



Inside Today's Blitz

- Democrats Scale Back on Stimulus in Effort to Force McConnell into Talks
- LA Mayor Issues Stay-at-Home Order as City Nears 'Devastating Tipping Point'
- OPEC+ Nears Deal on Output Cuts
- **XPO** to split company; **COST** same-store-sales miss mark in November; **Macquarie** to buy **WDR** for \$1.7B; **AMZN** in lead to buy podcaster **Wondery**; **FDX** to buy ShopRunner

Market Outlook

Futures indicating a mixed open for the day with the **Dow** down 8 bps, the **S&P** off by 2 bps, and the **Nasdaq** higher by 20 bps. The **Russell** is down 11 bps. Energy is weak with **WTI** down 55 bps and **gasoline** off by 65 bps, but both continue to consolidate in a small bull flag. **Gold** and **silver** both higher with the latter up 94 bps. **Platinum** is up 2.25% and continuing its strong run. The **dollar** is down 25 bps. **Bonds** are up 25 bps. There's not a lot happening today that'll have a major impact on the overall picture. In Washington, a new offer on the table from Democrats as they want the \$908B stimulus offer to be a baseline for talks, a bit of a breakthrough from two sides that have been unmovable lately. Pressure now is on McConnell to get a deal done with the 12/11 budget deadline in focus. Elsewhere, COVID continue to surge and restrictions are gaining some steam with Germany extending their measures into 2021 and LA putting down their strictest restriction yet. Finally, OPEC meets today and some talk the group is close to agreeing to more cuts.

Asian markets were broadly higher this morning around optimism on a vaccine. Shanghai was down 21 bps and Hong Kong was up 74 bps. Japan's Nikkei was up slightly and remains near 29-year highs. West **Japan Rail** rose 4.5% after the government committed to more fiscal spending. European markets are lower this morning in more cautious action. The DAX is down 60 bps, CAC down 50 bps, and FTSE down 40 bps. It was a quiet day for stock-specific actions. **TUI** fell 4.7% after the travel giant reached a deal with the German government on extra aid. **Rolls Royce** jumped 6% after their announced a deal for Servowatch Systems. **Orange** is up 2% after the telecom announced plans to launch a bid for Orange Belgium. **Sainsbury** higher by 2% after committing to giving back their COVID relief rates.

Calendar

Today... Markit Services PMI, ISM Services, Challenger Job Cuts; **Earnings After the Close:** CLDR, COO, DOCU, DOMO, MRVL, MDLA, OLLI, PD, SAIC, SWBI, ULTA, YEXT, ZUMZ, ZUO; **Analyst Days:** CENTA, GHC; **Conferences:** Credit Suisse TMT, Piper Healthcare, MSCO Consumer, Credit Suisse Industrials

Tomorrow... Employment Report, Trade Balance, Factory Orders, Durable Goods; **Earnings Before the Open:** BIG, GCO

Overnight Markets

| | | |
|-------------|--------|--------|
| Silver | 24.32 | 1.00% |
| Gold | 1844.7 | 0.80% |
| Bonds | 172.66 | 0.30% |
| Copper | 3.4955 | 0.20% |
| US Dollar | 90.89 | -0.25% |
| Oil (WTI) | 44.96 | -0.71% |
| Natural Gas | 2.665 | -4.15% |

Technical View



Key Levels to Watch

It was a quiet night for S&P futures. We touched a high around 11 pm at 3674 but have been in a steady pattern ever since with the low around 3658. Overnight VWAP is flat at 3665.50 and VWAP for the week is down around 3642.50.

Economic Data

- **China** services PMI was 57.8 vs 56.4 est.
- **Australian** exports were 5% vs 4% est.; imports were 1% vs 4% est.
- **Europe** services PMI was 41.7 vs 41.3 flash reading
- **Germany** services PMI was 46 vs 46.2 flash reading
- **UK** services PMI was 47.6 vs 45.8 flash reading
- **Eurozone** retail sales rose 1.5% vs 0.7% est.

