



## Inside Today's Blitz

- Stock Futures Rebound After Fed Tees Up March Rate Hike
- Russia, Ukraine Agree to Continue Talks
- Pershing Square discloses stake in **NFLX**; **XLNX**, **AMD** gets approval in China for deal; **CNC**, **CI** held talks about a merger but have since cooled, per reports; **Renault** unveils €23B EV plan

## Market Outlook

Futures indicating a modestly higher open for the day but well off the overnight lows with the **Dow** up 5 bps, the **S&P** up 12 bps, and the **Nasdaq** up 23 bps. The **Russell** is down 22 bps. Energy is higher again overnight with **WTI** up 50 bps and **Brent** up 55 bps. **Natural Gas** is up 2.2%. **Gold** and **silver** are facing more pressure today with the latter down 2.65%. **Copper** is down 1.2%. The **dollar** is up 71 bps. **Bonds** are up 40 bps. **VIX** is 28.05. It has been a volatile night for futures although the macro news flow was pretty thin. Earnings remain the big focus and we got a slew of strong reports from Service Now, Qualtrics, and Tesla while the semiconductors were the weak link with ugly guidance from Lam and Teradyne especially. We continue to see the post-Fed impact this morning with the dollar breaking out above the November highs while gold/silver are weak and yields start to taper a bit. GDP today is likely a non-issue while the core PCE in focus for a check-in on inflation conditions.

Elsewhere, Russia and Ukraine continue ceasefire talks. North Korea continues to agitate neighbors with more missile tests. China industrial profits slowed in December.

Asian markets were mostly lower overnight with the Hang Seng down 2%, Shanghai down 1.78%, and the Nikkei down 3.11%. In Europe, the major indices were under pressure early but have rebounded. The DAX is down 62 bps, the CAC is down 25 bps, and the FTSE is now up 36 bps. We're seeing outperformance in materials, banks, and energy while tech lags. Chipmaker **STMicroelectronics** rose 4.5% after they announced plans to double its investments this year after posting higher net profit for Q4. **EasyJet** was up about 2% after the low-cost airline said it has seen a recent boost in bookings from the move to scrap Covid travel tests. Soft drink maker **Britvic** rose 2% after reporting strong performance in Q1. Online trading platform **IG Group Holdings** rose 4.5% after a strong quarter. **SAP** plunged 6% after it agreed to buy a majority stake in privately held U.S. fintech firm Taulia. Lender **Deutsche Bank** rose 4% after posting a surprise profit in Q4.

## Calendar

**Today... Earnings After the Close:** ABCB, AAPL, AJG, TEAM, AX, BZH, BOOT, CP, CATY, CE, EMN, ETD, FICO, FHI, FFBC, FIBK, GBCI, HTH, HLI, JNPR, KLAC, MITK, MDLZ, NATI, OLN, RMD, RHI, HOOD, SYK, TFII, X, V, WRB, WAL, WDC; **Analyst Days:** GENI

**Tomorrow...** Personal Income & Spending, Michigan Consumer Sentiment; **International Earnings:** Electrolux, H&M, Signify, Volvo; **Earnings Before the Open:** ALV, BMI, BAH, CAT, CHTR, CVX, CHD, CL, GNTX, LYB, PSX, PFS, SBSI, SYF, VFC, WY, WETF; **Analyst Days:** MRVI

## Overnight Markets

Natural Gas	4.125	2.21%
US Dollar	97.1	0.75%
Oil (WTI)	87.75	0.46%
Bonds	154.81	0.30%
Ethereum	2460	-0.15%
Bitcoin	36787	-0.20%
Copper	4.4605	-1.20%
Gold	1808.1	-1.20%
VIX	28.15	-1.70%
Silver	23.14	-2.80%

## Technical View



### Key Levels to Watch

**S&P futures (ES\_F)** are staging a nice comeback from the overnight lows after pulling back to the balance range low at 4276 early in the session. We're now back at a major confluence at 4340-4351.5 that includes VWAP from the FOMC high as well as Monday's low. Upside targets the top of weekly balance at 4387.5 and then Wednesday's POC at 4415.5, 4448.75 and 4511.25. A move under the overnight lows gets ugly with 4116.5 the next notable spot of interest.

## Economic Data

- **China** industrial profits rose 4.2% in December vs 9% prior
- **Taiwan** GDP was 4.88% vs 3.85% est.
- **Hong Kong** imports/exports topped Street est.
- **New Zealand** CPI was 5.9% vs 5.7% est.

## Macro News

- **China** could force Evergrande to be dismantled and sell the bulk of their assets, per Bloomberg
- **Russia, Ukraine** agreed overnight to continue ceasefire talks, per CNN
- **North Korea** launched its sixth missile test in recent weeks, per CNN
- **Australia** will conclude its QE program in February but they won't announce new rate hikes until April/May, per Reuters

## Sentiment

- The **DIX (Dark Index)**, a dollar-weighted measure of the Dark Pool Indicator (DPI) of the S&P 500 components, hit an extreme yesterday at 51.4%, just the eighth print above 50 since 2015
- **AAll survey** for the week ending 1/26 saw bulls rise to 23.1% vs 21% while bears jumped again to 52.9% vs 46.7%, the highest since Spring 2020 during the early pandemic

### Movers

**Gainers:** XM 12%, NOW 10%, LEVI 8%, AVT 7.5%, TWNK 7.5%, GLPG 7.5%, STX 7%, FLEX 6%, WOLF 5.8%, SRRA 5%, CNC 4%

**Losers:** TER -20%, LC -15%, CUE -11%, MKSI -6%, EW -5.5%, LRCX -5%, PTC -3%, GPS -3%, KLAC -2.5%, CI -2%

### Insider Buying

KYMR, EVER

### 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

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## Stock-Specific News

### Index Changes

- **Constellation Energy (CEG)** to join the S&P 500, replacing **The Gap (GPS)**; Exelon will remain in the S&P 500 too
- **GPS** will join the S&P 400, replacing **JACK**
- **WTS** is joining the S&P 400, replacing **STL**
- **EEFT** is joining the S&P 400, replacing **CMP**
- **CMP** is joining the S&P 600, replacing **GWB**
- **JACK** is joining the S&P 600, replacing **SPPI**
- **TWNK** is joining the S&P 600, replacing **WTS**

### Consumer Goods

- **Renault, Nissan** outlined a plan to invest €23B into EVs over the next five years to stay competitive, per Reuters
- **STLA** is boosting their stake in the GAC/Stellantis JV to 75%
- **TSCO** announced a \$2B boost to their buyback
- **Diageo** topped estimates this morning as both at-home spirits as well as eased COVID restrictions supported demand, per Reuters
- **Dr. Martens** is under pressure in Europe today after a wider-than-expected slowdown last quarter especially in Asia, per Reuters
- **NordicTrack** is facing a \$300M lawsuit that threatens to force the company towards bankruptcy, per NY Post. IFIT has been sued by a key lender over a deal the company has quietly cut to acquire a manufacturing partner. NordicTrack is one of **Peloton's (PTON)** biggest competitors

