



Inside Today's Blitz

- Stock Futures Rise Ahead of Earnings Deluge Next Week
- SEC Could Approve Bitcoin ETF Soon
- CRSR cuts Q3 outlook on supply crunch; MT, Glencore, RIO cut forecasts due to supply shortages; JNJ to utilize Ch. 11 for talc assets

Market Outlook

Futures indicating a positive open for the morning with the **Dow** up 42 bps, the **S&P** up 34 bps, and the **Nasdaq** up 25 bps. The **Russell** is up 34 bps. Energy is higher again as well with **WTI** up 90 bps. **Gold** and **silver** are paring back recent gains with the former down 81 bps. **Copper** is up 1.6%. **Grains** are higher across the board today by 70-80 bps. The **dollar** is down 4 bps. **Bonds** are down 33 bps. **VIX** is 17.45. **Bitcoin** and **Ethereum** are both higher by 2-3%. It has been a strong night for stocks although nothing major has changed on the macro front. Commodities continue to be in focus with Brent testing a new 3-year high and a number of industrial metals hitting records in London. Earnings the other big story today with solid results out of Alcoa while Hugo Boss raising guidance in Europe. Next week will be a major release schedule. Elsewhere, Beijing continues to flex its muscle over certain industries but the bigger chatter is around a potential RRR cut soon. The SEC could soon approve a

bitcoin ETF as the deadline nears. The White House is confident that Mitch McConnell will cave again on the debt ceiling in December but it's far too early to bank on this assertion.

Asian markets were mostly higher overnight with the Hang Seng up 1.48%, Shanghai up 40 bps, and the Nikkei up 1.81%. In Europe, the major indices are also rallying. The DAX is up 34 bps, the CAC is up 37 bps, and FTSE up 27 bps. We're seeing outperformance in financials and energy. Earnings continue to be the focus today. Swiss banking software firm **Temenos** fell 15% after missing third-quarter revenue expectations. German retailer **Hugo Boss** rose 2% after the company raised its outlook for the FY after reporting over 40% growth in group sales in Q3. **Pearson** plunged 10% after the publication company said that higher-education sales fell 7% partly due to lower enrollments at community colleges. They also cited staff shortages. Mining giant **Rio Tinto** fell 2% after the company cut its 2021 iron ore shipments forecast, citing a tight labor market.

Calendar

Today... Retail Sales, Import/Exports, Business Inventories, Michigan Consumer Sentiment, Retail Inventories, Fed's Williams Speaks

Next Week... earnings season the big focus this week with notable reports from **ACI, DOV, HAL, JNJ, PG, PM, ISRG, NFLX, UAL, ABT, ANTM, BIIB, CP, VZ, CSX, DFS, IBM, LRCX, TSLA, DHR, DOW, T, UNP, CMG, INTC, MAT, SNAP, WHR, AXP, HON, STX**, and many more. Elsewhere, we'll get China GDP data and flash PMIs on Friday.

Overnight Markets

Ethereum	3766.85	3.32%
Bitcoin	59126	2.47%
Copper	4.7065	1.62%
Natural Gas	5.741	0.95%
Oil (WTI)	82.01	0.86%
US Dollar	93.94	-0.03%
Bonds	159.63	-0.30%
Silver	23.34	-0.58%
Gold	1783.5	-0.80%
VIX	17.45	-0.86%

Technical View



Key Levels to Watch

S&P futures (ES_F) were pretty quiet overnight as we consolidate the recent run higher and sit around key resistance at 4450-4470 from late September. A breakout above that 4470 area would put the path of least resistance on new highs above 4540 while a pullback here would be viewed as healthy given the vertical move and support is at 4420, 4408, and then 4400-4390.

Economic Data

- **EU** auto registrations fell 23.1% in Sept. vs -19.1% prior
- **South Korea** imports rose 31%, in line with prior, while exports rose 16.7%, also in line
- **French CPI** was 2.2% vs 2.1% est.
- **Italian CPI** was 2.5% vs 2.6% est.