Macro News

- House approves restrictions on **Chinese firms listing in the US**, per Bloomberg. The move would ultimately force Chinese companies to be more transparent with regulators
- **Japan** will mandate all **new vehicle sales** be electric or hybrid-electric by the mid-2030s, per Nikkei
- **BOJ's** Suzuki says the yields should be allowed to steepen mildly to make their policy more sustainable long-term, per Reuters
- **Germany** will extend their partial lockdowns until January 10 to curb the spread of COVID around the Holidays, says Bloomberg
- **EU, UK** could strike a **Brexit** deal within days, says Reuters
- **American** investors are responsible for the massive inflow of funds to bitcoin, per Reuters

Movers

Gainers: WDR 48%, SOI 21%, CRWD 9.5%, ZS 5.5%, OKTA 5%, ESTC 3.5%

Losers: SPLK -11%, SNOW -7%

Insider Buying

ESP, GNPB, BIIB, BH

IPO Monitor

17 Education (YQ) to IPO 27.4M Shares at \$9.50 to \$11.50

C3.ai (AI) launches IPO of 15.5M shares at \$31-\$34

Stock-Specific News

Consumer

- **Costco (COST)** November SSS +13.4% vs 13.8% est.
- **Flutter** to buy Fastball Holdings' 37.2% stake in **Fanduel** for \$4.175B.
- **FIZZ** sets special dividend at \$6/share, up from \$3/share
- **MDLZ** is adding \$4B to their buyback authorization, now up to \$6B, and they extended it for three more years
- **WMT's** Flipkart will spin off its payments platform, says Reuters
- **Sports rebates may return \$1.1B to pay-TV customers**, says Bloomberg. Providers like **T**, **VZ**, and **CHTR** kept fees despite COVID cancelling tournaments and games

Sympathy Movers

DKNG the top competitor to Fanduel

Financials

- **Macquarie** to buy **Waddell & Reed (WDR)** for \$25/share or \$1.7B
- **LPLA** will buy WDR's wealth management platform for \$300M as part of the deal, says Reuters
- **Dyal Capital in talks to combine with Owl Rock**, per WSJ. Discussions also involve Altimar Acquisition, a SPAC, and would value combined entity at around \$13 billion
- **BXS** to buy **National United Bancshares**
- **TW** November trading volume +37.2% Y/Y
- **VER** says rent collection in November was 97%
- **SIGI** authorizes \$100M buyback
- **MKTX** says November trading volume topped \$503B
- **HDB** has been hit by curbs on their digital, credit card operations by the RBI, says Reuters
- **KKR** is nearing a deal to buy a portfolio of e-commerce warehouses for \$800M, says Bloomberg
- **EU banks** will likely be able to resume dividends in early 2021 but with a cap of 15% to 20%, says Bloomberg

Sympathy Movers

BEN, TROW, AMG some peers of WDR in the space that could move as we see more M&A in the financials

Healthcare

- **Moderna (MRNA)** will begin testing their COVID vaccine on children age 12-17, the first trial of its kind in the US, per NYT
- **SYK** announces dividend raise
- **LLY** says the US government to buy an additional 650k doses of their COVID antibody treatment for \$812.5M
- **TWST** prices 2.8M secondary at \$110
- **JAZZ** announces ATLANTIS Phase 3 study evaluating Zepzelca in combination with Doxorubicin did not meet primary endpoint

On the Chart

TWST has been a strong biotech all year and the 21-day in focus right around \$106.50 today but a secondary that should be absorbed well

Industrials

- **XPO Logistics (XPO)** to separate Logistics business into separate companies – XPO RemainCo will be a global provider of less-than-truckload, or LTL, and truck brokerage transportation services; and NewCo, a contract logistics provider.
- **Boeing (BA)** nearing a comeback for 737 MAX with potential **United (UAL)** delivery, says Bloomberg. This would be the first delivery since regulators lifted the grounding
- **FDX** to buy e-commerce shipping service **ShopRunner**, per Bloomberg. The acquisition tightens FedEx's embrace of surging e-commerce deliveries
- **NSCO** to buy **Custom Truck One Source** for \$1.475B; Platinum Equity has committed to invest over \$850 mln into Nesco in exchange for newly issued common stock at a price of \$5.00 per share
- **WSP** to buy **Golder** for \$1.14B, a provider of consulting, design, and construction services
- **Rolls Royce** to buy **Servowatch Systems**, a U.K.-based supplier of integrated marine automation solutions for navies, commercial vessels and large yachts
- **Daimler** CEO says they have seen a strong V-shaped recovery in China auto sales, per FT
- **Deutsche Post** says they expect 50% growth in e-commerce this Holiday season and continuing to expand in 2021, per Reuters
- **Lufthansa** is seeing a sharp rise in bookings for the Holidays, per FT