### Consumer / Business Services

- **CMCSA** is boosting their buyback program to \$10B

### Financials

- **Apple (AAPL)** is planning to roll out a new service that would allow small businesses to accept credit card payments directly on their mobile devices, per Bloomberg, a blow to **Square (SQ)**
- **SLM** is buying Nitro College, a digital marketing and education solutions company; Co. approved a new \$1.25B buyback
- **UBS** is buying **Wealthfront** for \$1.4B; the company is an industry-leading, automated wealth management provider
- **NDAQ** authorized a new \$325M ASR
- **FB** confirmed it was selling its Diem assets to **Silergate (SI)** for \$200M; the deal includes all underlying tech

#### Hawk Database

**SLM** buyers active yesterday in the Feb. \$17 and \$18 calls, the latter over 2000X

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- **BAC** is boosting compensation for senior bankers in a bid to retain talent, per Bloomberg
- **ALLY** – the WSJ positive on auto lending this morning saying that concerns over a major correction due to used car values falling and demand slowing are overstated

### Healthcare

- **Centene (CNC)** attracted acquisition interest from **Cigna (CI)** recently, per Bloomberg, but talks are not ongoing and never reached a serious stage due to regulatory risks
- **GLPG** appointed a new CEO who will start in April
- **ZYME** files for a 12.5M share secondary at \$8
- **EPZM** files for a 56.7M share secondary at \$1.50
- **SRRA** 4M share secondary priced at \$27
- **Philips** faces more issues with their ongoing ventilator recall with the FDA expanding the order and classifying it as a Class 1 order, the most serious, per Reuters

### Industrials

- **Stanley Works (SWK)** is restating some financials from 2020 and 2021; Company cuts previously given EPS reports for 2018/2019/2020
- **LUV** is reducing Q1 capacity
- **URI** announced a \$1B buyback
- **Wheels Up (UP)** to acquire Air Partner for \$107M
- **NOC** announced a new \$2B buyback authorization
- **EasyJet** said bookings jumped in January, per Reuters, and expressing optimism around Summer travel as COVID restrictions ease

### Energy & Materials

- **Ball Corp (BLL)** has named a new CEO, Dan Fisher who is currently a President at the company
- **BP** is considering a tie-up with Amazon that would allow their Go Stores to sell gas, per Insider
- **PKG** announced a new \$1B buyback

### Technology

- Pershing Square disclosed a new 3.1M share position in **Netflix (NFLX)**
- **Xilinx (XLNX), AMD** deal has been approved by Chinese regulators, per Reuters, one of the last major hurdles towards their deal closing
- **AAPL** has regained the top spot in China's smartphone market for the first time since 2016, per FT
- **CASA** said their CFO resigned, Co. reaffirmed FY guidance

#### On the Chart

**GLPG** has been mired in a range since September but breaking out this morning above \$58 and room to run to \$67.50 over time

#### Hawk Database

**AMD** recent bull flow including the July \$125/\$175 call spread, Feb. 11<sup>th</sup> (W) ITM calls, and February \$110 and \$125 calls in size

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- **CACI** is buying ID Tech for \$225M, an innovative enterprise IT provider with NSA-compliant Commercial Solutions for Classified technology
- **DOYU** could be taken private by shareholder Tencent, per Reuters
- **SAP** is buying a majority stake in Taulia, a provider of working capital management solutions
- **EQIX** is forming a \$525M JV with GIC to operate two xScale data centers in Korea
- **Samsung** topped estimates in Q4, per Bloomberg, while noting they expect a slight decline in smartphone and tablet demand in Q1 while their panel business improves; **Samsung** also said they expect component shortages to last the year

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## Analyst Notes

### Upgrades

- **DLO** upgraded to Buy at Goldman; dLocal should be more resilient to a rising interest rate environment, given no debt and no exposure to the prepayment business in Brazil
- **GLPG** raised to Buy at Citi, the analyst likes the combination of a the recent CEO announcement and more favorable deployment opportunities for the company's EUR 5B cash pile given the near 50% pullback in the biotech sector
- **GLW** raised to Buy at Goldman; expect Display risk to recede while Optical, Environmental and Hemlock tailwinds continue and strengthen. See resumption of the buyback as a sign of management confidence in fundamentals
- **MUFG** upgraded to Buy at BAML
- **ALB** upgraded to Buy at HSBC
- **NOW** raised to Overweight at Piper
- **GTLB** raised to Overweight at JPM
- **CCRN** raised to Buy at Jefferies
- **CLNE** raised to Outperform from Underperform at Evercore
- **EFX** raised to Buy at Truist
- **KBH** raised to Buy at BAML
- **TRQ** raised to Outperform at Macquarie
- **STX** raised to Buy at Summit

### Downgrades

- **STNE, PAGS** cut to Neutral at Goldman; Stone will likely continue to face challenges in posting significant earnings expansion. First, the company

#### Hawk Database

**GLPG** with a buyer of 2000 April \$55 calls on 1/26 spread vs. the \$65 calls and sold the \$50 puts 1000X

#### Hawk Database

**EFX** large 6000 May \$250 call position in OI, though has rolled back multiple times, above \$238 confirms a bottom

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suspended the origination in its credit business after issues with the receivables chambers, therefore postponing monetization from this front. Second, we anticipate higher financial expenses and an only partial pass-through in prices. Third, we expect higher operating expenses and investments in the core business. PagSeguro will face challenges on the re-pricing of its pre-payment operation

- **IPG** cut to Underperform at BAML as the analyst sees a tougher setup for the advertising agencies into 2022. Organic sales growth will slow down, structural issues will resurface and staff cost pressures will bite
- **TRU** cut to Hold at Truist
- **MT** cut to Neutral at Goldman
- **GATO** cut to Neutral at BAML
- **MKTX** cut to Sell at Compass Point
- **HAE** cut to Neutral at Needham
- **LEN** cut to Neutral at BAML
- **TOL** cut to Underperform at BAML
- **HAYW** cut to Neutral at BAML
- **TEVA** cut to Hold at Argus

### On the Chart

**MKTX** still trades 29X EBITDA and 16X EV/Sales, potential to move all the way back towards \$200

## Initiations

- **AMBA** started Buy at Jefferies, firm views cameras as key to Advanced Driver Assistance Systems, or ADAS, advancements through 2025 and sees Ambarella as an emerging beneficiary given opportunities inside the vehicle via driver monitoring systems and eMirrors alongside ADAS advancements
- **BRBR, HAIN, SMPL, MDLZ, NOMD** started Buy at Mizuho
- **PL** started Buy at BAML
- **AYX, INFA** started Buy at Berenberg
- **LAZR** started Buy at Jefferies
- **RPHM** started Outperform at Baird
- **LAC** started Buy at HSBC

### Hawk Database

**LAZR** has seen a surge in bullish activity in February and the Jan. 2024 \$20/\$35 call spreads, interesting reward/risk at these levels

## Other Notes

- **ABBV** target to \$155 from \$125 at Citi
- **STX** target to \$110 from \$90 at Wells Fargo
- **IS, U** named a Best Idea at Wedbush
- **BA** target raised to \$288 at MSCO, fundamentals are starting to improve, service of the 737 MAX could start-up in China any day now, FAA approval of the 787 fixes could occur by April 2022. China's re-evaluation of its COVID-19 policy after the Olympics could accelerate return of international travel.

