects. This is why our strategy is focused on helping our clients leverage the power of hybrid cloud and AI. So I suspect -- look, we are not as much expert on this as many of you on this call, but I would suspect that this volatility we are seeing recently will not have much of an impact. Now if it becomes into an overall bear market, correction, that would be different, but I don't think we're anywhere close to that. I think in terms of near-term cyclical impacts, I don't really see them. Our clients

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tend to be people who are in much more -- what we provide technology for is much more in the critical applications. People need them for doing online payments. They need them for authorizations, reservations, retail banking, health care, telecom, within the government for critical applications. So we don't tend to see much of a short-term cyclical impact. M&A has to have an economic benefit for our company and our shareholders. Has valuations come down? Certainly, some targets may become more approachable that were not previously approachable. And I've said before, look, we have a little over \$20 billion of flexibility over the next 3 years. So I'll just leave it at that. That's our total flexibility. As prices come down, certainly, more things come within range."

Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
TSN	14 APR 22 95 CALL	1,508	3,643	141.58%
NCLH	16 SEP 22 20 CALL	1,841	4,370	137.37%
PYPL	14 APR 22 180 CALL	1,774	3,840	116.46%
HLT	20 MAY 22 155 CALL	4,741	9,694	104.47%
MAR	17 JUN 22 160 CALL	8,606	17,497	103.31%
AA	14 APR 22 60 CALL	1,498	3,001	100.33%
BBWI	20 MAY 22 60 CALL	10,084	20,111	99.43%
OTIS	20 JAN 23 75 PUT	1,010	2,010	99.01%
DIS	18 MAR 22 145 CALL	3,001	5,515	83.77%
UAL	19 JAN 24 45 CALL	12,657	21,831	72.48%
VIAC	18 MAR 22 35 CALL	14,210	15,975	12.42%
BA	18 FEB 22 215 CALL	3,000	2,800	-6.67%
ADI	17 JUN 22 160 PUT	11,417	9,511	-16.69%
LAC	18 FEB 22 25 CALL	3,891	2,893	-25.65%
GPS	18 FEB 22 15 PUT	8,410	5,337	-36.54%
NOVA	18 FEB 22 20 PUT	10,027	3,452	-65.57%
GDDY	20 MAY 22 60 PUT	1,034	185	-82.11%