Energy/Materials

- **International Paper (IP)** announces spin-off of Printing Papers business; to accelerate profitability in corrugated packaging and absorbent cellulose fibers, expects \$350-400M in annual incremental earnings by the end of 2023
- **FMC** raises quarterly dividend

Tech/Telecom

- **Amazon (AMZN)** pulls into lead to buy podcaster **Wondery**, says WSJ. Podcasting startup is seeking more than \$300 million
- **Facebook (FB)** is expected to be hit with an antitrust suit next week brought by a group of states, says Reuters
- **OKTA** announces availability of Identity Cloud in AWS Marketplace
- **TRMB** and **SIRI** establish alliance to deliver Trimble RTX GNSS corrections via satellite radio for autonomous vehicles

Sympathy Movers

ACM may see some pressure with this WSP deal as they have long been speculated as a target for the company

Inside the Hawk Database

IP above \$52 clears to new highs and a lot of bullish open interest including 3,000 January ITM \$35 calls from earlier this year that have held on steady

Analyst Notes

Upgrades

- **TSLA** upgraded to Buy at Goldmans on improved long-term sales outlook and margin expansion, target to \$780 from \$455. The analyst sees the shift toward battery electric vehicle adoption accelerating, noting that falling battery prices are improving the economics of EV ownership, and now believes it will occur faster than his previous view
- **RDS.A** upgraded to Outperform at Bernstein, With the fear of a dividend cut out of the way following the "surprise" Q3 dividend boost, Shell's cash flow story is now too good to ignore
- **TSN** raised to Overweight at Piper, expects foodservice demand to improve while food at home consumption "remains somewhat elevated." Further, alleviation of costs and a recovery in chicken can help lift margins in fiscal 2022
- **TCOM** raised to Buy at HSBC, expects near-term focus to shift beyond recovery in travel demand as COVID-19 normalizes to its ability to gain market share as the industry consolidates and to maintain a lean cost structure with sustainable margins
- **SBRA** raised to Outperform at JMP, notes that the upcoming availability of COVID vaccines should be a positive for assisted living facilities like Sabra Health as they will be viewed as the safest option for seniors for a period of time
- **SLGN** raised to Overweight at KeyBanc
- **MHK** raised to Overweight at JP Morgan
- **BANR** raised to Overweight at Piper
- **SQ** raised to Outperform at Evercore

Downgrades

- **FNKO** cut to Underperform at BMO, Investors have recently bid up shares in anticipation of new entertainment in 2021, which should drive sales of the company's collectible and pop culture products. However, the Funko Pop! form factor is losing appeal with consumers, and thus the anticipated boost could be overstated
- **YPF** cut to Sell at UBS, citing the emergence of "early signs of liquidity concerns", which are boosting his caution about the company's constrained cash position
- **SFIX** cut to Underweight at Wells Fargo, sees some fundamental issues with Stitch Fix's model, and while he expects revenues to accelerate in the coming quarters as it recovers from the impacts of the pandemic, thinks this is more than reflected in the share price

Inside the Hawk Database

TCOM size buyers of the December \$34 calls and June \$36 calls recently, the latter almost 7000X

On the Chart

SFIX certainly a buy the dip kind of name with its strong momentum and rising 21-MA at \$37.45 in focus for a potential re-test today

OptionsHawk Market Blitz

- **SWK** cut to Neutral at JPM
- **PNR** cut to Equal Weight at MSCO
- **SPLK** cut to Hold at Stifel, Summit, JPM, Mizuho
- **OMCL** cut to Neutral at Cantor Fitzgerald
- **GSK** cut to Neutral at UBS on valuation
- **XPEV** cut to Neutral at UBS on valuation

Initiations

- **EQIX, QTS, DLR** started Buy at Mizuho; **CONE, COR** started Neutral; Fundamentals should remain strong in 2021 with worldwide IT spend set to rebound, cloud and enterprise demand remaining strong, new technology contributing to demand, and strong demand/supply trends in most of the major U.S markets
- **GBT** started Outperform at RBC, believes that Oxbryta is a "first-in-class" sickle hemoglobin polymerization inhibitor and has the potential to become standard of care in sickle cell disease. COVID-19 related headwinds are "not insurmountable", pointing to the enthusiasm for the drug from physicians as well as Global Blood's persistent engagement while estimating over \$1.6B in out-year global sales potential.
- **KURA** started Buy at Stifel, \$45 PT, the company's XpressCF platform that enables rapid screening and optimization of protein-based therapeutics is ideally suited to the optimization of antibody drug conjugate development.
- **LUMO** started Overweight at Cantor, \$32 PT
- **CCS** started Positive at SIG
- **SSRM** started Buy at BAML