## Trade Ideas

**CVS Health (CVS)** a relative strength name lately and working higher off of the top of January value this week while clearing its 8- and 21-EMA on Wednesday. CVS has recent highs above at \$107.25 and a breakout move has room to \$115 in the near-term and clear the 2015 peak.



### Technical Scans

**Bullish Reversal Day:** ALE, CWK, CWST, MIME, OMI

**Ready to Run:** CVS, VRRM, DNB, IBM, FGEN

**Below Value Low:** CLX, SGMS, PAYX, PAG, HBI, SKX, AYI, TXRH, EQT, LEG, MMM, AAP, MNST, AN, UL, PHM, COO, GILD, CSCO, ED, BABA, NCR, AZO, KL, WY, AEM

**Healthy Volume, Trending Higher:** EPD, MUR, NOC, PCAR, RTX

## Earnings Preview

**Juniper (JNPR)** reporting earnings tonight after the close with the Street looking for \$0.53/\$1.27B. Next quarter is guided to \$0.31/\$1.13B while the FY is \$1.72/\$4.7B, up 5.8% Y/Y. Shares closed higher by 8.5% last quarter but lower in the previous four. The average closing price has been 4.3% while the max move was 8.48%. The current implied move is 8.65%. Shares are back at a notable breakout spot from October that kickstarted the recent rally and VWAP from the July earnings gap down. A move higher targets \$33 and the declining 21- and 55-EMA. Support below is near \$29.50. The \$10.36B company trades 16X earnings, 2.22X sales, and 30.8X FCF with a 2.55% yield. JNPR expects 2022 to be a big year as carriers continue to invest in network capacity and 5G investments are put into motion. They also continue to see long-term secular trends from digital transformations and cloud migrations to be tailwinds. The company could see upside from guidance as supply chain issues ease and they can accelerate order fulfillment from late 2021 while also maintaining recent price hikes. Analysts have an average target for shares of \$34 with a Street High \$46. JP Morgan raising estimates on 1/20 expecting a repeat of the strong 2021 growth in 2022 with potential upside from supply. Keybank likes the name long-term as the company has low single digit percent share in most of its markets today and is poised to gain share. JNPR has some risk into the quarter after F-5's guidance but Jefferies in a note on 1/26 speculated the issues are company-specific. BAML with a double upgrade in January to Buy from Underperform. They see positives into the year, "Bake-offs are beginning for 400G buildouts, and Management is seeing strong early adoption highlighting the competitiveness of its portfolio. Customers are increasingly adopting Mist and Apstra looking to shift architectures of Wi-Fi solutions and automate the data center, respectively." Hedge fund ownership fell 1.5%. Point72 a buyer of a new 3.3M share position. Short interest is 4%. JNPR had buyers of 11,750 weekly \$32 calls on 1/26.



## Extras

**Unisys (UIS)** buyers of 1000 July \$20 calls for \$1.60 to \$1.75 this afternoon

**Schwab (SCHW)** sale to open 1250 June \$80 puts at \$3.88

**FarFetch (FTCH)** buyer of 1000 January 2023 \$32/\$18 bull risk reversals for \$1.65 credit

**Dollar Tree (DLTR)** late day buyer 1100 June \$115 puts to open \$7.20 offer

**Roblox (RBLX)** with 1200 March \$70 calls sold to open \$6.27

**Qualcomm (QCOM)** late day action opened 3500 June \$195 calls up to \$7.70 in stock replacements

**Baker Hughes (BKR)** late day buyers of 4500 February \$29 calls \$0.50 to \$0.55

**CommScope (COMM)** with 8500 February \$9 puts sold to open \$0.55

**Porch (PRCH)** buyer 10,000 May \$15 calls for \$0.65

**ANSYS (ANSS)** buyer of 300 July \$290 puts for \$21.50

**Fortune Brands (FBHS)** with 750 June \$80 puts bought \$3.70 offer into 2-2 earnings, likely to face supply chain issues

**Open Door (OPEN)** buyer 10,000 March \$12/\$16 call spreads for \$0.40

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## What They're Saying

**Abbott Labs (ABT)** earnings call on Libre growth and drivers... "It continues to grow at a very strong rate and a very large base. 35 -- over 35% this year, 4 million users now. We've initiated geographic expansion of Libre 3, and that will start in the next couple of weeks. Moving out of Germany into U.K. and France, those are probably kind of key markets that we're expanding over the next couple of weeks. I think the biggest driver for us is, quite frankly, not just this year but as we look forward, it's still very underpenetrated, right? I'm talking about being a leader in terms of patients with 4 million users where we've talked about numbers between 60 million, 70 million, 80 million people around the world that could be benefiting from continuous glucose monitoring and sensor-based monitoring. So I'd say biggest opportunities we've got continue to be international. The CGM penetration internationally is still much lower than in the U.S. And then moving into -- more aggressively into patient segments that historically have been underpenetrated, you kind of look at the type 2s on single injection therapy. So we've got great opportunity there. U.S., I would say, is another good opportunity for us. We had very good year this year, close to like 16% growth. I think that's the number. Now over 1 million users. We've made the investments that we need to make last year in terms of sales force and advertising, and that's paying dividends. In terms of new users, we continue to have a high share of new user growth. So as you combine what we're doing internationally, expansion of Libre 3, continued growth in the U.S., expanding into a pretty underpenetrated population of type 2s, and I think we've still got -- like I've kind of said, still in the early innings of the Libre story here.

**MarketAxess (MKTX)** earnings call on new product offerings.... "On our Information Services, obviously, we're seeing double-digit growth in 2021. We're excited about the new products. CP+ and Axess All have been really the drivers in that growth engine in 2021. We're launching really two new products entering into '22. Our total markets -- our CP+ total markets, which really expands the overall coverage and another product, tradability, which really allows people to understand the true depth of the market and how to execute in the market. It's quite valuable in portfolio



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construction sizing orders as you enter the market. So really critical information that we're launching here in '22. So excited about the opportunities, continued growth in CP+ and then the new product total markets. Post-trade, obviously, you saw it grow year-over-year quite substantially, given the increase in Regulatory Reporting -- the transaction -- closing of the transaction, Regulatory Reporting Hub. We've integrated about 73% of the clients in 2021, expect additional integrations throughout the first quarter. The great opportunity around our post-trade business is it is a resource of data for our information services business. So phenomenal resource of trade data across all of Europe. And it gave us the opportunity in '21 to launch our CP+ for European government bonds, which we have a small but growing footprint but largely leverage the value of that post-trade business. So pretty excited about '22, the new products and the growth of our really flagship product, CP+.”

