



## Inside Today's Blitz

- Japan Q1 GDP Falls Short of Expectations
- China Pledges to Stabilize Surging Metals Market
- Fed's Kaplan Sees First Hike in 2022
- **AMZN** may buy **MGM Studios** for roughly \$9B, per Reports; **TWLO** is buying ZipWhip for \$850M; **NTES**, Sony Music sign new deal; **CMCSA** may look at **VIAC**, per WSJ

## Market Outlook

Futures indicating a strong open for the day with the **Dow** up 28 bps, the **S&P** up 32 bps, and the **Nasdaq** up 73 bps. The **Russell** is up 40 bps. Energy is bouncing back well with **WTI** up 75 bps. **Natural gas** is up 25 bps. **Gold** and **silver** both in the green with the latter up 1.22%. **Copper** is up 1.05%. The **dollar** is down 40 bps. **Bonds** are down 16 bps. **VIX** is 19.30. It was a pretty slow night for macro news. Japan GDP fell short of estimates which was somewhat expected given they've been battling ongoing COVID issues in 2021. This comes as pressure continues to mount over the Olympics and whether to cancel the Summer games again (a group of Japanese doctors is publicly calling for the games to be cancelled). China has pledged again to take measures to combat the recent spikes in metals prices and Beijing has said they expect a more stabilized market in 2H. In the US it was more of the same overnight. The Fed's

Kaplan reiterated his March views that the next rate hike will be before the end of 2022. He believes the labor market will be full at that point and the economy continues to improve. In Washington, the GOP will unveil their own infrastructure plan today. It will likely cover a small fraction of the \$2.3T President Biden has requested.

Asian markets are mostly higher this morning with the Hang Seng up 1.45%, Shanghai up 32 bps, and the Nikkei up 2.09%. Staffing firm **Recruit Holdings** up 7% after raising their outlook for the year. **MUFJ** is up 2.5% after the lender raised guidance. In Europe, the major indices are all higher as well with the DAX up 32 bps, CAC up 20 bps, and FTSE up 35 bps. We're seeing outperformance in materials, banks, and energy. Tech is lagging. Reopening optimism is continuing to buoy stocks in the region. It was a quiet morning for stock-specific news. **Sonova Holdings** jumped 8% after guiding to a strong year as they roll out new products. **Imperial Brands** rose 1.5% after the cigarette maker reiterated their FY outlook. **Vodafone** down 6.5% after earnings. French telecom **Iliad** down 9.5% after announcing they would miss a key cash flow target as they ramp up spending on 5G.

## Calendar

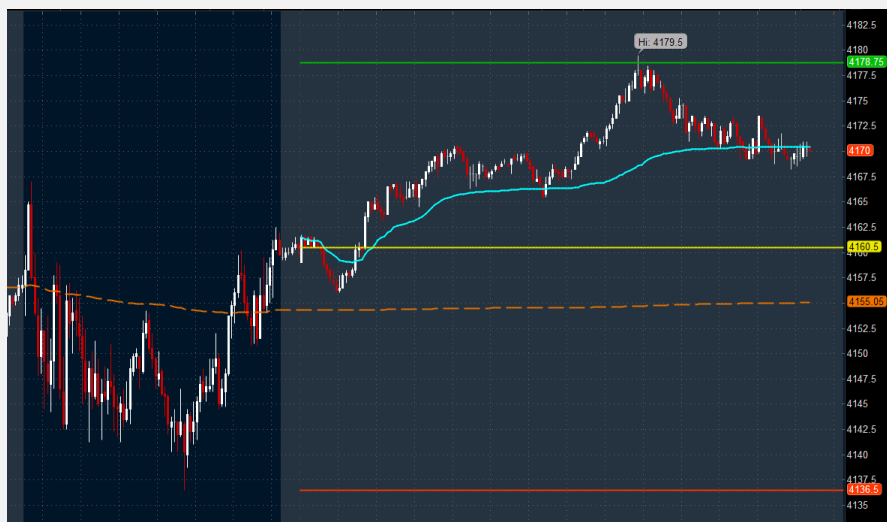
**Today... Earnings After the Close:** AGYS, STE, TTWO, TCOM; **Analyst Days:** ADS, RTX; **Conferences:** Goldman Staples (BLL, BUD, CCEP, CELH, CHD, CL, DEO, ENR, EPC, FRPT, GIS, GS, IFF, INGR, KHC, KO, MDLZ, NOMD, PG, REYN, SAFM, SAM, SJM, SMPL, STZ)