Macro News

- **China** is keeping liquidity conditions stable, says Bloomberg, but investor hope for an RRR cut is growing
- **China** is likely to keep tough property curbs in place as Beijing looks to keep excess and bubbles in check, per Bloomberg
- **Japan** intervened in the FX market overnight calling it very important for currencies to be stable, per Reuters
- **The BOJ** will likely cut its forecasts for growth soon, says Reuters, and reaffirm their accommodative policy
- **EU leaders** may look at emergency measures aimed at alleviating the energy crisis at their summit next week, per Bloomberg

Movers

Gainers: ME 12%, AA 6%

Losers: SPCE -14%, CRSR -7%

Insider Buying

CLST, LW, ANVS

IPO Calendar

Gitlab (GTLB) issuing 10.4M shares at \$55-\$60; provides an end-to-end DevOps platform

IHS Holding (IHS) issuing 22.5M shares at \$21-\$24; Africa's largest developer of shared telecom infrastructure

AvidXChange (AVDX) issuing 22M shares at \$23-\$25; end-to-end billing and payment software platform

Stock-Specific News

Consumer/ Business Services

- **CRSR** cut their Q3 and FY outlook; “we believe that our 2021 net revenue has been held back at least 10% by global logistics and supply chain issues, especially by the lack of affordable GPUs in the retail channel”
- **UBER** is looking at ways to expand their grocery footprint in Europe, says Bloomberg. The move would underscore their broader push into delivery, an increasingly important segment for the company
- **FUBO** announced a partnership with NASCAR to become the authorized gaming operator for the sport, their first partnership in auto racing
- **Manila Casino** is going public in a \$2.6B SPAC deal with **ADER**
- **EA** positive profile in the WSJ ‘Heard on the Street’ column ahead of earnings and the Holidays; they note the company has had missteps in 2021 but concerns over some of their major franchises are overblown
- **OTLY** – oat rally reaches records amid draught, per WSJ, hurting supply and driving up prices for breakfast staple and alternative-milk ingredient
- **Hugo Boss** shares are higher in Europe after a positive pre-announcement, per Bloomberg, with revs of €755M vs €700M
- **Pearson** shares fell in Europe after warning that staffing shortages hurt enrollment in the US, per Bloomberg

Sympathy Movers

LOGI could see weakness today with the CRSR pre-announce and key support at \$85.50 for a breakdown move lower

On the Chart

UBER one of the nicer setups with shares consolidating in a bull flag under \$48.50 and above the rising 21-EMA

Financials

- **UBS, CS, BCS** could see weak results in trading this quarter after blowouts from US banks which suggests they’re winning share from their peers, per Bloomberg
- **China** is ordering banks to cut back on the number of wealth management products sold, per Reuters
- SEC set to allow **bitcoin futures ETFs** as deadline looms, per Bloomberg. Cutoff for action on ProShares, Invesco filings is next week

Healthcare

- **JNJ** will utilize chapter 11 and move talc injury claims into bankruptcy, says WSJ, confirming fears of plaintiffs’ lawyers
- **MRNA** believes the positive FDA decision this week to allow for booster shots could result in up to 1B extra doses being available for 2022
- **MRK** announces CHMP recommendation for approval of Vaxneuvance
- **HOLX** to acquire Bolder Surgical for \$160M
- **AMN** named a new CFO

Hawk Database

JNJ modestly higher pre-market and has seen sellers in the longer-term June 2023 \$140 puts this week seeing value in the deeper selloff

Industrials

- **DE** confirmed Thursday that more than 10,000 workers have gone on strike after rejecting the latest contract offer
- **Ford Motor (F)** says Q3 China sales were down 8.7% due to the chip shortage; year-to-date sales have risen 11%
- **SPCE** is pushing back commercial flights, again, says WSJ and now sees launching in Q4 2022; the latest setback comes as the company works to improve its space vehicles
- **TM** is cutting their planned output for November by as much as 15% due to the semi shortage, per Reuters
- **ALK** sees Q3 revenue down 18% vs guidance of down 19-21%
- **BA** former 737 MAX chief technical pilot indicted for fraud