**Vertex (VRTX)** earnings call on VX-147.... “We plan to advance VX-147 to pivotal development this quarter. So I would like to comment on the opportunity we see in APOL1-mediated kidney disease or AMKD. In the Phase II study, we enrolled patients with 2 APOL1 mutations who had focal segmental glomerulosclerosis, FSGS, as demonstrated by biopsy. This was an ideal population to test the clinical hypothesis of APOL1 inhibition. There are approximately 10,000 patients with APOL1-mediated FSGS. However, we estimate that the population of people with 2 APOL1 mutations and kidney disease primarily driven by APOL1 is much larger, approximately 100,000 patients. This is the initial target population that we will seek to address with VX-147, and so this represents a multibillion-dollar opportunity. Awareness of diagnosis and genotyping of patients with AMKD are all low. So in parallel with the planned progression of VX-147 to pivotal development in 2022, we expect to begin increasing awareness of APOL1-mediated kidney disease with treating physicians with a focus on the importance of genotyping. The results from our Phase II study are, and I don't use this word loosely, they are unprecedented, 47.6% reduction in proteinuria on top of standard of care in an API-driven FSGS population is an impressive result. The thing I would share with you that's topped most on my mind is if I were my nephrology hat is that the hope that VX-147 offers is something that is truly novel and a big deal, a big deal in the renal community. The reason I say that is that this is one of the few genetically defined kidney diseases that we understand. And it is 1 of the first, if not the first precision medicine approach to a genetically driven kidney disease where we're targeting the underlying cause of the kidney disease.”

**Edward's (EW)** earnings call on TAVR.... “In summary, despite a slower-than-expected start to the year, we continue to anticipate 2022 underlying TAVR sales growth of 12% to 15%, consistent with the range we shared at our December investor conference. Our outlook assumes COVID-related challenges early in 2022, turning to more normalized growth environment as headwinds from Omicron subside and hospital resource constraints stabilize. We remain confident in this large global opportunity will double to \$10 billion by 2028, which implies a compounded annual growth rate in the low double-digit range.”

**Las Vegas Sands (LVS)** earnings call on digital and sports betting opportunities... “Our business, I think, is coming back to a stronger place. I think '22 finally -- especially in Singapore, and I think as well in Macao, we'll see that getting better. Our balance sheet speaks for itself. And we've all followed what's happening with digital equities and the struggle there. So I believe there will be a day when sports betting and online gaming are very successful businesses. And we'll continue to look at the opportunity. We'll wait patiently. It hasn't been a bad idea to wait for the last 6 to 8 months to see how this shakes out. And there's done a lot of blood spilled. But I think we'll continue to evaluate is there an entry point that makes sense for LVS. We remain consistent, Robin, as you know and you've known for years, our bread and butter is still going to be Asia land-based as we'll make -- we can't replicate a \$5 billion business, which we think will come back in place next year or so. So that's our first order of business in making sure our balance sheet is pristine, which now will be following the closing.”

**Service-Now (NOW)** earnings call on investor concerns of pull forward and deceleration across software... “Customers are absolutely focused on technology being the business strategy. And digital transformation is in full flight, and we will capitalize on that greatly. The reality on our numbers is we did not see any evidence of unusual demand pull forward into our business for 2021. It happened in an extremely linear and coherent fashion, which was really a thing

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of beauty to watch from an execution perspective. And as I look at the pipelines, they're ever increasing, and they're doing that across the platform, the employee experience, the customer experience, the creator experience. And all of this now is really making ServiceNow one of those real standard platforms for well-run companies in the 21st century. And I think that includes a very short list of others. We're one of them. And Phil, the business just couldn't be going better."

**Wolfspeed (WOLF)** earnings call on the deal pipeline... "The pipeline increase and the design-ins that we got represent -- while the pipeline increases thousands of different customers. So it's quite diverse. In fact, I think we said 8,700. So quite diverse there. And basically, the design in number that we just nailed for this past quarter, the fact that the first half of this year is 70% up from where we were just a year ago, is what's really creating those tailwinds that we talked about. And really, if you go back to the Analyst Day, we were projecting \$2.1 billion of total revenue at the company level and roughly \$1.4 billion of device revenue. It's that device revenue, where we're seeing the momentum -- and what I would say is there's 3 things that are really kind of driving all of this. The adoption rate of electric vehicles is well ahead of plan, and many people are seeing that. The adoption of silicon carbide inside both EVs and the industrial markets is well above any expectation we had. And then finally, our win rate in this business is actually ahead of our plan as well. And so I think we combine these 3 things and maybe I would describe it even slightly differently. It's not really just tailwinds, but really pretty significant upward pressure on those '26 numbers. So it's obviously a good thing. We've got a pretty substantial growth in the opportunity pipeline. And as I mentioned, in the prepared remarks. Our team is doing a fantastic job of winning in this market. So overall, market size is definitely heading in the right direction."

## Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
PINS	18 FEB 22 30 CALL	2,245	5,572	148.20%
T	18 MAR 22 27 CALL	22,075	51,840	134.84%
TSLA	14 APR 22 1025 CALL	2,364	5,033	112.90%
NIO	18 MAR 22 25 CALL	4,330	9,090	109.93%
UPS	18 MAR 22 210 CALL	6,106	11,104	81.85%
MRVL	18 MAR 22 72.5 CALL	6,099	11,013	80.57%
GM	18 MAR 22 57.5 CALL	20,148	33,874	68.13%
PG	20 JAN 23 140 PUT	1,503	2,504	66.60%
PINS	20 MAY 22 30 CALL	2,344	3,899	66.34%
DAL	16 SEP 22 40 PUT	1,071	1,751	63.49%
UAA	20 JAN 23 17.5 PUT	3,644	5,632	54.56%
RCL	17 JUN 22 75 PUT	1,964	2,979	51.68%
VIAC	14 APR 22 32.5 CALL	1,431	1,516	5.94%
AXP	14 APR 22 170 CALL	2,283	2,090	-8.45%
TCOM	17 JUN 22 24 CALL	1,013	912	-9.97%
CPNG	20 MAY 22 20 CALL	5,764	5,064	-12.14%