Other Commentary

- **INSP** target raised to \$210 from \$147 at Piper, continues to view Inspire as a "best-in-class medtech story" with a large total addressable, "differentiated" technology, and competition likely still a few years away from the U.S. market
- **XPO** target to \$138 from \$120 at Citi, views the proposed spinoff of its two core business, Transportation and Logistics, as positive for the shares. His math suggests a two company value in the \$140-\$150 per range
- **FDX** target raised to \$342 at BAML
- **DLR** Catalyst Call Buy Idea at Deutsche Bank
- **WYNN** target to \$120 from \$95 at Deutsche Bank
- **AXSM** target to \$161 from \$131 at Cantor Fitzgerald

Inside the Hawk Database

GBT with some size December \$50 short puts, over 4400X in OI, while the March \$45 and \$50 calls with buyers of note on 11/6 which remain in OI

Inside the Hawk Database

DLR recent buyers in the April \$150 calls, 1000X, and the January \$130 and \$125 puts both sold to open in late October

Trade Ideas

Novocure (NVCR) strong setup with shares forming a weekly bull flag under \$135 and potential for a run higher to \$170. NVCR recently cleared a narrow year-long range above \$100 and plenty of room for further expansion higher and continuation of the longer-term trend. NVCR has a busy 2021 with product roll-outs and geographic expansion expected



Technical Scans

Bullish Reversal Days:

XPEV, NIO, PDD, CPRI, CLR, THC, AES, UPWK, CXO, SLG, SPWR, COP, DE, OLN, FANG, SU, KMI, BILI, TXT, SYK, ZBH, DXC, UNVR, ACHC, UNP, AER, CAT, YETI, CE, CLH, CAE, TME

Ready to Run: EVRG, DECK, USNA, OTTR, SGEN, CACC, AZO, FGEM, AZEK, QLYS, CVET, SWKS

Narrowing Range: SE, BUD, IPAR, UNIT, HCA, TRN, KOD, BKNG, LW, V, LOW, SCI, YY, GSX

Small Cap Radar

Everi (EVRI) a small cap worth a closer look with recent bullish options flow, the January \$10 calls bought 2000X on 11/30 for \$315K and 8500 December \$10 calls have accumulated in open interest. EVRI is a leading supplier of entertainment and technology solutions for the casino, interactive, and gaming industry. It develops, sells, and leases games and gaming machines, gaming systems and services, and is an innovator and provider of core financial products and services, self-service player loyalty tools and promotion management software, and intelligence and regulatory compliance solutions. EVRI's revenues are 75% recurring and sees long term growth drivers in iGaming. It estimates more than 40,000 gaming units in the US & Canada, so it is only 4% penetrated. The \$915M company trades 2.25X Sales and 10.6X EBITDA with revenues seen jumping 35% in 2021 after a 28.7% drop in 2020 from the pandemic while EBITDA seen at 45.7% growth after falling 30.6%. Analysts have an average target of \$14.50 with short interest high at 12.9% of the float and rising to a new high. On 9/9 BTIG started shares Buy with a \$12 target seeing an acceleration of demand for its cashless and contactless funding solutions at casinos. Roth in July at Buy with a \$17 target and a \$24 bull case for sum of the parts of its gaming and fintech segments.

What They're Saying

Shake Shack (SHAK) at Barclays Conference on how the industry will look in a year... "This time has accelerated and amplified everything we were doing before. And I think we'll look back and say, digital, digital, digital. And for us, it's not just about can you order online or thinking about it as e-commerce is, because we do believe

people will return. People are going to return to cities, to high-traffic areas, to malls. I really believe that. However, how will they then experience it? And what we're so excited about and what we believe will be the fundamental structural advantage going forward is even when you come in person, you can preorder. We have a stronger pickup situation now. Our Shack Track designs for many of our restaurants will allow for separation of different groups, will allow for frictionless ordering and pickup. And whether you want to stay, go, take it in your car, we're even going to be building our first drive-through next year, these things will be the fundamental changes that keep the Shake Shack experience what it has always been and adds to it a convenient factor of relationship with that guest that we may never have had before and an opportunity to grow from there. And that is, to us, what's most exciting because it hits at our core of hospitality and it allows us new ways to provide hospitality in the future."