Energy & Materials

- **AA** announces new \$500M buyback; Company continues to make progress on their asset review
- **RDS.A** head of gas and renewables to depart after 25 years with the company, per FT
- **RIO** cuts FY production targets for iron ore and copper following modest delays to projects due to the tight labour market in Western Australia
- **MT** has cut production at some plants in Europe due to the ongoing power crisis in the region, per FT
- **Glencore** is curbing zinc production in Europe due to the ongoing energy crisis as well, per Bloomberg
- **STLD** to acquire 45% minority interest in New Process Steel
- **China** is talking with **LNG companies** about long-term supply contracts as they look to grapple with the ongoing energy crisis, per Bloomberg

Technology

- **ADTN** sees Q3 below Street at \$138M vs \$148.95M citing supply chain constraint-related expenses
- **AAPL** is facing scrutiny in South Korea over their recent app store changes, says Reuters, and the government could launch an investigation into compliance
- **HiSense** says the ongoing chip shortage for household goods and other electronics could last 2-3 years, per CNBC
- **Automotive IC shortages** remain, says Digitimes, as the car industry remains plagued by component struggles

On the Chart

ALK pulled back to monthly VPOC this week and holding up well while a turn back above \$58.75 key for a run

On the Chart

STLD nice base forming under \$63 and a breakout move early could push higher towards value high for the month at \$65

Analyst Notes

Upgrades

- **AVGO** upgraded to Buy at Goldman Sachs, firm believes outsized exposure to cloud/enterprise/telecom spending, pricing power, and FCF generation will drive a relative re-rating in the stock
- **CSTM** raised to Outperform at Goldman; underappreciated resilience in downstream aluminum credits which can shift some production to can sheet during the current automotive supply chain disruptions
- **SQSP** raised to Overweight at Piper, sees limited downside risk from current share levels, saying Squarespace is a marquee website builder platform that could scale revenue to above \$1B within two years on 20%-plus free cash flow margin
- **BP, KOS** raised to Buy at Berenberg; Oil sector valuations continue to screen as cheap, and consensus estimates should move higher as increased commodity prices are reflected
- **MRNA** raised to Overweight at Piper
- **FLS** upgraded to Buy at UBS
- **HSBC** raised to Buy at BAML
- **ATI** raised to Overweight at JPM
- **RRC** raised to Buy at Stifel
- **ANGO** raised to Buy at Canaccord
- **XP** raised to Overweight at JPM

Downgrades

- **WDC** cut to Neutral at Goldman; expect cyclical pressures in the NAND business (particularly, client SSD) to more than offset the company's improving competitive position in nearline HDD and enterprise SSD
- **X** cut to Underperform at Goldman; a result of steel price declines and stalled debt reduction
- **PRFT** cut to Neutral at Alliance Global, while Perficient's organic growth has accelerated to about 20% on strong demand for its digital transformation services and the margin profile is strengthening, the stock's risk/reward is now unfavorable
- **USB** cut to Underperform at RJF

Initiations

- **TER** started Overweight at Piper, Teradyne will achieve high growth in its robotics segment while generating high margins and moderate growth in its core automated test segments

On the Chart

AVGO has been seeing support at VWAP off the May lows and remains in a healthy trend, room to push back to record highs

Hawk Database

BP recently the focus of large bull spreads with size January \$31 and \$32 calls bought while January \$25 and April \$24 puts were sold to open

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- **ASML** started Overweight at Piper, ASML has powerful tailwinds after the company greatly expanded its lithography lead over the last decade and is now in position to outgrow the industry as next generation EUV and High-NA EUV platforms ramp
- **SAIL** started Buy at DA Davidson, citing new AI products that can yield a meaningful average revenue per user uplift are in the early innings of adoption, a model transition to recurring revenue that is nearly complete, and conservative guidance and likely upside to Q3 results
- **MGA** started Overweight at MSCO
- **RIOT, HUT, MARA** started Buy at DA Davidson
- **TRMB** started Overweight at Piper
- **RCUS** assumed Buy at BTIG, \$57 PT
- **KIRK** started Buy at Benchmark
- **GNRC** started Buy at Truist, \$500 PT
- **NOVA** started Buy at Truist; **ARRY, BLDP, BE** started Neutral
- **HUT, RIOT, MARA** started Buy at DA Davidson
- **TWNK** started Outperform at CSFB

