



Inside Today's Blitz

- House Poised to Pass Stimulus as Minimum Wage Hike Dealt Setback
- US Carries Out Air Strikes in Syria Targeting Iranian-Backed Militias
- **BYND** signs new deal with **MCD**, **YUM**; **ALB** to sell Fine Chemistry Business to **GRA** for \$570M; **APPS** is buying AdColony; **BA** 737 MAX gets OK in Australia to fly

Market Outlook

Futures are indicating a weak open for the morning with the **Dow** off by 52 bps, the **S&P** down 39 bps, and the **Nasdaq** down 67 bps. The **Russell** is down 82 bps. Energy is under pressure too with **WTI** down 1.4% and **Natural Gas** down 2.6%. **Gold** and **silver** are both in the red with the latter off by 3.3%. **Copper** is down 2.75%. The **dollar** is up 68 bps. **Bonds** are down 35 bps. **VIX** is 28.10. **Bitcoin** is down 1.8%. It has been a relatively quiet night for the major US indices, although Asia got crushed and Europe is weak early. 10-year yields are kind of flat this morning around 1.483%. The move yesterday up to 1.6% has been blamed on technical more than fundamentals while liquidity is also becoming a concern for some. We'll get more inflation data this morning with personal income/spending and PCE. It has been fairly quiet on the news front, as much of the week has been so far. The House will pass the \$1.9T stimulus bill today even if minimum wage hikes are not part of it.

Asian markets got hit hard overnight with the Hang Seng down 3.65%, Shanghai down 2%, and the Nikkei off by 4%. Taiwan and Korea both down almost 3%. In Europe, the major indices are off by around 50 bps with weakness in energy. There's some outperformance so far in retail, travel, healthcare, and utilities. Building material company **LafargeHolcim** fell 1% after earnings. **BASF** is up slightly after the chemicals company was optimistic about reopening plans in 2021. **Deutsche Telekom** gained 1% after Q4 profits jumped. Natural gas and electricity supplier **Engie** fell 1% after they posted a loss in FY20. Retail company **Pets At Home Group** jumped 5% after raising their outlook. Real estate company **Rightmove** was down 2% after reporting a weak year. **Jupiter Fund Management** rallied 2% after they noted AUM hit a record high.

Calendar

Today... Earnings Before the Open: AMCX, AMRX, BLDR, CNK, CRON, DKNG, EVRG, FLR, FL, LAMR, MODV, NWN, PNM, PEG, QRTEA, RHP, SSP, STRA, SLCA; **Analyst Days:** SAIL; **Conferences:** CSFB Financial Services, Leerink Healthcare

Next week... the big focus will be on beginning of the month data including the jobs report on Friday. The stimulus deal will move to the Senate. OPEC meets on Thursday. Earnings continue to be heavy with notables from ZM, AZO, TGT, DLTR, MRVL, OKTA, SNOW, SPLK, AVGO, COST, and BIG. A lot of analyst meetings again too including XOM and ANTM on Wednesday.

Overnight Markets

US Dollar	90.7	0.63%
Bonds	159	-0.43%
Gold	1758.8	-1.00%
Oil (WTI)	62.39	-1.80%
Natural Gas	2.716	-2.20%
Copper	4.135	-3.00%
Silver	26.77	-3.30%

Technical View



Key Levels to Watch

It was a fairly quiet night for S&P futures despite the weakness everywhere else. We were range bound between 3845 and 3800, potentially a bear flag on the 1-hour chart from Thursday's weakness. VWAP is flat at 3825 and VWAP for the week is above at 3868.5. The lows around 3804 key to watch as that was also where we bounced on Tuesday.

Economic Data

- **Japan** construction orders were +14% in January vs -1.3% prior
- **Japan** housing starts fell 3.1% in January vs -1.9% est.
- **Japan** retail sales fell 2.4% vs -2.6% est.
- **Japan** industrial production rose 4.2% vs 3.8% est.

Macro News

- **Biden's** ag secretary says that China appears to be honoring its Phase 1 commitments, per CNBC
- Biden ordered a military strike on **Syria**, per CNN, in response to rocket attacks on US forces recently
- The Senate rules that **minimum wage** isn't eligible for reconciliation, per the WSJ, meaning it will be left off the stimulus bill
- **The BOJ** bought ETFs yesterday for the first time since 1/28, per Bloomberg, as they worry about the recent market slump
- **BOJ's Kuroda** says its important to keep rates low to allow the economy to recovery from COVID, per Reuters
- **The RBA** conducted a bond buying program on Friday, per Reuters
- **Japan** will end its COVID state of Emergency early, says Nikkei, with parts of Tokyo an exception
- **Fed's Williams** says US GDP growth in 2021 could be among the best in decades, per Reuters

Movers

Gainers: GRPN 13%, EB 9.5%, SFM 9%, DVAX 8%, DAR 7%

Losers: TCDA -30%, KOSS -15%, SPCE -15%, FTCH -12%, DASH -12%, TPIC -11.5%

Insider Buying

ABT, OLED, CHD, DD

Notable ARK Investment Buys

TDOC, SQ, PYPL, SI, OPEN, MASS, ADPT, TXG, EXAS, TER, JD, BIDU

IPO Calendar

Nothing Scheduled

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- **China's PBOC** thinks the economy could grow 8% to 9% in 2021 from its lowest point last year, per Reuters
- **PIMCO CIO** warns we could see an inflation 'headfake' where prices rise for just a temporary amount of time, per FT
- **Company executives** are getting more upbeat about their ability to raise prices, per Washington Post