# Earnings Grid

Stock	Next Earn. D.	TI	Open Interest	Historical Moves (8 Q)	Implied Move	Avg. 8 Q Max Move	fed. 8 Q Close Mov	um. 8 Q Close Mov	V30 Skew	V30 Avg. Crust	list Put/Call OI %:H	Short Float	I Change (3mo)
AAPL	1/27/2022	AMC	Bull: \$306.12M (81%), Bear: \$60.73M (16%), Stock: \$10.75M (3%)	Lower 6 of 8, Lower last 5	4.02%	4.55%	-1.41%	-1.25%	9.56	-12.68%	66.26%	0.59%	-5.14%
V	1/27/2022	AMC	Bull: \$16.56M (53%), Stock: \$8.04M (26%), Bear: \$6.57M (21%)	Lower 5 of 8, Lower last 2	4.20%	3.38%	-1.68%	-12.54%	6.83	-3.36%	65.27%	1.45%	-1.64%
SYX	1/27/2022	AMC	Bear: \$5.6M (74%), Bull: \$2.0M (26%)	Lower 7 of 8	5.78%	3.70%	-1.64%	-12.99%	6.45	-11.21%	90.33%	1.37%	18.52%
MDLZ	1/27/2022	AMC	Bull: \$1.98M (52%), Bear: \$1.44M (38%), Vol: \$0.37M (10%)	Higher 5 of 8	2.89%	3.96%	0.86%	9.17%	6.98	-18.28%	9.30%	0.71%	-36.40%
KLAC	1/27/2022	AMC	No Trades Since Last Report	Higher 5 of 8, Higher last 2	5.66%	7.39%	3.55%	18.44%	10.27	-11.90%	13.36%	1.30%	-25.66%
TEAM	1/27/2022	AMC	Bull: \$109.65M (96%), Bear: \$3.42M (3%), Stock: \$1.5M (1%)	Higher 5 of 8, Higher last 4	9.40%	12.08%	2.97%	32.75%	8.53	-16.11%	0.35%	2.10%	25.65%
RMD	1/27/2022	AMC	No Trades Since Last Report	Lower 5 of 8	7.36%	7.55%	-3.03%	-23.74%	8.79	-27.06%	97.38%	0.53%	-22.15%
AIG	1/27/2022	AMC	No Trades Since Last Report	Higher 5 of 8	4.80%	3.10%	1.43%	9.50%	6.10	-4.69%	95.29%	0.84%	-32.82%
CE	1/27/2022	AMC	No Trades Since Last Report	Higher 5 of 8, Higher last 5	6.41%	5.13%	1.01%	3.37%	8.96	-12.83%	30.56%	1.06%	-6.50%
WDC	1/27/2022	AMC	\$5.05M (39%), Bear: \$3.01M (23%), Vol: \$2.77M (21%), Stock: \$2.17M (16%)	Lower 6 of 8	7.40%	9.82%	-1.99%	-31.21%	4.71	-15.64%	99.82%	2.58%	7.39%
EMN	1/27/2022	AMC	Bull: \$0.59M (100%)	Lower 7 of 8, Lower last 6	5.96%	3.96%	-1.16%	-15.50%	6.65	-2.91%	92.90%	2.46%	119.33%
WRB	1/27/2022	AMC	No Trades Since Last Report	Lower 5 of 8	4.97%	3.33%	-0.13%	-1.98%	3.03	-17.55%	29.72%	0.85%	-13.24%
RHI	1/27/2022	AMC	Bull: \$0.33M (100%)	Higher 5 of 8, Higher last 4	6.13%	7.41%	1.21%	2.85%	5.76	-18.25%	7.84%	2.08%	-20.77%
INPR	1/27/2022	AMC	Bear: \$0.6M (75%), Bull: \$0.2M (25%)	Lower 6 of 8	7.15%	6.56%	-3.02%	-12.40%	7.22	-16.81%	54.28%	3.97%	-20.21%
OLN	1/27/2022	AMC	Bull: \$0.21M (100%)	Higher 5 of 8, Higher last 3	6.18%	9.94%	1.87%	3.88%	3.39	2.59%	78.66%	1.47%	-48.57%
X	1/27/2022	AMC	Bull: \$20.47M (81%), Bear: \$4.9M (19%)	Lower 5 of 8, Higher last 3	8.06%	7.81%	-1.98%	-3.06%	5.51	-6.04%	34.57%	15.78%	-9.62%
FHI	1/27/2022	AMC	No Trades Since Last Report	Lower 4 of 7	6.24%	7.32%	-2.06%	-3.94%	1.17	-8.27%	9.26%	3.23%	-8.62%
BOOT	1/27/2022	AMC	Bull: \$1.5M (67%), Bear: \$0.75M (33%)	Higher 5 of 8, Higher last 3	11.85%	10.78%	2.81%	13.83%	9.29	-20.35%	50.79%	6.15%	-13.74%
IBLU	1/27/2022	None	Bull: \$2.06M (80%), Bear: \$0.37M (14%), Stock: \$0.14M (5%)	Lower 5 of 8, Lower last 5	8.91%	5.42%	-0.58%	-6.37%	11.77	-7.90%	96.01%	3.48%	13.29%

Stock	Next Earn. D.	TI	Open Interest	Historical Moves (8 Q)	Implied Move	Avg. 8 Q Max Move	fed. 8 Q Close Mov	um. 8 Q Close Mov	V30 Skew	V30 Avg. Crust	list Put/Call OI %:H	Short Float	I Change (3mo)
CVX	1/28/2022	BMO	Bull: \$7.8M (61%), Bear: \$3.33M (26%), Stock: \$1.59M (13%)	Lower 6 of 8	2.34%	3.66%	-2.74%	-15.71%	4.26	-0.81%	81.48%	1.04%	6.98%
CAT	1/28/2022	BMO	Bear: \$16.31M (64%), Bull: \$9.37M (36%)	Lower 6 of 8	3.28%	3.70%	-2.41%	-10.37%	7.01	-8.34%	38.96%	0.88%	-40.57%
CHTR	1/28/2022	BMO	\$110.01M (82%), Bull: \$13.17M (10%), Stock: \$8.45M (6%), Bear: \$2.83M (2%)	Higher 6 of 8	5.22%	5.74%	2.92%	8.77%	2.69	-19.66%	69.46%	8.76%	40.59%
PSX	1/28/2022	BMO	Bull: \$4.22M (90%), Bear: \$0.46M (10%)	Even 8 of 8, Lower last 2	2.78%	3.49%	-0.23%	0.99%	4.84	-9.17%	7.22%	1.03%	7.58%
CL	1/28/2022	BMO	Bull: \$3.31M (65%), Bear: \$1.77M (35%)	Lower 5 of 8	3.29%	5.14%	-0.98%	-4.79%	4.68	-1.55%	100.00%	2.28%	21.39%
LYB	1/28/2022	BMO	Bull: \$1.1M (54%), Stock: \$0.8M (39%), Bear: \$0.13M (6%)	Lower 8 of 8, Lower last 8	6.33%	5.55%	-3.95%	-31.01%	6.10	-2.35%	15.67%	1.97%	7.28%
VFC	1/28/2022	BMO	Bull: \$0.5M (66%), Bear: \$0.26M (34%)	Lower 8 of 8, Lower last 8	5.75%	6.94%	-5.71%	-44.29%	5.38	-18.02%	77.45%	3.90%	42.05%
SYE	1/28/2022	BMO	Bull: \$1.9M (100%)	Lower 5 of 8, Higher last 2	4.89%	5.61%	-2.24%	-19.20%	7.22	1.41%	71.80%	2.72%	59.74%
BAH	1/28/2022	BMO	No Trades Since Last Report	Higher 5 of 8	5.43%	5.38%	1.24%	3.74%	7.60	-15.61%	40.14%	1.03%	-10.60%
GNTX	1/28/2022	BMO	No Trades Since Last Report	Even 8 of 8	5.83%	4.74%	-0.34%	-4.15%	6.09	-20.20%	98.79%	1.44%	-35.85%
DOW	1/28/2022	None	Bull: \$7.2M (69%), Bear: \$2.35M (22%), Vol: \$0.91M (9%)	Lower 5 of 8	3.38%	4.04%	-0.53%	-8.50%	7.64	-5.11%	72.50%	1.90%	19.12%
EQH	1/28/2022	None	Bull: \$1.08M (75%), Bear: \$0.37M (25%)	Higher 6 of 8, Higher last 2	6.80%	5.41%	2.20%	11.72%	5.81	-10.79%	18.44%	1.48%	-38.41%
DLB	1/28/2022	None	No Trades Since Last Report	Even 8 of 8	5.66%	5.48%	-0.55%	-5.17%	5.43	-20.89%	100.00%	1.23%	28.14%
NATI	1/28/2022	None	No Trades Since Last Report	Lower 5 of 8, Higher last 2	7.37%	8.85%	-3.94%	-19.60%	3.12	-23.51%	21.79%	1.10%	-49.83%
CVET	1/28/2022	None	Bear: \$0.21M (100%)	Lower 5 of 8	10.58%	10.66%	-0.73%	-10.55%	3.62	-20.97%	90.02%	3.16%	-10.66%

# Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
AMP	Ameriprise Financial	\$6.15	\$5.70	\$3,705.00	\$3,560.76	18.10%	FY In Line
AZPN	Aspen Tech	\$1.20	\$1.33	\$171.36	\$188.64	-26.70%	FY Above
AVT	Avnet	\$1.51	\$1.27	\$5,865.20	\$5,586.99	25.60%	
AXS	AXIS Capital	\$2.13	\$1.51	\$947.41	\$922.43	20.60%	
CACI	CACI Intl	\$4.39	\$4.45	\$1,485.78	\$1,528.91	1.20%	
CALX	Calix Networks	\$0.29	\$0.24	\$176.42	\$173.92	3.80%	FY Above
CNS	Cohen & Steers	\$1.24	\$0.98	\$159.63	\$147.13	37.10%	
CNMD	CONMED	\$1.07	\$1.03	\$274.00	\$275.82	8.40%	
CCI	Crown Castle	\$1.77	\$1.73	\$1,654.00	\$1,629.19	10.80%	
CVBF	CVB Financial	\$0.35	\$0.34	\$114.78	\$116.24	-3.60%	
DRE	Duke Realty	\$0.44	\$0.45	\$264.60	\$263.24	-0.60%	
EW	Edwards Lifesciences	\$0.53	\$0.55	\$1,329.70	\$1,354.33	11.60%	
FLEX	Flex	\$0.50	\$0.42	\$6,619.00	\$6,332.14	-1.50%	FY In Line

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HXL	Hexcel	\$0.16	\$0.13	\$360.03	\$359.20	21.70%	FY In Line
INTC	Intel	\$1.09	\$0.91	\$19,532.00	\$18,357.14	3.50%	
LRCX	Lam Research	\$8.53	\$8.51	\$4,226.00	\$4,413.65	22.30%	FY Below
LSTR	Landstar System	\$2.99	\$2.87	\$1,945.00	\$1,855.92	50.00%	FY Above
LVS	Las Vegas Sands	-\$0.22	-\$0.22	\$1,008.00	\$1,102.12	-0.70%	
LC	Lending Club	\$0.27	\$0.22	\$262.20	\$246.15	245.50%	
LEVI	Levi Strauss	\$0.41	\$0.40	\$1,684.78	\$1,680.99	21.60%	
MTH	Meritage	\$6.25	\$6.00	\$1,498.80	\$1,506.87	6.40%	FY Above
CASH	Meta Financial	\$2.00	\$0.68	\$158.20	\$113.45	41.90%	
MEOH	Methanex	\$2.43	\$2.48	\$1,253.00	\$1,192.55	54.50%	
MKSI	MKS Instruments	\$3.02	\$2.85	\$763.90	\$757.88	15.70%	FY Below
PLXS	Plexus	\$0.88	\$0.95	\$817.46	\$816.40	-1.60%	FY In Line
PTC	PTC	\$0.95	\$1.02	\$457.70	\$464.22	6.70%	FY In Line
XM	Qualtrics	-\$0.07	-\$0.02	\$316.04	\$297.65	48.00%	
RJF	Raymond James	\$2.12	\$1.76	\$2,781.00	\$2,647.11	25.20%	
SLM	Sallie Mae	\$1.05	\$1.01		\$357.32		
STX	Seagate Tech	\$2.41	\$2.36	\$3,116.00	\$3,115.28	18.80%	
SEIC	SEI Investments	\$1.03	\$0.97	\$501.65	\$487.85	13.10%	
NOW	ServiceNow	\$1.46	\$1.43	\$1,629.00	\$1,604.51	30.30%	
SIMO	Silicon Motion		\$1.76		\$264.34		
SLG	SL Green Realty	\$1.52	\$1.55	\$150.10	\$154.02	-21.20%	
TER	Teradyne	\$1.37	\$1.29	\$885.05	\$868.59	16.60%	FY Below
TSLA	Tesla	\$2.54	\$2.36	\$17,719.00	\$16,652.05	65.60%	
URI	United Rentals	\$7.39	\$6.69	\$2,776.00	\$2,735.09	21.80%	
VRTX	Vertex Pharma	\$3.37	\$3.29	\$2,073.00	\$2,006.81	27.40%	FY Above
WHR	Whirlpool	\$6.14	\$5.93	\$5,815.00	\$5,884.96	0.30%	FY Above
WOLF	Wolfspeed	-\$0.16	-\$0.18	\$173.10	\$169.30	36.30%	FY Above
XLNX	Xilinx	\$1.29	\$1.02	\$1,011.00	\$941.85	25.90%	FY In Line

**EW** – Missed on EPS and Revs (+11.6%) – "We expect continued growth and progress in 2022. We are enthusiastic about the continued expansion of transcatheter-based therapies for the many structural heart patients still in need, which positions us well for long-term success," said CEO Mussallem. "As the global population ages and cardiovascular disease remains the largest health burden, we believe that the opportunity to serve our patients will nearly double between now and 2028. We are confident that our patient focused innovation strategy can transform care and bring value to patients and the healthcare system."

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**INTC** – Beat on EPS and Revs (+3.5%) – "Q4 represented a great finish to a great year. We exceeded top-line quarterly guidance by over \$1B and delivered the best quarterly and full-year revenue in the company's history," said Pat Gelsinger, Intel CEO. "Our disciplined focus on execution across technology development, manufacturing, and our traditional and emerging businesses is reflected in our results. We remain committed to driving long-term, sustainable growth as we relentlessly execute our IDM 2.0 strategy."

**LRCX** – Beat on EPS and Missed on Revs, FY Below (+22.3%) – "Lam delivered record calendar year 2021 financial performance within a robust wafer fabrication spending environment" said Tim Archer, Lam Research's president and CEO. "While supply chain conditions worsened in late December and are causing near-term impacts to our results, we expect wafer fabrication equipment investments to again increase in calendar year 2022, leading to another strong growth year for Lam."