Bill.com (BILL) CFO John Rettig at the Wells Fargo TMT conference on shifting more cross-border payments to local currency (currently they are 75% US dollar, 25% local but they could get to 40% or 50% in time)... It's a potential significant opportunity and improvement in our monetization. So today, U.S. dollar payment is a fixed fee, call it somewhere between \$10 and \$20. And FX payment is going to be anywhere from 50 to 200 basis points on the value of the transaction depending upon the currency that's being used, the size of the customer, the volume, so on and so forth. So many U.S. businesses, buyers want to be invoiced and paid in U.S. dollars because they want to eliminate the potential for that currency fluctuation to impact their financials. That doesn't mean though that their supplier doesn't want to be paid in local currency. In fact, many suppliers doing business with our U.S. customers don't even have multicurrency accounts. So that payment is getting translated upon deposit to local currency. And to the extent that we can deliver a better exchange rate to those international suppliers, they'll take us up on the choice to receive local currency, and that would provide a pretty significant uplift to what would otherwise be a \$10 or \$15 flat rate wire transaction.

Extras

Cara Therapeutics (CARA) with 1,000 May \$20 calls bought \$2.00 to open late

Electronic Arts (EA) with 1,000 March \$125 calls bought from \$11.75 to \$11.90

Omnicell (OMCL) unusual buying of 1000 December \$115 OTM calls \$1.50 to \$2.10

Next-Era (NEE) opening seller 1000 January 2023 \$70 puts \$10.30 to \$10.10

Coca Cola (KO) opening seller of 1000 December \$51 puts for \$0.64

Visa (V) buyer 1000 September \$200 puts \$16.30 to \$16.35

DraftKings (DKNG) opening sale 2250 January 2023 \$30 puts for \$7.30, confident in long term viability

United Air (UAL) buyer 6350 March \$55 calls \$3.27 as the January \$45 rolled out and up

Google (GOOG) buyer of 800 February \$1920/\$2100 call spreads to open

Open Interest Checks

| OI Checks | | | | |
|-----------|--------------------------|----------|--------|-----------|
| Ticker | Contract | Prior OI | New OI | OI Change |
| PTON | June \$115 Calls | 457 | 3,542 | 675.05% |
| MRNA | February \$125 Calls | 934 | 2,421 | 159.21% |
| SPLK | January 2023 \$320 Calls | 730 | 1,830 | 150.68% |
| SPOT | January \$350 Calls | 1,065 | 2,570 | 141.31% |
| BA | May \$250 Calls | 1,496 | 3,224 | 115.51% |
| MET | June \$52.50 Calls | 5,087 | 10,071 | 97.98% |
| GM | June \$50 Calls | 7,207 | 12,320 | 70.94% |
| OXY | January \$17 Calls | 8,773 | 14,266 | 62.61% |
| ENPH | May \$200 Calls | 2,800 | 3,933 | 40.46% |
| SNAP | April \$50 Calls | 10,267 | 14,173 | 38.04% |
| SPOT | January 2023 \$370 Calls | 593 | 593 | 0.00% |
| AON | April \$200 Calls | 3,726 | 804 | -78.42% |