Stock-Specific News

Consumer

- **Beyond Meat (BYND)** signs three-year deal with **McDonalds (MCD)** to be McPlant supplier; **BYND** also partnering with **YUM** on plant-based protein items
- **Danone** is facing pressure from two shareholders now to find a new CEO, per Reuters, as Artisan is joined by Bluebell
- **IAG** posts a weak quarter but optimistic about travel in 2021 citing big increases in flight and holiday bookings for Summer, per Bloomberg
- Restaurant chain **Soho House** plans to go public at a \$3B valuation, per FT
- **UBER**-backed **Lime Scooter** is in early talks to go public via SPAC, per Business Insider. The company is working with investment banks
- The WSJ with a positive profile of **ABNB**. The Heard on the Street column says the company deserves to be valued above hotels as the business likely never recovers fully to pre-pandemic levels

On the Chart

BYND is trading somewhat flat after earnings despite a wide overnight range and above \$155 could easily move back to \$170

Financials

- **MA** publishes updated Q1 metrics; Switched Transactions week ended 2/21 down 1% vs. prior week up 4%; cross border volumes down 27% vs. down 25% week prior
- **JPM** CFO says the company is looking at deal targets in asset management with a greater sense of urgency, per Bloomberg
- **Robinhood** remains on track for a 2021 IPO, per CNBC
- **Ant Group** is in talks with regulators to boost capital for its consumer finance unit, per Reuters
- **ARES** will pay A\$1.35B for a 60% stake in AMP Ltd's private markets business, per Bloomberg
- **CLGX** is looking for greater antitrust risk assurances from **CSGP** before OK'ing a deal, says Reuters
- **Kraken** is in talks to raise funding at a \$10B valuation, per Reuters. This would double the crypto exchanges last valuation
- The WSJ with a cautious look at recent **mortgage lender IPOs**. They note that while many companies came public in 2020, their returns have

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MA continues to see strong flows with the run higher including buyers this week in the June \$420 calls and April \$370 calls in size

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been lackluster as headwinds persist for the industry, mentions **LDI**, **HMPT**, **RKT**

Healthcare

- **AXNX** announces acquisition of Contura for total consideration of \$200 mln in cash and stock
- **GKOS** announces positive Phase 3 data for iLink therapy in treatment of keratoconus, known as Epi-on
- **TAK** to divest type 2 diabetes portfolio to Teijin Pharma for JPY 133B
- **BMJ** receives positive CHMP opinion for Opdivo/Cabometyx combination
- **LLY** says More Doses Of Neutralizing Antibody Therapy Purchased By US To Treat Covid-19
- **EXEL** says Ipsen receives positive CHMP opinion for CABOMETYX/OPDIVO combo

Energy & Materials

- **Albemarle (ALB)** to sell Fine Chemistry Services business to **WR Grace (GRA)** for \$570M (\$300M in cash and preferred stock)
- **PBR** CEO to step down on March 20, says WSJ. His departure comes as President Jair Bolsonaro pushes to install an army general as CEO
- **CCK** authorizes \$1.5B buyback
- **PPG** to boost global production of UniversalPHOLED materials

Industrials

- **BA** says the 737 MAX can fly again in Australia after the government removed its ban, per Reuters
- **BA** says another 777 was forced to make an emergency landing in Russia due to a sensor problem, per Reuters
- **NKLA** expects to only make ~100 BEV trucks in 2021 and likely raises capital this year, per FT
- **SPCE** likely won't conduct its next flight until May, says Reuters
- **Kia Motors** may still strike a deal with Apple to partner on vehicle production, says Reuters

Tech/Telecom

- **AT&T (T)**, **TPG** to form new entity to operate video business after DirectTV deal
- **APPS** to acquire **AdColony** for \$400M
- **TSM** is expanding 5nm capacity, says Digitimes, to meet strong demand from a host of heavyweight clients, including Apple, AMD and MediaTek

On the Chart

ALB pulling back recently to December value and forming a loose base under \$163.50, a spot to watch above

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APPS pulled back this week to January value and the rising 50-MA just below, nice area to watch a consolidation form and still has notable open interest in the March \$100 call and April \$115 calls

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- **Deutsche Telekom** topped earnings expectations and issues upbeat FY outlook, per Reuters
- **Huawei** is hoping to hold talks with the Biden administration to resolve the export ban, per Nikkei
- **Cellnex Telecom** to buy **Polkomtel** for €1.68B, per Bloomberg
- **Chip executives** warn that it will take time to ease the supply shortage and there's no easy fix from Biden, per WSJ

Analyst Notes

Upgrades

- **CVNA** raised to Overweight at MSCO, \$420 target, sees Carvana being uniquely positioned to serve an automotive and transportation market that goes far beyond the used car market, contends that describing Carvana as just a 'used car dealer' is like describing Amazon nearly two decades ago as just an online book seller
- **LB** raised to Overweight at MSCO; Raised to Outperform at Evercore; thinks an important culture shift has begun at the company that gives the Victoria's Secret brand a much better chance to succeed. While Bath & Body Works has evolved into an extremely attractive consumer discretionary business
- **LPSN** raised to Overweight at JPM, citing thematic trends as increasingly companies are using artificial intelligence and natural language processing solutions like what LivePerson offers to help handle the dramatic increase in customer support requirements, and even in the sales process
- **ELAN** raised to Outperform at CSFB, views the magnitude of the valuation disconnect between Elanco and its animal health peers as unwarranted on more tangible evidence of topline and margin execution.
- **AIG** raised to Overweight at Atlantic
- **HPQ** raised to Overweight at JPM
- **NOVA** raised to Outperform at CSFB
- **ORCC** raised to Outperform at RBC
- **PRTA** raised to Outperform at RBC
- **ZS** raised to Buy at BTIG
- **NTAP** raised to Outperform at Daiwa
- **ORCC** raised to Outperform at RBC
- **SEM** raised to Buy from Underperform at BAML
- **CMCO** raised to Buy at DA Davidson

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CVNA dipped back near \$240 last night and 3500 May \$240 short puts in OI make that a good spot of potential support.