**Tomorrow...** EIA Inventories, Fed's Bostic speaks, FOMC Minutes; **International Earnings:** BAE Systems, Experian; **Earnings Before the Open:** ADI, CAE, EXP, DAVA, JD, LOW, TGT, TJX, VIPS; **Analyst Days:** AVID, FTV; **Conferences:** JP Morgan Homebuilding (BLD, CCS, DHI, DOOR, IBP, JELD, KBH, MAS, MDC, PHM, TREX)

## Overnight Markets

Silver	28.6	1.15%
Copper	4.7635	1.10%
Oil (WTI)	66.77	0.75%
Natural Gas	3.117	0.26%
Gold	1868.4	0.05%
Bonds	156.53	-0.15%
US Dollar	89.81	-0.37%
VIX	19.3	-3.05%

## Technical View



### Key Levels to Watch

A positive night overall for S&P futures as we broke out of Monday's range and continued to drift higher. We ran up to 4179.5 around the EU open and now pulling back just a bit but the low was made early at 4156 and trend is positive. The 4165 area is a key pivot to watch today. Above targets the overnight high and then 4193.50 and 4209. Below targets 4148, 4133, and then 4117.50.

## Economic Data

- **Japan** GDP fell 5.1% annualized vs -4.5% est.
- **UK** employment rose 84K in March vs 50K est.
- **EU** GDP was -1.8% annualized, in line with est.
- **EU** employment fell 0.3% vs rising 0.4% prior

## Macro News

- **China** is in talks to join the CPTPP, says Bloomberg
- **China** is taking measures to stabilize prices of steel and iron ore, says Reuters, and expects them to fall in 2H
- **Japan** is looking at ways to secure the country's semiconductor supply, says Reuters, after the latest shortages
- **Hong Kong** is closing their trade offices in Taiwan, says Bloomberg, the latest sign of rising tensions in the region
- **Biden** has called for a ceasefire between **Israel** and **Hamas**, per WaPo
- **Fed's Kaplan** says he still expects the first rate hike to be in 2022, per Reuters, as the labor market has a good chance of being full

### Movers

**Gainers:** FSRV 20%, AMC 11%, TRIT 6.5%, GMBL 5%, LFMD 4%

**Losers:** TPGY -16.5%, DM -10.5%, XONE -10%, PGNV -4%

### Insider Buying

ELOX, TSHA, XM, RAIN, CRC

### IPO Calendar

**Oatly (OTLY)** issuing 84.4M shares at \$15-\$17; world's original and largest oatmilk company

**Procore (PCOR)** issuing 9.5M shares at \$60-\$65; Leading provider of cloud-based construction management software

**Squarespace (SQSP)** direct listing; All-in-one platform for businesses and independent creators to build an online presence

## Stock-Specific News

### Consumer

- Movie studio **MGM** in talks to be sold to **Amazon (AMZN)** for roughly \$9B, says The Information. MGM holds a large film library, with interests in the "James Bond," "Rocky," and "Pink Panther" franchises, as well as the Epix cable channel
- **Comcast (CMCSA)** looked at **AT&T (T)**'s Warner Media for an acquisition at one point, per WSJ, but now focus may turn to **Viacom (VIAC)**
- **Performance Food (PFGC)** to buy **CoreMark (CORE)** for \$2.5B in cash and stock expanding their retail exposure
- **M6, TF1**, two of France's largest broadcasters, announced plans to explore a \$4B merger, per Reuters, as they look to fend off video platforms like NFLX
- Indonesian travel company **Ticket.com** could go public via SPAC, says Bloomberg. The deal with **COVA** would be worth \$2B
- **DASH** is considering launching in Germany, says FT
- **Vivendi** may sell up to 10% of **Universal Music**, per Reuters
- **Heineken** is in talks to buy South Africa's Distell, per Bloomberg

#### Hawk Database

**DASH** large opening sales yesterday in the June \$100 and \$95 puts, popular strategy in the name

### Financials

- Jana Partners discloses new stake in **Cyrus One (CONE)**, says Reuters. This comes roughly two years after the REIT attracted takeover interest
- **DFS** has signed a new network agreement with AFS, a digital payment solutions provider and fintech enabler in the Middle East and Africa
- **CS** is facing a 'brain drain' as top talent and senior management departs the bank after the latest scandals, per WSJ
- **HSBC** launches multi-currency wallet for international payments