Earnings Grid

Stk	Next Earnings Date	Open Interest	Historical Moves (8 Q)	Implied Move	Avg. 8 Q Max Move	Std. 8 Q Close Move	Sum. 8 Q Close Move	V30 Skew	V30 Avg. Crowd	Net Put/Call OI %:40	Short Float	% Change (1mo)
AMET	1/25/2022 AMC	82.75M (42%), Bear: \$75.58M (38%), Vol: \$20.79M (10%), Stock: \$18.97M	Even of 8	4.87%	3.55%	0.07%	-3.97%	5.48	-9.07%	66.90%	0.53%	-16.51%
TRN	1/25/2022 AMC	\$11.21M (56%), Bear: \$9.15M (16%), Stock: \$9.08M (15%), Vol: \$2.58M (11%)	Lower 6 of 8, Lower last 6	5.44%	4.87%	-3.76%	-19.51%	4.88	-14.93%	70.10%	2.01%	29.04%
COE	1/25/2022 AMC	Bull: \$12.81M (58%), Bear: \$7.23M (33%), Stock: \$2.03M (9%)	Higher 6 of 8, Lower last 2	4.95%	6.11%	2.32%	13.02%	6.15	-11.65%	53.78%	1.13%	-2.07%
FEVX	1/25/2022 AMC	Bull: \$0.28M (100%)	Even of 8, Higher last 2	6.05%	10.16%	1.21%	1.83%	3.15	-18.91%	7.71%	3.23%	-37.93%
SLGN	1/25/2022 AMC	No Trades Since Last Report	Even of 8, Higher last 2	9.34%	4.98%	0.19%	0.46%	-0.17	-2.17%	1.75%	2.03%	-15.76%
NAVJ	1/25/2022 AMC	No Trades Since Last Report	Even of 8, Lower last 2	8.17%	6.94%	-0.78%	2.14%	0.25	-14.85%	49.04%	3.38%	-12.43%
NKGN	1/25/2022 AMC	No Trades Since Last Report	Even of 8	12.58%	13.21%	0.71%	5.48%	5.05	-17.36%	84.94%	1.65%	-38.34%
LRN	1/25/2022 AMC	No Trades Since Last Report	Lower 5 of 8, Higher last 2	10.64%	13.06%	-2.98%	-24.15%	7.34	-25.35%	21.15%	7.35%	7.66%
HIA	1/25/2022 AMC	No Trades Since Last Report	Lower 8 of 8, Lower last 8	10.46%	7.71%	-4.87%	-39.27%	3.61	-4.47%	55.77%	9.22%	53.00%
ART	1/26/2022 BMO	Bull: \$9.62M (84%), Bear: \$1.23M (11%), Vol: \$0.62M (5%)	Lower 5 of 8	3.90%	3.73%	-0.37%	4.03%	2.67	-8.87%	32.06%	0.48%	-25.22%
T	1/26/2022 BMO	Bull: \$17.93M (51%), Bear: \$16.83M (48%), Stock: \$0.54M (2%)	Lower 5 of 8	3.49%	3.49%	-0.70%	1.61%	2.13	-15.67%	25.70%	1.17%	-24.23%
BA	1/26/2022 BMO	Bull: \$43.92M (52%), Vol: \$22.62M (27%), Bear: \$17.13M (20%)	Lower 5 of 8	5.40%	5.37%	-2.18%	-4.02%	2.86	-8.35%	72.03%	1.51%	9.51%
ANTM	1/26/2022 BMO	Bear: \$0.86M (57%), Stock: \$0.64M (43%)	Even of 8	4.57%	5.38%	-0.43%	0.09%	3.92	-9.67%	91.08%	0.81%	-29.24%
ADP	1/26/2022 BMO	Bull: \$4.17M (79%), Stock: \$0.82M (15%), Bear: \$0.29M (6%)	Even of 8	4.13%	4.83%	0.10%	-5.48%	4.47	-11.34%	99.47%	1.17%	13.89%
NSC	1/26/2022 BMO	No Trades Since Last Report	Higher 5 of 8	3.90%	4.42%	0.45%	9.65%	4.86	-13.67%	67.48%	1.44%	4.15%
FCX	1/26/2022 BMO	Bull: \$43.75M (78%), Stock: \$9.3M (17%), Bear: \$2.72M (5%)	Lower 5 of 8	6.74%	6.05%	-1.77%	-3.79%	1.29	-8.52%	92.31%	2.15%	1.88%
PSR	1/26/2022 BMO	Bear: \$0.62M (100%)	Lower 5 of 8, Lower last 2	5.56%	4.95%	-0.76%	-0.05%	7.83	-6.07%	83.88%	1.41%	-19.17%
GD	1/26/2022 BMO	No Trades Since Last Report	Higher 5 of 8, Higher last 2	3.53%	2.78%	0.35%	1.40%	5.25	-6.69%	94.76%	0.72%	-10.36%
TEL	1/26/2022 BMO	No Trades Since Last Report	Even of 8	5.92%	4.81%	0.10%	0.30%	4.49	-7.73%	80.25%	1.12%	-23.00%
KMB	1/26/2022 BMO	Bear: \$0.4M (100%)	Higher 5 of 8	3.11%	5.19%	0.35%	-6.54%	3.56	-13.82%	96.34%	2.01%	-12.68%
APH	1/26/2022 BMO	Bear: \$0.1M (100%)	Even of 8	6.08%	3.97%	-0.40%	-1.63%	3.93	-9.47%	14.51%	1.07%	77.44%
NDAQ	1/26/2022 BMO	No Trades Since Last Report	Higher 5 of 8	5.00%	3.47%	1.20%	6.31%	5.51	-6.61%	55.94%	2.06%	24.87%
GLW	1/26/2022 BMO	Bull: \$3.36M (78%), Bear: \$0.51M (12%), Stock: \$0.44M (10%)	Lower 6 of 8, Lower last 6	5.26%	4.93%	-2.34%	-16.89%	5.52	-15.32%	73.06%	1.48%	-13.26%
HES	1/26/2022 BMO	Bear: \$1.35M (50%), Bull: \$1.33M (50%)	Even of 8	5.35%	6.45%	0.47%	1.95%	1.24	-3.02%	38.27%	1.92%	-20.30%
ROL	1/26/2022 BMO	Bear: \$0.17M (100%)	Even of 8, Lower last 2	6.89%	5.70%	0.25%	-6.04%	2.43	-30.77%	92.81%	4.43%	-2.11%
MTX	1/26/2022 BMO	Bull: \$1.85M (74%), Bear: \$0.66M (26%)	Lower 5 of 8, Lower last 4	7.26%	3.89%	-1.14%	0.76%	8.38	-3.92%	54.03%	2.78%	0.00%
KNX	1/26/2022 BMO	Bear: \$0.34M (100%)	Higher 5 of 8	6.70%	6.19%	0.07%	-2.84%	3.53	-13.69%	86.01%	3.53%	-24.40%
OSK	1/26/2022 BMO	No Trades Since Last Report	Lower 6 of 8	7.11%	4.70%	-1.27%	-6.68%	3.90	-5.93%	36.34%	2.53%	12.67%

Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
CR	Crane	\$1.25	\$1.12	\$770.5	\$745.61	12.7%	
ELS	Equity Lifestyle	\$0.64	\$0.62	\$325.30	\$288.00	19.60%	FY In Line
HOPE	Hope Bancorp	\$0.43	\$0.41	\$146.42	\$141.90	10.80%	
IBM	IBM	\$3.35	\$3.29	\$16,695.00	\$15,964.50	6.50%	
LOGI	Logitech Int'l SA	\$1.55	\$1.06	\$1,632.8	\$1,452.92	-2.1%	
SSB	South State	\$1.59	\$1.52	\$350.00	\$341.91	-3.70%	
STLD	Steel Dynamics	\$5.78	\$5.71	\$5310.66	\$5,288.56	104.2%	
WSFS	WSFS Financial	\$1.04	\$0.76	\$108.20	\$130.20	-12.00%	
ZION	Zions Bancorp	\$1.34	\$1.32	\$743.00	\$712.71	3.80%	

IBM – Beat on EPS and Revs (+6.5%) – "We increased revenue in the fourth quarter with hybrid cloud adoption driving growth in software and consulting," said Arvind Krishna, IBM chairman and CEO. "Our fourth-quarter results give us confidence in our ability to deliver our objectives of sustained mid-single digit revenue growth and strong free cash flow in 2022." Software (includes Hybrid Platform & Solutions, Transaction Processing)—revenues of \$7.3billion, up 8.2 percent, up 10.1 percent at constant currency. Consulting (includes Business Transformation, Technology Consulting and Application Operations)— revenues of \$4.7 billion, up 13.1 percent, up 15.7 percent at constant currency. Infrastructure (includes Hybrid Infrastructure, Infrastructure Support)— revenues of \$4.4billion, down 0.2 percent, up 1.7 percent at constant currency.

STLD – Beat on EPS and Revs (+104.2%) – "We believe the market dynamics are in place for domestic steel consumption to further increase in 2022 when compared to 2021," said CEO Millett. "Based on domestic steel demand fundamentals and customer confidence, we believe North American steel consumption will experience steady growth, supported by the construction, automotive, and industrial sectors. Our Structural and Rail Division and steel fabrication operations provide us with more specific insight into the non-residential construction sector, which is the single largest domestic steel consuming sector. Based on our record steel fabrication order backlog extending through most of 2022, combined with the continued strength of order activity and broad customer optimism, we believe construction will remain strong in the coming year. In addition, we believe the more severe supply chain challenges within the North American automotive sector will abate during 2022, supporting stronger production for vehicles that are in high demand and short supply. Steel Dynamics is in a position of strength as we enter 2022. We are ramping up operations at our new state-of-the-art electric-arc-furnace flat roll steel mill located in Texas. We had planned to be further along with commissioning the hot side of the steel mill, but supply-chain and COVID challenges delayed the project by several weeks."

Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
AXP	American Express	\$2.18	\$1.83	\$12,145.00	\$11,549.96	29.90%	FY In Line

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ADM	Archer-Daniels	\$1.50	\$1.36	\$23,090.00	\$20,213.73	28.40%	
BANC	Banc of California	\$0.07	\$0.33	\$73.04	\$80.43	18.60%	
ERIC	Ericsson	\$3.02	\$2.14	\$71,300.00	\$68,107.74	2.40%	
GATX	GATX		\$1.02		\$318.73		
GE	General Electric	\$0.92	\$0.82	\$20,303.00	\$21,323.93	-7.40%	FY Below
IVZ	Invesco	\$0.86	\$0.76	\$1,373.70	\$1,357.40	11.80%	
JNJ	Johnson & Johnson	\$2.13	\$2.12	\$24,804.00	\$25,289.54	10.40%	FY Above
LMT	Lockheed Martin		\$7.14		\$17,656.77		
NEE	NextEra Energy		\$0.40		\$5,790.56		
PCAR	PACCAR		\$1.31		\$5,444.74		
PII	Polaris Industries	\$2.16	\$2.03	\$2,170.40	\$2,129.06	0.70%	FY Above
RTX	Raytheon Technologies	\$1.08	\$1.02	\$17,044.00	\$17,276.86	3.80%	FY Below
UMC	United Micro	\$1.30	\$1.22	\$59,100.00	\$57,509.17	30.50%	
VZ	Verizon	\$1.31	\$1.28	\$34,100.00	\$33,983.82	1.80%	FY Above
XRX	Xerox	\$0.34	\$0.30	\$1,777.00	\$1,816.33	-7.90%	FY Above
MMM	3M	\$2.31	\$2.02	\$8,612.00	\$8,577.97	0.30%	

LOGI – Beats EPS and Revenues (-2.1%), Raises FY22 – Sales in US dollars grew 29 percent in Keyboards & Combos and 8 percent in Pointing Devices and Gaming, compared to Q3 of the prior year. Video Collaboration grew 24 percent quarter over quarter and was down 2 percent compared to Q3 of the prior year in which sales grew more than 200 percent. Our Q3 results reflect the strength of our operational capabilities, innovation engine, and the choices we made to position ourselves in line with the long-term trends affecting work, play, and creating.

PII – Beats EPS and Revenues (+0.7%), Raises FY22 Above Street – Innovation remained the cornerstone of our culture, supported by the introduction of several new category-defining vehicles this year. With interest in powersports continuing to grow and new customers increasingly entering our industry, we expect 2022 to be another record year for Polaris. Reported gross profit margin was 20.5 percent of sales for the fourth quarter of 2021, down 499 basis points compared to 25.5 percent of sales for the fourth quarter of 2020. The decrease in gross profit was driven primarily by higher input costs including logistics, components and commodity prices, as well as plant inefficiencies related to supply-chain constraints, partially offset by increased pricing and lower promotional costs.