Earnings Grid

| Stock | Open Interest | Historical Moves | Avg. 6 Q Max Move | Implied Move | Short Float | SI Change (3mo) | IV30 Skew |
|-------|--|------------------|-------------------|--------------|-------------|-----------------|-----------|
| CRM | 4000 March \$230 Calls Bought for \$18M; 10,000 Jan \$270 Calls Bought | Lower 3 of 4 | 9.10% | 6.32% | 1.51% | -6.7% | 3.29% |
| SNOW | 1150 Dec \$350 Calls Bought, Feb \$225 Short Puts; 1200 Feb \$300 Calls Bought | No History | - | 13.25% | - | - | -7.93% |
| DG | 1500 Each Jan \$210 and \$220 Calls Bought | Lower Last 3 | 6.38% | 3.89% | 0.81% | 38.9% | 4.18% |
| VEEV | June \$210 Short Puts 1000; Dec \$270 Short Puts 2000X; 1K Mar \$270 Calls Bought | Higher Last 3 | 8.38% | 7.31% | 1.45% | 4.5% | -1.48% |
| SNPS | 500 Mar \$230 Calls Bought and 1950 Mar \$250 Calls Bought | Higher 4 of 6 | 5.84% | 6.57% | 1.16% | -19.2% | 3.52% |
| SPLK | Dec \$200/\$180 Bull R/R 550X; Jan 2022 \$220 and Feb \$210 Short Puts; 3K Jan \$220 Calls | Lower 5 of 7 | 10.35% | 6.40% | 5.39% | -4.4% | 1.50% |
| OKTA | 1390 Jan \$250 Calls Bought in OI; Smaller Jan 2022 OTM Call Buying | Lower 4 of 5 | 6.94% | 6.37% | 6.63% | -0.4% | 1.49% |
| MRVL | 16,000 Dec \$46 Calls Bought, 14K Feb \$45 Calls Bought | Higher Last 3 | 6.95% | 5.26% | 2.60% | -17.0% | 1.60% |
| KR | 10,000 Apr \$35 Puts Bought | Lower 5 of 7 | 5.85% | 4.48% | 7.90% | 1.3% | -0.44% |
| TCOM | 7000 Jun \$36 Calls Bought in OI; 2K June \$40 Calls | Higher Last 3 | 8.14% | 7.60% | 2.00% | 1.0% | 1.02% |
| ZS | 1K Sep \$190 Calls Bought; 2000 May \$120 Short Puts; | Lower 5 of 6 | 17.20% | 9.03% | 5.87% | -5.7% | -0.66% |
| COO | No Notable OI | Higher Last 3 | 5.80% | 6.06% | 1.39% | -9.2% | 7.78% |
| ULTA | 2350 Jan 2022 \$330 Calls Bought; 1K Dec 24th (W) \$250 Ccalls | Higher Last 4 | 14.45% | 6.68% | 4.00% | -23.8% | 5.74% |
| HPE | 3K Jan 2022 \$8 Short Puts, 4760 Sep 2021 \$8 Short Puts; 12K Jan 2022 \$10 Short Puts | Lower 5 of 6 | 3.50% | 5.70% | 3.13% | 24.4% | 5.43% |
| NTAP | 4000 Dec 11th (W) \$52 Puts Bought; 2K Jan 2022 \$30 Short Puts | Higher 3 of 5 | 8.95% | 5.93% | 6.57% | -9.3% | -0.10% |
| ESTC | 750 May \$125 Short Calls | Lower 3 of 4 | 12.00% | 10.22% | 7.71% | 59.3% | 2.19% |
| FIVE | No Notable OI | Higher 4 of 5 | 9.93% | 6.81% | 9.01% | -5.4% | -0.62% |
| PVH | No Notable OI | Lower 3 of 4 | 9.74% | 9.97% | 3.82% | -23.5% | 4.25% |
| OLLI | Size April \$110, \$100, \$90 Puts Bought and 3900 Jan 2022 \$120 Puts | Higher 3 of 4 | 13.33% | 9.92% | 13.85% | 9.1% | 2.40% |

| Stock | Open Interest | Historical Moves | Avg. 6 Q Max Move | Implied Move | Short Float | SI Change (3mo) | IV30 Skew |
|-------|---|-----------------------------|-------------------|--------------|-------------|-----------------|-----------|
| MDLA | No Notable OI | Lower 3 of 4 | 11.00% | 11.15% | 14.16% | 59.4% | 7.04% |
| CLDR | 7000 Jan \$10 Calls Bought; 6700 Jan \$5 Calls Bought; | Higher 3 of 4 | 19.90% | 11.44% | 7.16% | 10.9% | -8.46% |
| CBRL | 14,000 Jan 2022 \$220 Short Calls | Lower Last 4 | 5.00% | 7.02% | 7.99% | -16.1% | 7.84% |
| BOX | 3000 Dec \$18 Calls Bought; 3000 Jan 2023 \$35 Calls Bought; 2K Dec \$15 Short Puts | Higher 4 of 5 | 10.73% | 9.32% | 5.30% | 26.6% | -2.84% |
| PDCO | No Notable OI | Higher 3 of 5, Lower Last 2 | 10.43% | 9.38% | 10.48% | -9.0% | 16.59% |
| PD | 300 May \$30 Calls Bought; 745 Feb \$22.5 Short Puts | Lower 4 of 5 | 19.20% | 13.10% | 12.64% | 58.2% | 4.68% |
| YEXT | No Notable OI | Lower 5 of 6 | 13.05% | 10.92% | 7.03% | 7.5% | 4.62% |
| BIG | 1700 Ddec \$50 Calls Bought, 1400 Apr \$60 Calls Sold, 3K Jan \$65 Short Calls | Higher 5 of 7 | 20.85% | 12.53% | 19.94% | -3.5% | 5.65% |
| SIG | 1K Dec \$25 Calls; 2K Dec. \$29/\$32 Call Spreads Bought | Higher 3 of 5, Lower Last 2 | 22.40% | 16.80% | 23.76% | -24.3% | 3.19% |
| ZUO | 2000 Jan \$11 Calls Bought; 6500 Mar \$15 Calls Bought; 9500 Dec \$13 Short Puts | Lower 7 of 9 | 21.60% | 13.73% | 7.73% | 11.2% | -1.81% |
| GMS | 8000 Apr \$40 Calls Bought | Lower 3 of 4 | 9.67% | 14.07% | 2.90% | 13.7% | -5.91% |
| HOME | 1600 Jan \$17 Calls Bought and 2K Dec \$15 Short Puts | Lower 10 Straight | 26.50% | 16.41% | 13.66% | 43.9% | 0.27% |
| DOMO | 3000 Dec \$40 Calls Bought in OI | Higher Last 4 | 23.78% | 14.11% | 12.03% | 17.1% | -3.53% |
| SWBI | 8000 Jan \$17.50 Calls Accumulatd in OI and 6500 Jan \$12.50 Short Puts | Lower 2 Reports | 8.30% | 14.23% | 4.30% | 3.6% | 0.16% |