#### On the Chart

**HSBC** nice flag forming just below \$32 and above the prior range, a breakout targeting \$35

### Healthcare

- **CNCE** sells VX-561 milestones to **VRTX** for \$32M
- **AZN** raises COVID vaccine batch estimates from Oxford Biomedica
- **TFX** to sell certain respiratory assets to Medline for \$286M
- **AGEN, BMY** sign global licensing agreement for AGEN1777
- **DRIO** is buying digital behavioral health platform WayForward for \$30M
- Hearing aid maker **Sonova** shares jumping in Europe this morning after earnings as they expect strong growth this year due to a market recovery and new products, per Reuters

#### Hawk Database

**AZN** focus of bullish flow lately with the Sept. \$60 calls and Jan. 2023 bull risk reversals active yesterday too

### Energy & Materials

- **IPI** is raising prices on Trio by \$20/ton

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- **JKS** CFO to resign
- **CENX** CEO to retire

### Industrials

- **Airbus** has been telling suppliers to prepare for a boost in output going forward, says Reuters
- **DM** to buy Adaptive 3D, a leading provider of elastomeric solutions for additive manufacturing
- **GOEV** is being investigated by the SEC, says Tech Crunch. The investigation is broad
- **Michelin** is raising prices on passenger and light truck tires by 6%, says Reuters, and double-digits on commercial tires
- **Siemens** to buy US-based supply chain platform SupplyFrame for \$700M
- **STLA**, **Hon Hai** enter MOU to form 50/50 Mobile Drive joint venture
- **TSLA** 'under review' by California DMV over advertising, says L.A. Times
- **SNCY** files to sell 6M shares for holders

#### Sympathy Movers

**TGI** a notable Airbus supplier while **SPR** is a key supplier for the A320

### Tech/Telecom

- **TWLO** to acquire business-texting startup ZipWhip for \$850M in cash and stock; TWLO reiterated Q2 guidance of \$591 million to \$601 million, noting that it would not be affected by the deal
- **GDS** is considering buying GLP's data centers, says Bloomberg, and a deal could value the assets at \$8B to \$10B
- **NTES** enters into digital distribution agreement with Sony Music, another blow to **TME's** grip over music, per Bloomberg
- **AAPL** is struggling to manufacture its high-end iPad Pro, says Bloomberg, due to complications with the mini LED screen
- **IBM** to acquire Waeg, a Salesforce consulting partner in Europe
- **Samsung** could start construction on a new US chip plant in Q3, says Reuters, and be operational by 2024
- **Iliad** shares weak in Europe this morning after earnings, per Reuters. The company guided cash flows below Street as they ramp up investments in 5G rollout in 2021-2022
- **Vodafone (VOD)** shares are falling in Europe after raising their CapEx outlook on earnings, per Bloomberg
- **CHL** plans to list in Shanghai after NYSE de-listing, per WSJ
- ValueAct has a 6.5% stake in **NSIT**, seeking talks

#### Hawk Database

**GDS** buyers of the May \$80 calls yesterday and also seeing put sales in the Dec. \$70 and \$60 strikes last week

### Utilities

- **DUK** is pushing back on Elliott's plan for a breakup saying the company is better off together, per WSJ

## Analyst Notes

### Upgrades

- **MGM** upgraded to Overweight at JP Morgan, momentum at MGM's domestic casinos, particularly in Las Vegas, continues to build in terms of revenues and margin improvement while the company is seeing continued digital market share momentum
- **SNOW** upgraded to Buy at Rosenblatt, Given the healthy IT spending environment so far this year, the accelerating Digital Transformation trends, and the strong Q1 performance from the leading Cloud Service Providers, the analyst expects Snowflake to meet and possibly exceed the firm's 93% year-over-year Product Revenue growth estimate
- **MA, V** upgraded to Outperform at Daiwa
- **PANW** upgraded to Outperform at RayJay
- **LNT** upgraded to Buy at Mizuho
- **GPS** upgraded to Neutral at CSFB
- **CRNC** upgraded to Outperform at Evercore
- **CNI** upgraded to Buy at Vertical Research