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PRTA on 2/17 with the unusual 2500 June \$30 calls bought for over \$1M and our write-up, an intriguing Biotech at this level

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Downgrades

- **EDIT** cut to Underweight at JPM
- **SAGE** cut to Neutral at Mizuho, there is risk of significant downside if the upcoming data for SAGE-324 or zuranolone disappoint with upside to \$95-\$100 but downside potentially below \$60
- **FATE** cut to Neutral at Wedbush
- **VRRM** cut to Equal Weight at MSCO

Initiations

- **ICAD** started Outperform at OpCo, \$27 PT, though acknowledging it is still in early launch, the analyst believes ICAD's ProFound AI Risk solution could revolutionize the breast cancer screening and treatment paradigm
- **FATE** started Buy at BAML
- **PSNL** started Buy at Needham, \$38 target

Other Notes

- **ETSY** target to \$286 from \$178 at Goldman, As Etsy continues to capitalize on significant opportunity in the surge in e-commerce adoption, there is considerable upside to consensus estimates over the course of 2021 and beyond
- **AVGO** target to \$575 from \$500 at OpCo, expects supply constraints to linger well in the second half of 2021 with larger companies like Broadcom having premier access to leading edge capacity.
- **NKE** target to \$158 from \$125 at HSBC, top line growth and margin expansion are no longer mutually exclusive for the company as online sales and DTC business kick in sustainably
- **TWTR** target to \$112 from \$78 at Goldman, The acceleration in growth at Twitter driven by product innovation and ad tech investments will continue, as users and advertisers increasingly find utility in the platform, new features and services are introduced, and live events return
- **ABNB** target to \$220 from \$175 at Canaccord
- **CVNA** target to \$302 from \$260 at Piper
- **DELL** target to \$98 from \$90 at JPM
- **ETSY** target to \$270 from \$215 at Canaccord
- **MET** target to \$64 from \$56 at KBW
- **TWTR** target to \$91 from \$77 at JPM
- **KRTX** target to \$150 from \$116 at Mizuho
- **PSX** target to \$96 from \$70 at Mizuho

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ETSY a top name that pulled back and reported a great quarter, has a lot of upside call spreads in open interest for March and size June \$220 calls bought

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TWTR seeing target raises after the Analyst day and on 2/25 10,000 May \$85/\$110 call spreads bought to open

Trade Ideas

Eli Lilly (LLY) shares in a nice bull flag under \$206.50 and holding up well over the last week, relative strength vs the broader market. LLY shares have been narrowing over the last two weeks and move higher can get some momentum with recent highs at \$212.50 and a measured move to \$230. Cowen positive recently noting that LLY appears quite enthusiastic about upcoming data on Donanemab which appears ready to impress.

Eli Lilly and Company, Daily, Nasdaq - Chao BZX 0 145.05 H 147.30 L 138.00 C 142.74 Change -1.59% Retail client

Signal indicator list



Technical Scans

Inside Days: ARNC, HON, ROP, CMI, OLED, TYL, JAZZ, BLL, MDB, CP, YUM, HD, ABBV, MA, TXRH, INTU, SCHW

Ready to Run: PETQ, GSX, DDS, QURE, CORE, LLY, MCFE, HQY, M, K

Bullish Reversal Days: ARGX, CL, HE, JOBS, NEE, PFE, TRN

Insider Focus

DuPont (DD) with a notable insider buy on 2/22 from director Terrance Curtin of 7,500 shares at \$69.94, a more than \$520,000 investment. DD has underperformed in 2021 down 2% after a strong rally to end 2020. Shares have pulled back from the highs around \$85 recently and now starting to turn the corner back above \$70 and out of a narrow downtrend. The \$37B company trades 17.45X earnings, 1.8X sales, and 12.75X FCF with a 1.72% yield. DD is guiding to mid-single digit growth with EPS growth of 20% in FY22. DD reported a strong quarter with a strong outlook given their exposure to automotive, protective garments, residential construction, semiconductor, and smartphones. DD recently completed their long-awaited spin of their nutrition business to Int'l Flavors (IFF), removing a major overhang and now likely to recapture the value gap versus peers. The deal also gave DD over \$7B in cash that strengthens their balance sheet, reduces leverage and gives them plenty of opportunity for shareholder-friendly actions. CEO Ed Breen noted in February that they plan to spend 4% of that cash on R&D but they're also looking at deals and it sounds like they have targets in mind:

"The way we're looking at M&A, I'd say, look, there's 2 targets that we're presently working on. I don't know if we'll be able to consummate them or not. We're not going to stretch to get them. We're going to make sure the numbers work for us, and we're going to make sure the numbers work on the cost synergy side, not taking into account revenue synergies even though the couple that we're working on do have revenue synergies.

So we'll see how that plays out. We're actively in that right now. They're right down the middle of the plate in a couple of areas that we already participate in. We're not going to do anything on the M&A side that's a new segment or anything like that. We feel like there's some good consolidation opportunities right where we have our strengths and right where we have great relationships with customers. So that's how we're looking at it."

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Short interest is 5%. Hedge fund ownership rose 16% in Q4, Jane Street Capital, Aristeia Capital, and Sachem Head all notable buyers. Analysts have an average target for shares of \$73 with a Street High \$94 from Deutsche Bank. Wells Fargo positive after their separation noting that the remaining company has a high-quality portfolio of businesses, which offers strong leverage to high performance polymers and resins that can replace other materials with superior performance, technology advancements needed in the semiconductor industry and engineered products focused on safety and health needs of a variety of industries.