Other Notes

- **PI** a favorite small cap play at Goldman; expect gradually improving supply (i.e. internal post-processing capacity) to help the company address what has been an extended period of strong bookings, and ultimately, deliver upside to near-term Street consensus estimates
- **ATUS** target cut to \$30 from \$47 at Pivotal but they note at some point it would not surprise them to see majority shareholder Patrick Drahi make a play for the balance of Altice in similar fashion to his move to privatize Altice Europe
- **UBER** added to the tactical outperform list at Evercore, the analyst views Uber as being one of the least riskiest Net stocks in terms of consensus estimates heading into the quarter. Entry into the leading rideshare company and fastest growing online food delivery company will provide meaningful upside through the end of 2021 and into 2022
- **NFLX** target to \$705 from \$600 at Piper
- **TSLA** target to \$950 from \$850 at Jefferies

Trade Ideas

Ally Financial (ALLY) coiled in a bull flag above the 21- and 55-EMA and under the value high for the month and positioned well for a breakout to new highs. ALLY is in a narrow weekly flag and a breakout move has room to run to \$63-65. Shares found buyers multiple times this week as it worked red-to-green and can get some momentum as financials look set to break out.



Technical Scans

Inside Days: MRTX, WDAY, TXRH, STZ, SUI, CRL, MA, BAH, SBAC, EA, RUN

Moving Above Monthly Value: RACE, RPM, ORLY, CAG, KSU, ARWR, CSGP, HRL, WM, ITT, JAZZ, PHM, CP, FOXF, CBOE, RDFN, LECO, KB, ALLY, CMI, AMBA, CRWD, ST, MMC, LDOS, UBS, PCAR, NEM, DD, PH, CG, SCCO, WBA, IPG, UI, COIN, FLEX, MCD, MSI, M, TXT