**LVS** – Missed on EPS and Revs (-0.70%) – "We remain confident in the eventual recovery in travel and tourism spending across our markets and enthusiastic about the opportunity to welcome more guests back to our properties in 2022 and the years ahead," said Robert G. Goldstein, chairman and chief executive officer. "While pandemic-related travel restrictions continue to impact our current financial performance, we again generated positive EBITDA in each of our markets. We remain deeply committed to supporting our team members and to helping those in need in each of our local communities as they recover from the impact of the pandemic."

**STX** – Beat on EPS and Revs (+18.8%) – "Calendar 2021 was an outstanding year for Seagate. Compared with the prior calendar year, we grew revenue by 18% and more importantly, delivered free cash flow growth of 39%, which we are deploying effectively into our long-standing capital returns program," said Dave Mosley, Seagate's chief executive officer. "The calendar year was capped by strong December quarter performance including our highest revenue level in over 6-years, supported by cloud data center demand for our high capacity nearline products. We continue to execute amid a very dynamic business environment. Barring any significant additional macro disruptions, we expect to build on our 2021 performance this calendar year and beyond as favorable demand trends support revenue expansion consistent with our long-term financial model range of 3-to-6% growth."

**NOW** – Beat on EPS and Revs (+30.3%) – "We once again reported results that significantly beat the high end of expectations," said ServiceNow President and CEO Bill McDermott. "Customer demand for ServiceNow's innovative platform is stronger than ever. Our unique culture has made us one of the best places to work. We are growing like a fast-moving startup with the profitability of a global market leader."

**TLA** – Beat on EPS and Revs (+65.6%) – "2021 was a breakthrough year for Tesla. There should no longer be doubt about the viability and profitability of electric vehicles. With our deliveries up 87% in 2021, we achieved the highest quarterly operating margin among all volume OEMs, based on the latest available data, demonstrating that EVs can be more profitable than combustion engine vehicles. Additionally, we generated \$5.5B of GAAP net income and \$5.0B of free cash flow in 2021 - after spending \$6.5B to build out new factories and on other capital expenditures."

**URI** – Beat on EPS and Revs (+21.8%) – Matthew Flannery, CEO, said, "Our strong fourth quarter, which included record revenue, adjusted EBITDA and operating earnings, completes a year of significant achievements and provides solid momentum as we enter the new year. Our team provided exceptional customer service, which supported better than expected organic growth in 2021, and successfully integrated over \$1.4 billion of acquisitions while maintaining their focus on operating safely and managing costs. Our 2022 guidance reflects the optimism of our customers, as well as our confidence in leveraging our competitive advantages over the longer term. Our larger, more diverse value proposition should both benefit the top line and strengthen our levers for delivering strong margins, cash generation and returns in this new upcycle."

**WOLF** – Beat on EPS and Revs (+36.5%) – "We delivered strong revenue at the high end of our guidance during the quarter, our sixth straight quarter of revenue growth, further validating our positioning to capture accelerating

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demand. The team is successfully growing and converting opportunities in our device pipeline," said Wolfspeed Chief Executive Officer, Gregg Lowe. "We are excited about our long-term outlook and we are confident in our strategy and path forward."

### Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	
FLWS	1-800-FLOWERS	\$1.34	\$1.79	\$943.00	\$979.36	7.50%	FY Below
AOS	A.O. Smith	\$0.87	\$0.77	\$995.50	\$963.75	19.30%	
ALK	Alaska Air	\$0.24	\$0.22	\$1,899.00	\$1,845.73	135.00%	
ADS	Alliance Data		\$2.19		\$929.30		
MO	Altria	\$1.09	\$1.08	\$6,255.00	\$4,997.94	23.70%	
AIT	Applied Industrial	\$1.46	\$1.08	\$867.90	\$850.87	15.50%	FY Above
BLL	Ball Corp	\$0.97	\$0.90	\$3,674.00	\$3,542.27	18.40%	
BX	Blackstone	\$1.71	\$1.40	\$4,456.94	\$3,117.37	59.00%	
BC	Brunswick	\$1.44	\$1.35	\$1,431.00	\$1,379.25	23.20%	FY Above
CMCO	Columbus McKinnon	\$0.60	\$0.54	\$216.10	\$216.16	29.80%	
CMCSA	Comcast	\$0.77	\$0.74	\$30,336.00	\$29,625.32	9.50%	
CFR	Cullen/Frost		\$1.34		\$350.93		
DHR	Danaher	\$2.69	\$2.54	\$8,148.00	\$7,981.86	20.50%	
DOV	Dover	\$1.78	\$1.67	\$1,989.00	\$1,915.95	11.70%	
DOW	Dow	\$2.15	\$2.03	\$14,364.00	\$14,286.76	34.20%	
EXP	Eagle Materials	\$2.53	\$2.47	\$462.94	\$461.05	14.40%	
EWBC	East West Banc		\$1.57		\$470.95		
EXTR	Extreme Networks	\$0.21	\$0.17	\$280.90	\$272.07	16.00%	
HCA	HCA		\$4.52		\$15,408.48		
IP	Int'l Paper	\$0.78	\$0.89	\$5,086.00	\$5,058.21	-2.90%	
JBLU	JetBlue Airways	-\$0.36	-\$0.39	\$1,834.00	\$1,824.55	177.50%	
KEX	Kirby	\$0.18	\$0.26	\$591.27	\$592.40	20.70%	
MTSI	MACOM Tech		\$0.62		\$158.99		
HZO	MarineMax	\$1.59	\$1.15	\$472.69	\$447.35	14.90%	FY Above
MMC	Marsh McLennan	\$1.36	\$1.35	\$5,100.00	\$4,931.79	15.50%	
MA	Mastercard		\$2.21		\$5,171.36		
MKC	McCormick	\$0.84	\$0.80	\$1,730.30	\$1,713.92	11.10%	FY Above
MCD	McDonald's	\$2.23	\$2.34	\$6,009.10	\$6,028.38	13.10%	
MSCI	MSCI	\$2.51	\$2.49	\$549.84	\$540.10	23.90%	

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MUR	Murphy Oil	\$0.40	\$0.44	\$739.00	\$614.61	123.80%	
NTCT	NetScout Systems		\$0.62		\$233.35		
NOC	Northrop Grumman	\$6.00	\$5.96	\$8,600.00	\$8,995.71	-15.80%	
NUE	Nucor		\$7.86		\$10,452.22		
OSIS	OSI Systems		\$1.17		\$277.53		
BPOP	Popular	\$2.58	\$2.25		\$652.94		
ROK	Rockwell Automation	\$2.14	\$1.91	\$1,857.30	\$1,822.67	18.70%	
RCI	Rogers Comms	\$0.96	\$0.95	\$3,919.00	\$3,850.26	6.50%	
SAP	SAP SE	\$1.86	\$1.61	\$7,981.00	\$7,825.42	5.80%	
SHW	Sherwin-Williams	\$1.34	\$1.35	\$4,762.10	\$4,758.70	6.10%	FY Below
SFNC	Simmons First National		\$0.50		\$204.15		
LUV	Southwest Air	\$0.14	\$0.07	\$5,051.00	\$4,991.73	150.90%	
STM	STMicroelectronics	\$0.82	\$0.71	\$3,556.00	\$3,519.10	9.90%	FY Above
TROW	T. Rowe Price	\$3.17	\$3.13	\$1,961.70	\$1,946.82	13.20%	
TDY	Teledyne Tech	\$4.56	\$4.20	\$1,375.70	\$1,360.49	70.00%	
TXT	Textron	\$0.94	\$0.96	\$3,322.00	\$3,448.64	-9.40%	FY Below
TSCO	Tractor Supply	\$1.93	\$1.85	\$3,319.30	\$3,232.72	15.30%	FY Above
VLO	Valero Energy	\$2.47	\$1.82	\$35,903.00	\$27,917.08	116.20%	
VLV	Valley National		\$0.29		\$341.93		
XEL	Xcel Energy	\$0.58	\$0.57	\$3,355.00	\$3,099.89	13.80%	