Extras

CrowdStrike (CRWD) late day opening sale 1000 October \$200 puts for \$32.80

Ingersoll Rand (IR) bear flow with 1500 March \$50 puts bought \$3.10 to \$3.20

American Express (AXP) buyers active into afternoon weakness for 1750 April \$150 calls up to \$2.64

TelaDoc (TDOC) opening sales 700 October \$220 puts for \$38.80

Open Interest Checks

		OI Checks		
Ticker	Contract	Prior OI	New OI	OI Change
NXPI	March \$200 Calls	1,122	3,002	167.56%
FTCH	July \$65 Calls	1,103	2,626	138.08%
UAL	January 2023 \$55 Calls	1,592	3,619	127.32%
QQQ	March 31st (Q) \$300 Puts	6,535	12,932	97.89%
JD	March \$85 Puts	8,732	16,237	85.95%
AR	August \$10 Calls	5,573	10,229	83.55%
NCR	December \$45 Calls	3,510	6,222	77.26%
PAGS	March \$60 Calls	3,611	6,234	72.64%
SNAP	March \$70 Calls	11,612	19,085	64.36%
CRM	May \$260 Calls	2,737	4,470	63.32%
AMC	April \$13 Calls	13,358	18,813	40.84%
BCS	January \$10 Calls	8,277	11,237	35.76%
UBER	May \$60 Calls	28,178	34,164	21.24%
CRWD	January \$280 Calls	1,849	1,487	-19.58%
DIS	October \$220 Calls	3,418	2,529	-26.01%
GM	April \$60 Calls	14,763	8,295	-43.81%
ZM	May \$280 Calls	12,621	6,373	-49.50%
CREE	April \$100 Calls	1,865	916	-50.88%
HON	March \$215 Calls	2,488	981	-60.57%
MU	July \$82.5 Calls	5,046	1,552	-69.24%

What They're Saying

Etsy (ETSY) on the "Personalization Journey"... "Yes, I mean, 2020 is really the first time that Etsy has started to be personalized in a meaningful way. And you're right that we started with search. I think we're in very early innings. And you can think about personalization very narrowly as knowing, for example, how we've started, what things have you searched for in the past, what things have you favorited in the past, what have you bought in the past and using that to inform your search results. But taking the aperture out further, having a deeper understanding of what that might imply of your sense of style and understanding things like what style are all of these 80-plus million items, what are other people who bought these also been interested in, what might complete the look of this. It might not be that item at all, but it might be other things that match with that item. These are all areas of personalization, where we have not really even begun. And so I think we have a tremendous amount of opportunity still to go. What we have learned, which is not surprising to us or anyone, is that it is actually valuable. Even in our first launches in personalization, it makes the experience better. It makes conversion rate go up. We're very optimistic about what it can do. So if I think about personalization to your point of where else can you go, search and discovery, which I would think of as a lean and you type in a query at Etsy and we give you a more personalized set of results, is where we've started. Lean back is another opportunity for personalization. So think what kind of recommendations can we present to you, what kinds of things can we show you that would inspire you that you didn't even think to ask for but we happen to know that other people like you are interested. And the other bucket that I think is very exciting is Offsite. When we are marketing to you, being on Facebook or Google or elsewhere, the ability to know more about you and be even more personalized in terms of how we reach out to you is an opportunity that I think is large and will continue to get better and better over time."

SunRun (RUN) on Grid Services revenues... "So we've announced 12 grid services programs, which we believe we're far -- we know we're far and away the lead on. And we've really been working on, hey, how do we open up as many grids services markets in as many geographies as we can open up so that we're able to get access. So sort of like we're kind of building the foundation and build the building the market. The programs that we have announced for the most part have been in terms of just at our scale now, they're not huge contributors to the near-term financial results. So when they do become big contributors, which we expect they will, we will definitely start to provide more color there. But for now, it's really a -- it's still more in sort of -- I mean, I would say beyond pilot because we have a decent amount of assets committed. But it's still in its early innings."

Dell (DELL) on the IT Spending environment... "We believe the demand environment will continue to improve. Estimates from both IDC and Gartner see IT spending growing mid-single digits in calendar year 2021, including growth in our core PC, server and storage markets. The "Do-From-Anywhere-World" is here to stay. We believe the total addressable market is expanding as there are still millions of children around the world that need PCs, the number of PCs in the household continues to increase. And additionally, the refresh cycles are accelerating with the shift to notebooks, and we are on the cusp of widespread 5G connectivity driving real time, automated and intelligent outcomes at the edge. This will drive an estimated \$700 billion in cumulative spend on edge IT infrastructure and data centers within the next decade. There is a lot of opportunity ahead for Dell Technologies, and we are going after it with a balanced growth strategy that begins with growing and modernizing our core businesses. The value creation potential in our client and our infrastructure business is enormous as we consolidate share in the markets that have steady GDP-like growth."

DoorDash (DASH) on longer term opportunities... "Look, the goal on -- if you think about our portfolio of investments today, we are growing in our core category of restaurants, which we have -- we believe, has

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massive runway ahead. We're adding categories to becoming a multi-marketplace -- multicategory marketplace. We're adding products on our platform in addition to Drive and Storefront. And the fourth area is international. So our perspective on international opportunities is really taking a very long-term view and becoming a global company over the long run. And given what we've seen, even with our current footprint in Australia and Canada where we believe we gained share in 2020 and saw improvements in our unit economics, we're really liking what we've seen with our playbook. And we also like what we see in terms of some of the geographic opportunities outside of the ones we operate in, in terms of just how underpenetrated and how large some of these opportunities are, especially as we bring a multiproduct portfolio into those geographies. If you compare just our GOV compared to the overall restaurant spend, we're a tiny fraction of that. So there's a lot of runway for growth just in food delivery alone. Now you tack onto that new verticals such as convenience and grocery, and that further adds to our addressable market where a tiny, tiny fraction of that. So international is definitely an important priority as an area where we certainly aspire to grow into, but even the core U.S. business have many avenues for growth, and we're relatively early in those opportunities."

Shake Shack (SHAK) on digital efforts and investments... "Second, capitalizing on the adoption of our digital tools and doubling down on the investments in those channels, especially Shack Track. So far, we've added 13 exterior windows which have improved the flow of guest traffic, the experience for in-Shack orders and dining. In addition to delivery orders, about 1/4 of app and web orders are now picked up through these windows. Our curbside program, available to more than 70 Shacks, also continues to show great potential. Although curbside is not feasible for every Shack format given layout location, we see this as an opportunity to further boost sales long term, especially in suburban markets. Across all our Shacks, we're working hard to add a level of convenience that increasingly allows our guests to experience Shake Shack on their terms by removing friction points that existed in the past."