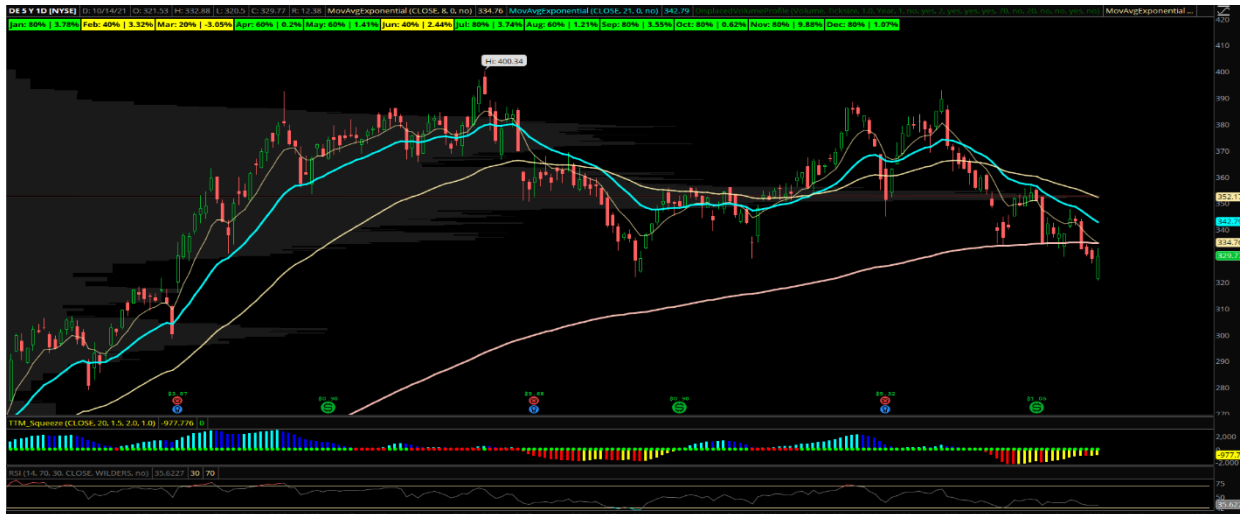
Earnings Preview

Albertson's (ACI) reporting earnings on Monday before the open with the Street looking for \$0.45 on \$15.81B. Next quarter is guided to \$0.50 on \$15.46B while the FY is \$2.27 and \$67.84B. Shares have traded higher in three of the last four with an average closing move of 5% and a max move of 5.84%. ACI saw buyers of 3,900 November \$31 calls on 10/14 while the October \$30 and \$32 puts both saw buyers in mid-September. The December \$32 and \$35 calls remain in OI from 9/2 buyers. Shares surged higher in July and August and have pulled back to the 50% retracement of the run at \$27. The 8- and 21-EMA are above at \$29 but a breakout move has room to \$31-\$32. The \$13.68B company trades 12.8X earnings, 0.20X sales, and 13.2X FCF with a 1.4% yield. ACI is undergoing a multi-year transformation and recently hired a new CFO to accelerate the process. The company is investing in their digital operations including a revamp of their supply chain while also focusing on in-store efforts to enhance customer experience. ACI saw triple-digit growth in digital sales in 2020 and has sustained those levels for much of 2021. Analysts have an average target for shares of \$25. OpCo cut to Neutral on 10/11 citing valuation while Deutsche Bank raised their PT to a Street High \$36. The firm thinks the bar on fundamentals has been raised for Albertsons following sustained sales strength observed throughout the industry. BMO cut to Underperform on 10/5 as the analyst sees risk to the company's margin outlook in a more price-sensitive consumer environment and on the wage front as unionized grocers have been shielded from broader industry wage rate increases given contract negotiation cycles. MKM cautious on 9/16 noting that he has been observing more incremental signs that supermarkets are becoming more competitive, with Kroger registering gross margin contraction and Albertson's relying on heavy promotional activity for new customers. Short interest is 5%. Hedge fund ownership rose 3%. Martingale Asset Management a buyer of 1.2M shares.

Seasonal Stock Setup: Industrial Seeing Green Into Year End

Deere & Co (DE) - The industrial stocks have recently sold off back to lower YTD value areas and a name like Deere has potential to recover strongly into year-end based on its historical seasonality. The last 5 years DE has been quite positive in Q4 with each of the last three months of the year having 80% win rates. November specifically outperforms with an average return of +8% seasonally. Even going back 20 years the seasonal data is strong for November being the strongest month of the year for DE. 80% of years finishing in the green since 2001 and an average return near +7%. Industrials might be ready to play catch up into the rest of the year.

DE put in a bullish reversal candle off the 320 level today and looks poised to reclaim its 200 day EMA on the upside in the coming weeks. A push back above can potentially target 352 which is the YTD VPOC and where value has been established this year. Getting above that could start a multi month rally higher as the weekly squeeze is coiling for a larger than expected move. RSI has gotten down to the 35 level which shows an oversold enough condition to warrant looking for support bounces. DE doesn't see a lot of options activity but recently in early October saw a buyer of Nov 12th 340/345 call spreads around 800 times.



Extras

Altice (ATUS) jumping with 11,000 January \$18 calls bought for \$1.90 to \$2

Evolent Health (EVH) late buyers today of 1000 January \$30 calls for \$2.50 to \$2.55 with the recent M&A rumors

Activision (ATVI) late day opening sale 3000 January 2024 \$75 puts at \$12.70

Suncor (SU) late day buyer 5000 November \$22 calls to open at \$2.10 offer

Foot Locker (FL) late buyers of 2000 November 26th (W) \$52/\$55 call spreads for \$0.60, targeting 11-19 earnings

Chewy (CHWY) block of 4000 January 2024 \$65 puts sold to open \$16.55 into the bell

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Waters (WAT) buyer of 300 November \$350 puts to open for \$15.80 into 11-2 earnings and **Bio-Techne (TECH)** with 300 November \$500 puts bought for \$26 into 11-2 earnings. **Mettler Toledo (MTD)** with 200 November \$1400 puts bought for \$56.53 into 11-4, all related names.