#### Hawk Database

**MGM** a lot of bull flows lately including buyers in the July \$41 calls and longer-dated Jan. 2023 \$42 calls

#### Hawk Database

**GPS** buyers recently in the May 28<sup>th</sup> (W) \$35 calls and June \$38 calls

### Downgrades

- **SMPL** cut to Equal Weight at MSCO
- **IIVI** cut to Equal Weight at Barclays
- **ATUS** cut to Underperform at BAML, now a show me story and the U.S. cable operator most at risk from potential broadband pricing pressure as a result of increased competition from fixed wireless broadband/fiber as well as due to political and regulatory pressure
- **ADTN** cut to Neutral at Goldman
- **CP** cut to Sector Perform at National Bank

### Initiations

- **POOL** started Buy at Goldman, started the U.S. pool industry with a positive sector view saying it had had a total addressable retail market of \$20B in 2020, up from \$15B in 2017, driven by macro as well as secular shifts. As Pool Corp.'s installed base of in-ground pools expands, the company should leverage its breadth of offerings and geographic reach to deliver above average growth in revenues, margins, and returns,
- **MPC** started Outperform at CSFB, Marathon is a much stronger company today versus when CEO Mike Hennigan took over and the company offers

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the most insulation against renewable identification number price escalation

- **TWNK** started Overweight at Stephens, the combination of re-opening normalization of demand for products in the convenience store channel, coupled with the opportunity for continued share taking in at-home snacking occasions, should drive solid revenue growth in 2021
- **CASI, ACET, LEGN, MBIO, PSTG, SURF** started Buy at BTIG
- **ARNA** started Buy at Goldman
- **BNTX** started Buy at Goldman
- **RVMD** started Buy at Goldman
- **RAIN** started Buy at Citi, Overweight at Piper, Buy at Goldman, and Buy at Guggenheim

### Other Notes

- **FL** target raised to \$76 from \$61 at Pivotal, analyst believes the American Rescue Plan served as a big tailwind in the quarter and that channel inventory remains lean
- **BP** named Top Pick at Barclays, company has the most misunderstood investment case among the large caps. BP's cash flow generation can support a 10% cash return to shareholders in the form of dividends and buybacks at \$60 per barrel
- **OSTK** holders are getting tZero upside for free, says Piper. The upcoming launch of tZero Crypto 2.0 should be a significant unlock to much higher crypto trading activity, and if non-fungible tokens were securitized, this could be a major opportunity as tZero is essentially the only platform where they would be traded currently
- **DUK** agreement with Elliott is a low-probability event, says MSCO, and the analyst sees significant cost dis-synergies if Duke were split into three and believes Duke is unlikely to materially alter its strategy
- **MU** risk/reward is skewed positive, says Deutsche Bank

#### Hawk Database

**BP** the focus of a recent write up with bullish flows in October \$16 ITM calls

## Trade Ideas

**MasterCard (MA)** shares pulling back to channel support from the October lows as well as just above VWAP for the year and looking set to turn out of a downtrend with a small gap above. The 65-minute shows room back to \$375 out of this smaller four session range and back to re-test VWAP from the April highs. MA has some massive bullish open interest including 10,000 August \$380 calls bought on 5/12 and 2,000 July \$380 calls bought on 5/6.