Berkeley Lights (BLI) on its markets and tailwinds... "For those on the call who are new to Berkeley Lights, we are a leading digital cell biology company focused on accelerating the rapid development and commercialization of biotherapeutics and other cell-based products. We envision a future where cells are a scalable and sustainable way to manufacture the products that we need to live a long and healthy lives. And the Berkeley Lights platform is key to enabling this by providing precise, rapid discovery and functional validation of biology. Our goal is to become the industry standard across a cell-based product value chain. Now the markets that can be addressed by cell-based products are varied and large, and we are initially focusing on 3 markets: antibody therapeutics, cell therapy and synthetic biology. Collectively, these markets accounted for estimated end-market sales of \$148 billion in 2019 and are projected to grow to over \$250 billion over the next 4 years. We believe these markets represent an estimated addressable market opportunity of \$23 billion to Berkeley Lights. As we look ahead in 2021, there are 3 key tailwinds that are driving growth across our markets. First, demand for cell-based products is growing. Second, the complexity of cell-based products is increasing, requiring more precise multifunctional assays with the highest resolution. And third, there are new therapeutic modalities, including multi-specific antibodies, cell and gene therapies using DNA or mRNA therapeutics, which require precise functional validation."

Live Nation (LYV) on the live event industry... "We continue to have a substantial tailwind in the live event industry as consumers, more than ever, are looking to spend on experiences. The supply-demand fundamentals of the concert business remains strong, with artists ready to get back on the road and fans eager to reconnect at events. All our data continues to show that there is substantial pent-up demand for concerts on the consumer demand side. The \$2.4 trillion projected surplus in savings in the U.S. alone by June is a key indicator of consumer spending potential. At the same time, surveys demonstrate the high demand for concerts globally with 95% of fans likely to attend a show when restrictions are lifted. This is proving out in fan behavior as well

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with 83% of fans continuing to hold on to their tickets with rescheduled shows. Given the limited touring activity in 2020 and '21, the pipeline for 2022 is much stronger than usual, with almost twice as many major touring artists on cycle in 2022 in a typical year, about 45 artists versus the usual 25. And there remains plenty of scheduling availability at arenas, amphitheaters and stadiums to accommodate these additional tours, with over 2/3 of these venue nights unused by sporting events or major concerts in a typical year.”

Airbnb (ABNB) on its new Flexible Date feature and Hosts campaign... “On Tuesday, we launched a new feature that we call Flexible Dates. Today, more people are working from home, and that means more flexibility about when and where they travel. Because of this, we're seeing a shift in how people search on Airbnb. In 2021 to date, almost 40% of people searching on Airbnb have been flexible in terms of their date or their location of their stay. This is a huge change in the search paradigm and travel. Flexible Dates allows guests to search for homes in a whole new way. Instead of having to select the exact dates for a trip, guests are able to do broader searches. Now you can search for a weekend getaway, a weeklong vacation or even a monthlong stay sometime in the next few months. This allows our guests to browse more options while being flexible on the exact dates of their trip, and we think this will be a very popular feature coming this travel season.

“Made possible by Hosts is a global campaign. It's, as I said, our first global campaign in 5 years. And we think if this campaign is successful, this can absolutely mainstream hosting and bring a lot of people to our platform. In addition, we're doing a companion campaign called Made possible by Hosting, and that's going to talk about all the benefits of hosting. And we're going to really target people that are going through a life transition, as I said, people that just renovated their home, bought a new house, lost their jobs, maybe they retired, maybe their kids moved out of the house. So we think this is a really great way to be able to target and recruit more hosts. Once they come to Airbnb, we want to make it more -- we want to increase the conversion rate of people coming to Airbnb and then listing an active listing on Airbnb. Conversion rate is the name of the game. One of the things we've learned about conversion rate is the easier to make something and the more support you offer to somebody, the more likely they're going to get through the conversion funnel. So we're reducing the steps, we're going to allow you to become a host in less than 10 minutes, and if you need help, you can call customer service or we're going to match you to existing hosts to be able to support you along this journey. If we do these things, I think we'll be able to add a significant amount of more hosts because the average person around the world that they knew that they can make some extra money by meeting interesting people, a lot more people would do it.”

Airbnb (ABNB) on its better profitability profile... “As far as margin targets, one of the things we're really proud of is the progress we've made on our profitability efficiency over 2020, right? We've made substantial reductions in our fixed costs. We will not be having to add back fixed cost to support a business that will again approach 2019 levels and beyond. And so our fixed cost discipline is great and will continue. And then we saw really great improvement in our variable cost efficiency across the P&L. And when you actually remove -- in Q4, remove the onetime impact on stock-based compensation relative to the IPO, our costs are down in every category across our P&L. And it's not discipline of variable expensive. Things like cost of payments, community support expenses, infrastructure expenses, all the way down that we're proud of. And what we would expect to achieve over time is 30% EBITDA margins or greater. And this has just accelerated our path towards those long-term margin targets.”

Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change
ONEM	1Life Healthcare	-\$0.06	-\$0.12	\$121.80	\$106.63	57.40%
ACHC	Acadia Healthcare	\$1.13	\$0.63	\$541.28	\$740.43	8.00%
ACMR	ACM Research	\$0.29	\$0.27	\$45.50	\$42.51	85.00%
ADUS	Addus HomeCare	\$0.82	\$0.74	\$196.00	\$198.38	1.90%
ADT	ADT	-\$0.12	\$0.31	\$1,315.00	\$1,288.00	1.30%
ATSG	Air Transport Services	\$0.38	\$0.34	\$399.36	\$410.57	-1.00%
ABNB	Airbnb	-\$11.24	-\$8.81	\$859.00	\$745.37	-22.30%
ALRM	Alarm.com	\$0.45	\$0.27	\$165.58	\$145.86	17.90%
MDRX	Allscripts Healthcare	\$0.29	\$0.21	\$386.40	\$408.64	-6.70%
ALTR	Altair Engineering	\$0.17	\$0.00	\$133.44	\$116.71	7.70%
ADSK	Autodesk	\$1.18	\$1.07	\$1,040.00	\$1,009.61	15.60%
AXON	Axon	\$1.00	\$0.36	\$226.14	\$180.96	31.60%
BAND	Bandwidth	\$0.13	\$0.01	\$113.05	\$96.72	82.30%
BLI	Berkeley Lights	-\$0.19	-\$0.19	\$21.70	\$19.04	30.70%
BYND	Beyond Meat	-\$0.34	-\$0.12	\$101.90	\$104.11	3.50%
BMRN	BioMarin Pharm	\$0.21	\$0.18	\$452.10	\$440.14	-0.50%
CABO	Cable ONE	\$17.54	\$12.06	\$336.77	\$341.77	5.70%
CZR	Caesars Entertainment	-\$1.92	-\$1.61	\$1,500.00	\$1,700.46	153.30%
CVNA	Carvana	-\$0.87	-\$0.49	\$1,826.41	\$1,608.57	65.50%
FIX	Comfort Systems	\$0.99	\$0.84	\$698.96	\$692.88	-2.90%
CUBE	CubeSmart	\$0.47	\$0.42	\$150.43	\$177.74	3.40%
CWK	Cushman & Wakefield	\$0.43	\$0.35	\$2,273.10	\$2,119.75	-12.80%
DELL	Dell	\$2.70	\$2.14	\$26,112.00	\$24,496.80	8.70%
DASH	DoorDash	-\$2.67	-\$0.31	\$970.00	\$941.76	225.50%
ENDP	Endo Intl	\$0.75	\$0.48	\$760.22	\$651.41	-0.60%

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EOG	EOG Resources	\$0.71	\$0.36	\$2,965.50	\$2,754.95	-31.40%
ETSY	Etsy	\$1.08	\$0.70	\$617.36	\$515.68	128.70%
STAY	Extended Stay America	\$0.16	\$0.03	\$259.30	\$249.96	-8.80%
FTCH	Farfetch	-\$0.06	-\$0.15	\$540.11	\$518.06	41.30%
FOE	Ferro	\$0.25	\$0.19	\$260.00	\$244.63	5.80%
FSLR	First Solar	\$1.08	\$1.07	\$609.23	\$709.79	-56.50%
FND	Floor & Decor	\$0.47	\$0.45	\$723.65	\$683.81	37.30%
FOXF	Fox Factory Holding	\$0.90	\$0.79	\$262.40	\$248.15	41.20%
GKOS	Glaukos	-\$0.02	-\$0.29	\$73.20	\$67.84	11.10%
GRPN	Groupon	\$0.51	\$0.27	\$343.05	\$304.10	-44.00%
HCAT	Health Catalyst	-\$0.16	-\$0.20	\$53.28	\$52.05	22.50%
HPQ	HP	\$0.92	\$0.66	\$15,646.00	\$15,003.90	7.00%
ICUI	ICU Medical	\$1.77	\$1.51	\$320.50	\$300.67	1.60%
IRTC	iRhythm	-\$0.33	-\$0.33	\$78.80	\$76.68	33.30%
KAMN	Kaman	\$0.41	\$0.61	\$185.29	\$217.67	-22.10%
LMAT	Lemaitre Vascular	\$0.34	\$0.29	\$37.55	\$35.58	24.50%
LHCG	LHC Group	\$1.40	\$1.39	\$532.33	\$534.92	0.20%
LYV	Live Nation	-\$8.12	-\$2.26	\$237.30	\$214.20	-91.80%
LPSN	LivePerson	-\$0.20	\$0.01	\$102.10	\$99.21	29.10%
MAIN	Main Street Capital	\$0.59	\$0.51	\$62.50	\$54.98	3.30%
MTZ	MasTec	\$1.75	\$1.66	\$1,636.80	\$1,808.27	-4.20%
MED	Medifast	\$2.36	\$2.36	\$264.90	\$247.58	55.30%
MNST	Monster Beverage	\$0.88	\$0.62	\$1,196.28	\$1,131.85	17.60%
NTRA	Natera	-\$0.89	-\$0.66	\$112.40	\$106.63	35.10%
NTUS	Natus Medical	\$0.39	\$0.24	\$118.70	\$110.00	-10.10%
NPTN	NeoPhotonics	-\$0.14	-\$0.17	\$68.19	\$67.36	-34.00%
NDLS	Noodles & Co	\$0.04	\$0.05	\$107.20	\$107.46	-5.90%