Earnings Review

| Ticker | Stock | EPS Actual | EPS Est. | Revs Actual | Revs Est. | Y/Y Change | Notes |
|--------|-----------------------|------------|----------|-------------|------------|------------|----------|
| CRWD | CrowdStrike | \$0.08 | \$0.00 | \$232.50 | \$214.36 | 85.90% | FY Above |
| DSGX | Descartes | \$0.15 | \$0.14 | \$87.50 | \$86.10 | 5.40% | |
| ESTC | Elastic | -\$0.03 | -\$0.20 | \$144.90 | \$130.48 | 43.30% | FY Above |
| FIVE | Five Below | \$0.36 | \$0.20 | \$476.61 | \$444.91 | 26.30% | |
| GES | Guess? | \$0.58 | \$0.05 | \$569.28 | \$515.58 | -7.60% | |
| OKTA | Okta | \$0.04 | -\$0.01 | \$217.40 | \$203.15 | 42.10% | |
| PVH | PVH | \$1.32 | \$0.23 | \$2,118.10 | \$1,995.25 | -18.10% | FY Above |
| SMTC | Semtech | \$0.47 | \$0.46 | \$154.08 | \$149.88 | 9.30% | |
| SNOW | Snowflake | -\$1.01 | -\$0.26 | \$159.62 | \$147.65 | 118.60% | |
| SPLK | Splunk | -\$0.07 | \$0.09 | \$559.00 | \$613.83 | -10.70% | FY Below |
| SPWH | Sportsman's Warehouse | \$0.71 | \$0.47 | \$385.70 | \$323.68 | 59.10% | FY Above |
| SNPS | Synopsys | \$1.58 | \$1.57 | \$1,025.00 | \$1,019.90 | 20.40% | |
| ZS | Zscaler | \$0.14 | \$0.06 | \$142.60 | \$132.29 | 52.40% | |

Earnings Before the Open

| Ticker | Stock | EPS Actual | EPS Est. | Revs Actual | Revs Est. | Y/Y Change | Notes |
|--------|-----------------------|------------|----------|-------------|-------------|------------|-------------|
| AZEK | AZEK | | \$0.27 | | \$247.22 | | |
| CM | CIBC | | \$2.53 | | \$4,694.40 | | |
| CBRL | Cracker Barrel | | \$0.44 | | \$639.07 | | |
| DG | Dollar General | \$2.31 | \$1.99 | \$8,199.60 | \$8,129.10 | 17.30% | Comps 12.2% |
| DCI | Donaldson | \$0.48 | \$0.45 | \$636.60 | \$615.20 | -5.40% | |
| GMS | GMS | \$0.93 | \$0.91 | \$812.90 | \$806.07 | -5.70% | |
| KR | Kroger | | \$0.66 | | \$30,030.62 | | |
| MEI | Methode Electronics | \$1.01 | \$0.80 | \$300.80 | \$276.58 | 17.00% | FY In Line |
| MIK | Michaels Stores | | \$0.59 | | \$1,391.16 | | |
| SCWX | SecureWorks | \$0.08 | \$0.05 | \$141.60 | \$138.19 | 0.20% | |
| SIG | Signet Jewelers | \$0.11 | -\$0.66 | \$1,300.30 | \$1,135.96 | 9.50% | |
| TD | Toronto-Dominion Bank | \$1.59 | \$1.28 | \$11,844.00 | \$9,481.71 | 14.50% | |

SNOW – Missed on EPS and Beat on Revs – Total revenue for the quarter was \$159.6 million, representing 119% year-over-year growth. Product revenue was \$148.5 million, representing 115% year-over-year growth.