**DHR** – Beats EPS and Revenues (+20.5%) – Our team successfully executed through a challenging environment to deliver outstanding financial results — including 25% core revenue growth, nearly 60% adjusted earnings per share growth and over \$7 billion of free cash flow. We were particularly pleased with the performance in our base business, which grew low-double digits, and believe we gained market share across our portfolio. We also continued to build for the future, deploying \$11 billion on strategic acquisitions while accelerating innovation and capacity investments. Over the last several years, our portfolio has undergone a significant, purpose-driven transformation. We're a better, stronger company today, comprised of high-quality, market-leading franchises in attractive end-markets.

**BLL** – Beats EPS and Revenues (+18.4%) – We delivered a strong finish to 2021 and returned approximately \$950 million to shareholders after deploying \$1.7 billion of capital expenditures to support our growth during the year. Underlying demand for Ball's sustainable aluminum packaging portfolio and innovative aerospace technologies continues to outpace supply. During the fourth quarter, the company increased comparable earnings per diluted share by 20 percent compared to fourth quarter 2020, initiated additional cost recovery mechanisms and continued to hire talent and build back finished goods inventory to position the company for long-term growth despite challenges associated with the pandemic, natural disasters and global supply chain disruptions. Volume growth of 5 percent, and the benefits from new manufacturing capacity, contractual terms, recent non-aluminum cost recovery



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initiatives, improved finished goods inventory levels and specialty growth more than offset startup costs, the impacts of supply chain and dunnage tightness and weather-related plant disruptions during the quarter.

**DOW** – Beats EPS and Revenues (+34.2%) – Sequentially, net sales were down 3% primarily driven by decreased polyethylene volume due to supply constraints as well as lower olefin and co-product prices. Volume decreased 4% versus the year-ago period and 3% sequentially, primarily driven by supply constraints from maintenance and lingering effects from Covid and weather-related outages, as well as global logistics constraints across several key value chains. Underlying demand strength and continued operating discipline enabled us to overcome supply and logistics constraints as well as higher raw material and energy costs.

**TSCO** – Beats EPS and Revenues (+15.3%), FY22 Above – Our resilient and differentiated business model has allowed us to capitalize on the structural consumer trends benefiting our business, and we believe we have a long growth runway ahead of us. We have strong momentum in our business, and our results demonstrate that our multiyear Life Out Here strategy is working. Comparable store sales for the fourth quarter 2021 were driven by comparable average ticket growth and comparable average transaction count growth of 10.3% and 2.4%, respectively.

**DOV** - Beats EPS and Revenues (+11.7%), FY22 Strong Outlook – Solid top line growth, improving mix of products and services, and our operational excellence and enterprise capabilities allowed us to deliver a robust increase in profitability and earnings per share. The operating environment became increasingly challenging as 2021 progressed. While we are proud of our efforts to combat these challenges, they did impact portions of our portfolio that operate with particularly complex supply chains and produce labor- and material-intensive products. We have taken actions to address these challenges, and we expect to convert revenue growth into earnings at a sequentially improving rate through 2022, which is reflected in our guidance. We begin 2022 with a constructive outlook and are well-equipped to navigate this persistently demanding operational environment. We see sustained strong demand conditions across much of our portfolio which is reflected in our order backlogs and which allows us to better plan our capacity, production and inventory, a major benefit in today's constrained operating environment. While we expect the operational challenges in supply chain and labor availability to continue into early 2022, we will remain focused on delivering products and services to our customers against a robust backlog and actively managing margin headwinds.

**MSCI** – Beats EPS and Revenues (+23.9%) – MSCI's ground-breaking performance in the fourth quarter and full year of 2021 reflected strong success on key strategic investments, a laser focus on the needs of our clients, and unprecedented demand for our solutions. Among other milestones, we achieved record full-year and quarterly recurring sales and recurring net new sales, along with the 32nd consecutive quarter of double-digit subscription growth in our Index business. Over the course of 2022, we will continue investing and executing aggressively to meet growing client demand and secure leadership positions across the enormous growth opportunities in front of us, including ESG and Climate. The global race to net-zero keeps accelerating, and we have positioned MSCI as a leading provider of climate-related tools for the capital markets industry.

**VLO** – Beats EPS and Revenues (+116%) – We saw continued improvement in our business during the fourth quarter with margins supported by strong product demand. Looking ahead, we remain optimistic on refining margins with low global light product inventories, strong demand, global supply tightness due to significant refining capacity rationalization, and wider sour crude oil differentials. Renewable diesel sales volumes averaged 1.6 million gallons per day in the fourth quarter of 2021, which was 974 thousand gallons per day higher than the fourth quarter of 2020. The higher operating income and sales volumes in the fourth quarter of 2021 were primarily attributable to the startup of the DGD expansion project (DGD 2) in the fourth quarter.

**CMCSA** – Beats EPS and Revenues (+9.5%), Raises Dividend and Buyback – We continue to execute extraordinarily well, strengthening our leadership position in connectivity, aggregation, and streaming, while

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working to have a lasting impact on our communities through our commitment to DE&I and digital equity. Looking ahead, we remain focused on our many exciting organic growth opportunities across all of our businesses. Our top priority is increasing the capacity of our network in the U.S. and further improving our world-class broadband experience. We are producing more of the premium content that our viewers love and continue to provide them with multiple ways to access it, including on Peacock while ramping construction of Epic Universe and welcoming even more guests to our Theme Parks. And, significantly, we are expanding the reach of our proprietary global technology platform and addressable customer base, starting with Sky Glass and XClass TV. Our confidence in the future is reflected in today's announcement that we are increasing the dividend for the 14th consecutive year. Cable Communications Adjusted EBITDA Increased 7.8% and Adjusted EBITDA per Customer Relationship Increased 3.9%. Theme Parks Delivered Its Most Profitable Fourth Quarter on Record, Driven by Strong Growth in Domestic Guest Attendance and Spending Per Guest.

**ROK** – Beats EPS and Revenues (+18.7%), Reaffirms Outlook – Rockwell had an excellent start to fiscal 2022, with first quarter sales up 18.7% and orders up over 40% to a quarterly record of \$2.5 billion. All three business segments delivered double-digit sales growth and continued exceptional execution in this challenging supply chain environment.

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## Disclosures

### **Disclaimer:**

### **Not Investment Advice or Recommendation**

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