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NUVA	NuVasive	\$0.59	\$0.56	\$291.80	\$298.12	-6.00%
OUT	OUTFRONT Media	-\$0.02	-\$0.03	\$335.80	\$318.50	-31.20%
PAGS	PagSeguro Digital	\$1.30	\$1.29	\$2,088.50	\$2,051.35	34.90%
PK	Park Hotels & Resorts	-\$0.53	-\$0.59	\$113.00	\$151.07	-86.00%
PETQ	PetIQ	-\$0.10	-\$0.12	\$164.20	\$146.52	6.40%
PRAA	PRA Group	\$0.65	\$0.66	\$273.90	\$252.10	1.80%
PVG	Pretium Resources	\$0.28	\$0.33	\$169.60	\$212.98	25.20%
PTCT	PTC Therapeutics	-\$1.08	-\$0.90	\$118.80	\$113.82	23.10%
PBYI	Puma Biotech.	-\$0.14	-\$0.09	\$52.60	\$52.69	-16.40%
KWR	Quaker Chemical	\$1.63	\$1.52	\$385.85	\$366.19	-1.40%
RMAX	RE/MAX Holdings	\$0.47	\$0.45	\$72.45	\$71.30	6.20%
RKT	Rocket Companies	\$1.14	\$0.88	\$4,699.00	\$3,962.24	143.70%
ROOT	Root, Inc.	-\$0.72	\$0.31	\$50.90	\$106.16	-52.20%
SAIL	SailPoint	\$0.10	\$0.00	\$103.34	\$94.56	16.10%
CRM	Salesforce	\$1.04	\$0.75	\$5,817.00	\$5,682.17	19.90%
SHAK	Shake Shack	-\$0.03	-\$0.12	\$157.50	\$157.03	4.00%
SFM	Sprouts Farmers Market	\$0.59	\$0.38	\$1,601.83	\$1,582.74	17.40%
STOR	STORE Capital	\$0.44	\$0.46	\$172.87	\$179.60	-0.30%
RUN	Sunrun	-\$0.88	\$0.17	\$320.41	\$302.37	31.30%
SUPN	Supernus Pharma	\$0.57	\$0.45	\$143.56	\$146.19	42.90%
TPIC	TPI Composites	\$0.14	\$0.38	\$465.57	\$449.02	10.30%
UHS	Universal Health	\$2.32	\$2.78	\$3,086.94	\$2,985.25	6.60%
VICR	Vicor	\$0.25	\$0.22	\$84.30	\$82.48	33.50%
VMW	VMware	\$2.21	\$2.04	\$3,294.00	\$3,215.54	7.20%
WSC	WillScot Mobile Mini	\$0.41	\$0.19	\$437.65	\$297.70	57.40%
WDAY	Workday	\$0.73	\$0.55	\$1,131.68	\$1,115.73	15.90%
WW	WW	\$0.39	\$0.33	\$323.40	\$313.26	-2.80%

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ZIXI	Zix Corp	\$0.16	\$0.16	\$57.90	\$54.82	14.90%
ZS	Zscaler	\$0.10	\$0.08	\$157.00	\$147.38	55.00%

Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
AMCX	AMC Networks	\$2.72	\$0.54	\$780.28	\$703.56	-0.60%	
AMRX	Amneal Pharmaceuticals	\$0.14	\$0.13	\$510.00	\$506.91	28.40%	
BLDR	Builders Firstsource	\$1.26	\$0.90	\$2,530.80	\$2,478.72	45.70%	FY In Line
CRI	Carter's	\$2.46	\$2.73	\$989.90	\$1,055.54	-10.00%	FY Below
CNK	Cinemark	-\$2.03	-\$1.50	\$98.20	\$80.03	-87.60%	
DKNG	DraftKings	-\$0.69	-\$0.49	\$322.00	\$232.04	68.60%	FY Above
FLR	Fluor	-\$0.82	\$0.28	\$3,655.50	\$3,647.98	-23.90%	FY Below
FL	Foot Locker	\$1.55	\$1.35	\$2,189.00	\$2,288.46	-1.40%	
LAMR	Lamar Advertising	\$1.08	\$0.78	\$428.50	\$413.89	-7.40%	
MODV	ModivCare	\$0.98	\$1.52	\$398.50	\$395.50	3.60%	
PEG	Public Service		\$0.64		\$2,827.24		
QRTEA	Qurate Retail Group	\$1.59	\$0.76	\$4,452.00	\$4,405.10	6.70%	
STRA	Strategic Education	\$1.39	\$1.50	\$267.50	\$273.70	1.40%	
SLCA	U.S. Silica	\$0.06	-\$0.34	\$227.30	\$189.73	-33.00%	

ABNB – Missed on EPS and Beat on Revs – In the near term, we anticipate that year-over-year comparisons for Nights and Experiences Booked (net of cancellations and alterations), as well as for Gross Booking Value (net of cancellations and alterations), will be volatile and unreliable measures of the steady-state growth of our business. This is due to the significant increase in cancellations that we experienced in Q1 and Q2 of 2020. For both of these metrics, we anticipate that levels in Q1 2021 will be higher than those of Q1 2020, but lower than Q1 2019. For revenue, the year-over-year decline in Q1 2021 is expected to be less than that of Q4 2020, as we continue to see gradual improvements in guests' willingness to book stays. Year-over-year comparisons for revenue are not affected to the same degree by the increase in 2020 cancellations

BYND – Missed on EPS and Revs – Due to the COVID-19 pandemic, the Company continues to experience significantly reduced demand in its foodservice channel as decreased foot traffic, streamlined menu offerings and restrictions on foodservice locations' operating capacity have resulted in closures or meaningfully curtailed operations of many of its foodservice customers. At the same time, the surge in demand from retail customers that characterized the early stages of the pandemic as consumers abruptly shifted towards more at-home consumption has moderated. Given that the ongoing evolution of consumer demand patterns across retail and foodservice channels has significantly increased the difficulty in forecasting the Company's customer demand levels, management will not be providing 2021 guidance until further notice

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VMW – Beat on EPS and Revs – Subscription and SaaS revenue for Q4 was \$707M, an increase of 27% year-over-year. RPO for the fourth quarter totaled \$11.3B, up 10% year-over-year. The company said, "We are pleased with our fourth quarter financial performance and it was a good finish to the fiscal year. Our results reinforce that customers continue to choose VMware technologies and solutions to drive their digital foundation for today and for the future. We continue to build and scale our Subscription and SaaS business, bringing customers flexibility in consumption choices, as well as delivering new offerings to market.