OptionsHawk Market Blitz

Remaining performance obligations were \$927.9 million, representing 240% year-over-year growth. Net revenue retention rate was 162% as of October 31, 2020. The company now has 3,554 total customers and 65 customers with trailing 12-month product revenue greater than \$1 million. See the section titled “Key Business Metrics” for definitions of product revenue, remaining performance obligations, net revenue retention rate, total customers, and customers with trailing 12-month product revenue greater than \$1 million.

CRWD – Beat on EPS and Revs, Raising FY – “CrowdStrike delivered a record third quarter with results exceeding our expectations across the board. Broad-based demand and strength in multiple areas of the business fueled our rapid 87% year-over-year subscription revenue growth, record net new ARR of \$117 million and record 1,186 net new subscription customers. CrowdStrike’s robust growth at scale underscores our growing leadership in the Security Cloud category and the immense value we deliver to customers seeking to transform, consolidate and fortify their security posture,” said George Kurtz, CrowdStrike’s co-founder and chief executive officer.

OKTA – Beat on EPS and Revs – “We are seeing the importance of a modern identity platform like the Okta Identity Cloud grow as businesses around the world accelerate their adoption of cloud-based applications and re-imagine their digital customer experiences,” said Todd McKinnon, Chief Executive Officer and co-founder of Okta. “Our strong third quarter results reflect Okta’s leading position in identity and access management and our continued ability to execute and drive industry-leading performance.” Q3 revenue grew 42% year-over-year; subscription revenue grew 43% year-over-year. Remaining performance obligations (RPO), or subscription revenue backlog, grew 53% year-over-year.

SPLK – Missed on EPS and Revs, Guidance Below – “Even in the face of uncertain market conditions, Splunk remains one of the fastest growing companies in the history of enterprise software,” said Doug Merritt, President and CEO, Splunk. “We crossed an important milestone during the quarter as continued demand for data-driven insights across our global customer-base drove our total ARR to over \$2 billion. Today, there’s no better strategic partner to help organizations turn their data into action and accelerate their journey to the cloud than Splunk. Our cloud momentum continued in the third quarter, we exceeded our cash flow target significantly and we ended with Cloud ARR up 71% year-over-year — among the highest growth rates in the industry,” said Jason Child, chief financial officer, Splunk. “While the environment was a challenge in the quarter, we are enthusiastic about the large and growing opportunity ahead and remain confident in our long-term growth trajectory.”

ZS – Beat on EPS and Revs - Revenue grows 52% year-over-year to \$142.6 million. Calculated billings grows 64% year-over-year to \$144.7 million. "Our customers are accelerating their digital transformation, and this drove our strong first quarter results," said Jay Chaudhry, Chairman and CEO of Zscaler. "Organizations are turning to the Zscaler™ Zero Trust Exchange platform for the right security architecture, which can be implemented easily and rapidly. Our visibility and business momentum remain strong, and we are pleased to increase our fiscal year guidance."

DG – Beats EPS and Sales - Same Store Sales +12.2% - Same-store sales increased 12.2% compared to the third quarter of 2019, driven by an increase in average transaction amount, partially offset by a decline in customer traffic. Same-store sales increased in each of the consumables, seasonal, home products and apparel categories, with the largest percentage increase in the home products category. Gross profit as a percentage of net sales was 31.3% in the third quarter of 2020 compared to 29.5% in the third quarter of 2019, an increase of 178 basis points. During the quarter, we also continued to make great progress advancing our key strategic initiatives, including the rollout of DG Pickup across nearly our entire store base, and the launch of our newest store format, pOpshelf. In total, we executed 765 real estate projects, further laying and building the foundation for future growth. Overall, our ongoing operating priorities, coupled

with our key strategic initiatives, position us well to continue delivering value and convenience for our customers, along with long-term sustainable growth and value for our shareholders.

Disclosures

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

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