Lending Club (LC) buyers of 625 April \$33 calls \$6.40 to \$6.50 as shares broke to new highs

Sentinel (S) late day spreads sold 1500 June \$80 calls to buy 1500 of the Dec. \$55 puts, potentially protective

Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
CRWD	19 NOV 21 280 CALL	1,038	2,619	152.31%
IWM	17 DEC 21 215 PUT	21,863	49,151	124.81%
IR	17 DEC 21 55 CALL	2,659	5,709	114.70%
CHWY	19 NOV 21 65 CALL	1,982	3,980	100.81%
RVNC	21 JAN 22 30 CALL	981	1,940	97.76%
HOOD	20 JAN 23 40 CALL	1,132	2,106	86.04%
PDD	19 NOV 21 95 CALL	1,847	3,421	85.22%
FCX	18 MAR 22 38 CALL	2,133	3,837	79.89%
X	21 JAN 22 21 CALL	3,012	5,377	78.52%
SCHW	17 DEC 21 80 CALL	5,274	7,930	50.36%
S	19 NOV 21 65 CALL	1,545	2,304	49.13%
INTC	18 MAR 22 50 CALL	3,869	5,724	47.95%
F	17 DEC 21 16 CALL	54,986	80,725	46.81%
SPY	16 SEP 22 435 CALL	1,559	2,265	45.29%
QCOM	21 JAN 22 130 CALL	4,189	6,012	43.52%
SABR	19 NOV 21 12 CALL	5,122	5,137	0.29%
HOG	21 JAN 22 37.5 CALL	1,710	462	-72.98%
HOG	21 JAN 22 40 CALL	4,353	1,110	-74.50%

What They're Saying

Paychex (PAYX) Analyst Call on some of its stronger trends in digitization... “We have played a critical role in helping our clients secure over \$65 billion in Paycheck Protection Program loans. That's 9% of the total loans provided in the U.S. Also making the process for forgiving the loan simple with prepopulated signature-ready forms from Paychex. As of today, over 90% of these loans of our clients have been forgiven. We are also working with clients to receive employee retention tax credits over \$4 billion to date for our clients and growing to help them retain and recruit new employees in this challenging hiring environment. We have integrated our Flex hiring software with Indeed, the world's largest job board, provided the option of online video interviewing of candidates, paperless onboarding of employees that are hired and training of these new hires as well. Communicating with employees through our Flex app allowing for documents to be sent, received, e-signed and organized through our application, including performance management support. For many clients, the definition of services changed with most looking for more technology solutions, these preferences have accelerated with the work-from-home situation over the last 18 months. Distributed workforces are using more self-service online and mobile, benefiting the clients, their employees and paychecks. In fact, over 85% of direct deposit and address changes for our employees are now done either by the client or their employee on our

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mobile app, no calls, no paper. With leading positions in our markets, accelerated investments in our innovative Software-as-a-Service, cloud-based full-service solutions combined with flexible, personalized online and direct service models, we provide the best opportunity for continued growth in our small and midsize markets and to continue to be a leader in shareholder returns.”

Couchbase (BASE) at MSCO Spark Conference on its TAM... “So IDC would say that our total addressable market will be \$62 billion by 2024. So massive market. And we're still in the very early innings of really what's a generational shift because there really hasn't been much in terms of new database technologies and really until the last 5 to 10 years. So it's still very, very early innings. Look, we're building applications that allow our customers get closer to their customers. So really focused on interactive type data. So for example, at United Airlines, we have probably 20 to 25 applications running on Couchbase. But the ones that really focus on customer engagement, right? So within the United app, it's things like where is the plane coming from, where is the next plane coming from, ordering a wheelchair if you need one, knowing the -- where your baggage is at all times, is it on the plane, is it at the baggage claim, all that interactive information. That's really where we're focused on. And so that's what we think is a huge part of the TAM as people look to move away from transactional activity and get more closer to interactive activity and better insights from their customer base.”