GE – Beats EPS, Misses Revenues (-7.4%), FY22 Below Street – Organic Orders -4%; We're seeing real momentum and opportunities for sustainable profitable growth from near-term improvements in GE's businesses, especially as Aviation recovers and our end markets strengthen. Our dramatic debt reduction means we can further intensify efforts to strengthen our operations and play offense, setting us up to deliver between \$5.5 to \$6.5 billion free cash flow in 2022 and more than \$7 billion in 2023. GE expects to return to revenue growth in 2022. The company expects Aviation revenue to increase more than 20 percent in 2022, which is dependent on the continued commercial market recovery, as well as low- to mid-single-digit revenue growth in Healthcare, driven by commercial efforts and new product launches. In Renewable Energy, continued operational improvement in Onshore Wind and growth in Offshore Wind will contribute to low-single-digit revenue growth and improved profitability. In Power,

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continued services strength will drive revenue growth. In 2022, GE is planning for continued inflation challenges, with the most adverse impact expected in Onshore Wind. Better earnings and working capital, especially inventory, along with a lower impact from legacy GE Capital, will enable GE to achieve its free cash flow range in 2022. GE will hold an Investor Update on Thursday, March 10, 2022, with additional details on its 2022 outlook.

JNJ – Beats EPS, Misses Revenues (+10.4%), FY22 Above Street – Consumer Health worldwide adjusted operational sales increased 3.8% primarily driven by over-the-counter (OTC) products including **TYLENOL** analgesics and digestive health, in addition to **NEUTROGENA** and **AVEENO** products in Skin Health / Beauty primarily due to COVID-19 market recovery. Pharmaceutical worldwide adjusted operational sales grew 13.6%. Medical Devices worldwide adjusted operational sales grew 16.8%, driven primarily by the market recovery from COVID-19 impacts and the associated deferral of medical procedures in the prior year across all of our businesses including Surgery, Interventional Solutions, Vision and Orthopaedics.

MMM – Beats EPS, Revenues Beat (+0.3%) – 3M delivered a solid fourth-quarter performance – with notable strength in December – as we maintained our relentless focus on serving customers in a challenging external environment. Our team effectively managed supply chain disruptions, made good progress on pricing actions and controlled costs. As we continue to actively manage our portfolio and improve our operations, we will prioritize investments in fast-growing end markets to drive long-term growth, as well as advance our commitment to sustainability. As we enter 2022, I am confident we will continue to grow our business and find new ways to apply science to improve lives. Total sales grew 4.1 percent in Consumer and 0.7 percent in Health Care, and decreased 1.5 percent in Transportation and Electronics, and 2.2 percent in Safety and Industrial. Organic local-currency sales grew 4.9 percent in Consumer and 1.6 percent in Health Care, and decreased 0.4 percent in Transportation and Electronics, and 1.3 percent in Safety and Industrial. Sales increased in closure and masking systems, abrasives, industrial adhesives and tapes, electrical markets and automotive aftermarket, and decreased in roofing granules and personal safety. Sales increased in commercial solutions and advanced materials, and decreased in electronics, transportation safety and automotive and aerospace. Sales increased in separation and purification, food safety, health information systems and oral care, and decreased in medical solutions. Sales increased in consumer health and safety, stationery and office, home improvement and home care.

RTX – Beats EPS, Misses Revenues (+3.8%), FY22 Below Street - We closed the year on a strong note with full year adjusted EPS and free cash flow significantly exceeding the outlook we set a year ago. We also exceeded our cost synergy target for the year, delivered margin expansion across our businesses and returned \$5.3 billion of capital to shareowners. The long-term outlook for our commercial aerospace and defense markets remains strong. Our focused A&D portfolio and intense focus on program execution position us well to deliver sales, earnings and free cash flow growth, as well as margin expansion across all businesses in 2022. Collins Aerospace had fourth quarter 2021 adjusted sales of \$4,942 million, up 13 percent versus the prior year. The increase in sales was driven by a 47 percent increase in commercial aftermarket and a 4 percent increase in commercial OE, which more than offset a 3 percent decline in military. The increase in commercial sales was driven primarily by the recovery of commercial air traffic which has resulted in higher flight hours, aircraft fleet utilization and narrowbody OE volume, which was partially offset by lower 787 OE and F-35 volume.