ETSY – Beat on EPS and Revs – Reports Q4 GMS excluding mask sales for the Etsy marketplace was \$3.3B, up 118% year-over-year, and 4% of the Etsy marketplace's overall GMS was from mask sales. "Exceptional fourth quarter performance, with consolidated GMS and revenue growth of approximately 118% and 129% respectively, capped off a transformative year for Etsy. 2020 was an inflection point in history for e-commerce and for Etsy, with millions of buyers choosing us for their everyday needs as we lived up to our mission to 'Keep Commerce Human.' We are particularly gratified that circumstance met preparedness, highlighting the agility of our team and the power of our differentiated strategy. In conjunction with achieving record 2020 consolidated financial results of approximately \$10.3 billion in GMS and \$1.7 billion in revenue, we provided economic opportunity for millions of creative entrepreneurs, cared for our team and communities, invested deeply in technology, improved customer experiences, expanded Etsy's global visibility through world-class marketing strategies, and gained meaningful market share. We are just getting started executing on our long-term growth strategy, focused on highly differentiated and defensible competitive advantages within a \$1.7 trillion market opportunity," said CEO Josh Silverman.

FTCH – Beat on EPS and Revs – 2020 put the Farfetch platform to the test, but thanks to our robust capabilities, resilient operations and utmost perseverance from our more than 5,000 Farfetchers, we rose to the challenge and enabled our nearly 1,400 Marketplace sellers and Farfetch Platform Solutions clients to continually serve millions of luxury consumers across the globe. We cemented our leadership as the largest global online destination for luxury fashion, accelerated our Chapter 2 initiatives with strategic partnerships advancing our position to be the global platform for the luxury industry, and demonstrated the scale and attractiveness of our business model as we achieved the key milestone of Adjusted EBITDA profitability in the fourth quarter. As we enter 2021, I am more energized than ever by the prospects of leveraging our incredible achievements to date and our unique platform capabilities to go after the significant growth opportunities we see in our vision to be a digital enabler connecting the creators, curators and consumers of the global luxury industry, both online and offline - a nearly \$300 billion opportunity we remain laser-focused on and plan to continue investing behind to deliver significant value over the long-term.

MNST – Beat on EPS and Revs – "We continued to launch a number of energy drinks under certain of our brand families including Monster Energy brand energy drinks, Reign Total Body Fuel high performance energy drinks, and Predator energy drinks (one of our affordable energy brands), in our domestic and international markets in the 2020 fourth quarter as well in the first two months of 2021. In particular, we are pleased with the early results of our Monster Energy Ultra Watermelon, Juice Monster Khaotic and Juice Monster Papillon energy drinks that were launched in early October 2020 in the United States."

CRM – Beat on EPS and Revs – "We never could have predicted a year ago what was in store, which makes me incredibly proud of how well we pivoted our company to adapt to this pandemic world," said Marc Benioff, Chair & CEO of Salesforce. "We had a record quarter and year by innovating more and faster than ever, enabling our customers to be successful from anywhere, and becoming more relevant and strategic than ever. And we continued to serve all of our stakeholders in a time when they needed it most."

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SHAK – Beat on EPS and Revs – Same-Shack sales¹ continued to sequentially improve every month since fiscal April 2020, down 17.4% in the fourth quarter 2020 versus the same period last year, compared to down 31.7% in the third quarter 2020. In fiscal January 2021, same-Shack sales continued to recover, with a decline of 5% versus the same period last year. During the first three weeks of fiscal February 2021, same-Shack sales decreased to down 16%, impacted by severe winter weather.

SFM – Beat on EPS and Revs – Reports Q4 comparable store sales growth of 3.7%. "In 2020, we generated record earnings and cash flow from a 15% increase in sales while absorbing costs associated with a 340% increase in ecommerce sales, paying record bonuses to our frontline team members, and opening 22 new stores," said Jack Sinclair, chief executive officer of Sprouts Farmers Market. "Executing our strategic initiatives at a more rapid pace than we originally planned is fueling these encouraging results and establishing a solid base from which we can invest and grow. I want to thank not only our dedicated team members at Sprouts, but also our supply chain partners, vendors, farmers and growers, who worked collectively to make healthy food accessible to our customers in this extraordinary year."

WDAY – Beat on EPS and Revs – "I couldn't be prouder of how we closed out this extraordinary year and how we as a company and community - including employees, customers, and partners - responded, innovated, and supported one another," said Aneel Bhusri, co-founder and co-CEO, Workday. "As we look ahead, I'm inspired by the incredible opportunity we have as we continue to serve as the backbone of digital transformation for the world's largest organizations as they embrace new ways to engage employees and manage finances in today's rapidly changing environment." "We had a very strong close to the year, as more organizations accelerate their HR and finance technology investments and adopt cloud-based systems to respond to an evolving world," said Chano Fernandez, co-CEO, Workday. "Reflecting on this year, I'm so pleased with the way our employees were able to respond during such a dynamic time and in turn, create great experiences and results for our customers and each other. Our customer community now represents more than 50 million workers and as we head into next fiscal year, we're hoping to build on that great momentum with significant pipeline improvement, helping position us well for accelerated new bookings growth." "Our solid fourth quarter and full-year fiscal 2021 results are a testament to the strategic, mission-critical nature of our solutions and the resiliency of our business," said Robynne Sisco, president and chief financial officer, Workday. "We currently expect fiscal 2022 subscription revenue to be in a range of \$4.38 billion to \$4.40 billion, representing year-over-year growth of 16%, and we expect non-GAAP operating margins of 17%. Our focus this year is on driving accelerated bookings growth, which we expect will ultimately result in a faster pace of future subscription revenue growth."

DKNG – EPS Misses, Revenues Beat (+68.6%), Guides FY21 Well Above Street – With a favorable fourth quarter sports calendar and strong marketing execution, DraftKings was able to generate tremendous customer acquisition and engagement that propelled us to \$322 million in fourth quarter revenue, a 98% year over year increase. In the fourth quarter of 2020, we saw MUPs increase 44% to 1.5 million and ARPMUP increase 55% to \$65. We are raising our revenue outlook for 2021 due to our expectation for continued growth, the outperformance of our core business and newly launched states that were not included in our previous guidance.

Disclosures

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