GoodRx (GDRX) at MSCO Spark Conference discussing its TAM... “So but in terms of talking about market and TAM and the like, more specifically, the reality is that we feel like we have pretty much the biggest market there is to penetrate across multiple different dimensions. Like when you think about it, the health care market is \$4 trillion that dwarfs travel, dwarfs, transportation that dwarfs real estate, pretty much any other market out there. And our ability to be able to capture that market and address it is incredibly salient. So on the prescription side, in particular, which is where our business started, as Justin just alluded to, that's a TAM of about \$500 billion just by itself. And within that TAM, last time we quoted our GMV figures, it was only \$2.5 billion back in 2019. So clearly, a massive opportunity to expand much, much more on that TAM. And I should also add that we're by far the largest player in our space by a multiple of single-digit integers. So it's not like we're taking share. We're taking greenfield TAM. The exciting part for us, too, is that about 70% of consumers have no idea that prescription prices even differ. So this is about educating consumers on an opportunity to make their lives better, both by getting on medication and also by being able to save a significant amount of money. So on both those prongs, we have a great ability to fulfill our mission of making health care more affordable and more accessible for more Americans. So that's just the prescriptions TAM. We also operate in telehealth, which in itself is a significant market. So clearly, huge TAM, \$4 trillion health care, \$500 million just in prescriptions, \$30 billion in manufacture solutions and of course, telehealth.”

Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
BMI	Badger Meter		\$0.50		\$126.49		
SCHW	Charles Schwab		\$0.81		\$4,513.29		
GS	Goldman Sachs		\$9.94		\$11,606.21		
JBHT	J.B. Hunt	\$1.88	\$1.78	\$3,144.80	\$3,025.34	27.20%	
PNC	PNC	\$3.75	\$3.64	\$5,197.00	\$5,052.41	21.40%	FY In Line
PLD	Prologis		\$1.03		\$1,031.80		

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SXT	Sensient	\$0.85	\$0.81	\$344.30	\$327.60	6.40%	
TFC	Truist	\$1.42	\$1.20	\$5,598.00	\$5,534.50	-0.90%	

AA – Beat on EPS and Revs - Alcoa continues to expect a strong 2021 based on the continued economic recovery and increased demand for aluminum in all end markets. The Company's Aluminum segment is forecasting double digit growth on year-over-year shipment volume of value-add products, and the Company expects annual global demand for primary aluminum to increase approximately 10 percent relative to 2020 and to surpass the pre-pandemic levels in 2019. The Company's 2021 shipment outlook for the Alumina and Aluminum segments remains unchanged with Alumina projected at 14.1 to 14.2 million metric tons and Aluminum expected to be 2.9 to 3.0 million metric tons. In Bauxite, the shipment outlook is reduced by 1 million dry metric tons to between 49.0 and 50.0 million dry metric tons due primarily to reduced demand from the Alumar refinery during the unloader outage in the third quarter. Alcoa anticipates continued positive financial results in the fourth quarter of 2021 and is well positioned to participate in strong market pricing. The San Ciprian refining and smelting operations are expected to face significantly higher energy and raw materials costs, as well as the loss of value-add premiums while strike conditions persist.

Sympathy Movers

KALU, CENX, CSTM – on AA

CHRW, KNX, SAIA - on JBHT

JBHT- Beats EPS and Revenues (+27.2%) - Truckload (JBT) and Integrated Capacity Solutions (ICS) grew revenue 87% and 55% year-over-year, respectively, as both segments were able to source and secure capacity for customers in the Marketplace for J.B. Hunt 360° in this capacity-constrained freight environment. Intermodal (JBI) revenue grew 17%, driven by a 24% increase in revenue per load, partially offset by a 6% decline in volume. Dedicated Contract Services® (DCS®) revenue grew 20% as a result of a 12% increase in average revenue producing trucks and a 7% increase in fleet productivity versus the prior year period. Final Mile Services® (FMS) revenue increased 13% as revenue per stop increased 17%, partially offset by 3% fewer stops. Current quarter total operating revenue, excluding fuel surcharges, increased 23% versus the comparable quarter 2020. Overall intermodal volumes declined 6% versus the same period in 2020. Eastern network loads declined 2%, while transcontinental loads declined 9% compared to the third quarter 2020. Demand for intermodal capacity remains strong, however, volumes in the quarter were negatively impacted by a continuation of rail restrictions across the network and elevated detention of trailing equipment at customer facilities. We believe labor shortages across the industry in both rail and truck networks and at customer warehouses are at the core of the supply-chain fluidity challenges limiting our asset utilization and capacity.

Disclosures

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