VZ – Beats EPS, Revenues Beat (+1.8%), FY22 EPS Seen Above Street – Adjusting for the sale of Verizon Media on September 1, operating revenue grew 4.8 percent year over year. Total wireless service revenue of \$17.8 billion, a 6.5 percent increase year over year, driven by a combination of higher ARPA (average revenue per account), volume growth and the contribution from the acquisition of TracFone Wireless, which was completed on November 23. 106,000 total broadband net additions, defined as wireline (Fios and DSL) and fixed wireless, an increase of 30,000 total broadband net additions year over year.

AXP – Beats EPS and Revenues (+29.9%), FY22 Outlook Mixed with EPS Below and Revenues Above - Our investment strategy enabled us to reach record levels of Card Member spending, maintain customer retention and satisfaction

above pre-pandemic levels, increase new Card acquisitions, grow our loan balances, and deepen our digital engagement with customers, producing revenue growth of 30 percent in the fourth quarter and 17 percent for the full year. Longer term, as the economy reaches a steady state, our aspiration is to achieve revenue growth in excess of 10 percent and EPS growth in the mid-teens. Consolidated expenses were \$9.8 billion, up 29 percent from \$7.6 billion a year ago, reflecting higher marketing investments to continue building growth momentum, increased costs driven by higher Card Member spending, and higher usage of travel-related benefits. Operating expenses were also higher primarily as a result of increased compensation.

ADM – Beats EPS and Revenues (+28.4%) - Our record results reflect the continued success of our growth strategy and our culture of innovation and execution, which enabled our global team to successfully navigate through supply chain challenges while capitalizing on favorable demand dynamics to deliver an outstanding year. We've positioned our portfolio to align with the enduring trends of food security, health and well-being, and sustainability. As we enter 2022, we're well situated to capitalize on strong crush margins, driven by good demand for meal and for vegetable oil as a feedstock for renewable green diesel; a continuing healthy ethanol market, supported by increased domestic and export demand and better clarity of the regulatory landscape; and our robust Nutrition sales pipeline, as well as the accretion of our recent acquisitions in that business. Ag Services executed well to deliver strong results, just slightly off the outstanding fourth quarter of 2020, when the U.S. experienced exceptionally high export margins. Global Trade was substantially higher year over year, driven by solid risk management and improved results in global ocean freight. Crushing executed well in a continued solid demand environment for both soybean meal and vegetable oil. Results were lower year over year, driven by approximately \$250 million of net negative timing impacts, versus negative \$125 million in the prior-year quarter, as well as lower results in EMEAI versus a very strong Q4 2020. The majority of the negative timing effects are expected to reverse in the first half of 2022. Refined Products and Other results were substantially higher than the prior-year period, driven by strong volumes and margins in North America for refined oils, and improved margins in North America and EMEAI for biodiesel, more than offsetting weaker South American results due to the reduced biodiesel mandate. Starches and Sweeteners, including ethanol production from our wet mills, was lower versus the fourth quarter of 2020, driven by higher input costs, including energy costs in EMEAI, as well as lower wheat milling volumes, partially offset by continued strong ethanol margins. Human Nutrition results were substantially higher year over year, with strength across the business. Flavors continued its growth trajectory, driven primarily by improved product mix in EMEAI and continued strong performance from North America, partially offset by weaker APAC results. In Specialty Ingredients, overall profits were in line with the year-ago period as strong demand for plant-based proteins offset the impact of one-time insurance proceeds in the fourth quarter of 2020. Health & Wellness was higher versus the prior-year quarter, as the business continued to deliver growing profits in bioactives and fermentation.

LMT – Beats EPS and Revenues (+4.1%), FY22 In-Line - We closed the year on a strong note with solid growth in fourth quarter sales, segment operating profit, and earnings per share, while cash exceeded our projections as we delivered on our customer commitments and drove strong execution. Through our strong balance sheet, we continue to invest in the many emerging growth opportunities ahead – from new aircraft competitions around the world, to our classified portfolio, to solid demand for our signature programs, to emerging technologies like hypersonics. Looking ahead to 2022, we will remain fully dedicated to service to our customers and dynamic and disciplined capital allocation for the benefit of our shareholders.

Disclosures

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