### Technical Scans

**Inside Days:** W, BX, OTIS, EW, LMT, ALNY, JD, ANET, PGR, ONEM, TMUS, PENN, AVGO, NTES, SNPS, ADSK

**Bull Reversal Days:** FLO, ABC, CPB, K, HRL, CLX

**Ready to Run:** CARR, CIT, NUVA, AEO, CRTX, JBLU, ALK, OSCR, BMI, DAL, NOMD

### Earnings Preview

**Ralph Lauren (RL)** reporting earnings on Thursday before the Open with the Street looking for a \$0.71 loss on \$1.21B in sales. Next quarter is guided to \$1 and \$1.13B in sales while the FY is \$0.59 and \$4.32B in sales, a 30% decline Y/Y. RL has traded lower in three of the last four with an average closing move of 4.5% and a max move of 14.66%. The current implied move is 6.25%. Options flow has been bullish recently with buyers in the July \$145/\$115 bull risk reversal over 3,000X and on 5/17 the January \$140 calls also bought to open. On the chart, shares showing strength and near recent highs. A move above \$140 has room up to \$150. Support is around \$125. The \$9.73B company trades 20.5X earnings, 2.22X sales, and 3.5X cash. RL has a sizable business in Asia which is likely to see strength in Q1 as we've heard from many other luxury retail apparel names. They should also see a bounce back in Europe as lockdowns start to ease. RL has been expanding their channel presence in digital, department stores, and off-price while "connected retail programs, exclusive capsules with partners like Mytheresa and ASOS, holiday campaigns and influencer activations" are driving growth too. They were also the first brand to launch on Snapchat's logo scan over the Holidays. Analysts have an average target for shares of \$122 and a Street High \$170 from UBS. The firm out positive on 5/11 noting that management likely guides conservatively even though momentum is improving. Cowen upgraded to Outperform in April as the analyst's field work combined with improving digital trends suggest improving brand heat. Which, when combined with \$200M in spending reductions, creates operating leverage that consensus underestimates into a structurally improved industry backdrop and an underappreciated International business. Short interest is 3% and down from around 8% in October. Hedge fund ownership rose 18% in Q4, New Brook Capital buyers of 600,000 shares. In November, a director bought \$250,000 in stock at \$66.50, the first open market buy since 2018.

## Extras

**Camping World (CWH)** spread sold 1500 June \$45/\$42 put spreads and bought 1500 June \$50/\$55 call spreads

**Spirit Aero (SPR)** buyer 2500 January 2023 \$15 puts \$0.90

**Zillow (Z)** buyer 500 September \$135 calls \$6.10 offer

**Z-Scaler (ZS)** with 250 January \$165 puts sold to open for \$26

**Tesla (TSLA)** afternoon buyers of 7000 June 2023 \$900/\$1400 call spreads

## Open Interest Checks

Ticker	Contract	OI Checks		
		Prior OI	New OI	OI Change
BIDU	June \$210 Calls	3,925	9,376	138.88%
EXPE	August \$175 Calls	1,643	3,209	95.31%
BLDR	August \$50 Calls	4,011	7,364	83.60%
COP	June \$60 Calls	4,474	7,638	70.72%
AZN	September \$60 Calls	10,918	15,863	45.29%
NFLX	January \$400 Puts	6,375	8,739	37.08%
WDC	June \$75 Calls	8,807	11,327	28.61%
NOW	June \$500 Calls	2,432	2,320	-4.61%
NUE	July \$110 Calls	3,574	2,966	-17.01%
OXY	September \$25 Calls	5,942	4,782	-19.52%

## What They're Saying

**Brunswick (BC)** Analyst Day follow-up Q&A on electric opportunity... “I think the largest market at the moment for electric propulsion is in Europe. And the products there are on the lower horsepower side, but they are a very strong there's very strong volume opportunity and also profit opportunity there. So certainly, we'll be targeting that market there is some boats available in the U.S. in small quantities that are electric. And in fact, electric propulsion has been present on boats for 100 years in one form or another. And we will have some products that will offer kind of early adopters the opportunity to try out electrification in some of the larger horsepower segments over time. But I would tell you that there are plenty of opportunities for us to pursue very profitable growth across a number of segments right now that will be applicable both domestically and particularly in Europe.”

**Brunswick (BC)** Analyst Day on sustaining elevated margins even after the boat market normalizes and promotional activity returns... “Certainly, it helps us if we have lower promotional costs. But we have a number of other actions that we've taken to secure those operating margins and remember, our plan was always to achieve those margins even before we got the tailwinds of the pandemic. I think you know those included a lot of operating cost actions, particularly SG&A reduction in the boat group. And then really promoting uniform levels of operational excellence

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across all of our boat plants. If you remember, we had some plants that were operating at extremely high productivity levels and some that were not quite so productive. But we've put in place mechanisms now to make sure that all of our plants are operating at the same level. And then one of the things we emphasized recently was that the products that we've recently launched, like the new CRA 370 are launching with the best gross margins of any products that we've ever put in production. And that is something that Mercury has pursued for a long time, essentially every product that mercury replaces comes into the market with a better gross margin, and that's what we're now doing on the boat side. I think we announced 122 new products over the course of the next 2 years. Those will all obviously be focused on that improve gross margin, driving towards consistency, platforming, standardization and then operational excellence, as we've talked about, is a major focus through our increased throughput in the facilities as well as improved quality. So I think as a combination and with all of those levers, we're feeling pretty good about that being able to sustain the double-digit margins in the long term."

## Earnings Grid

TCOM	2K Spe \$32 Puts Bought / 3500 Jan \$40 Short Puts / 3350 Sep \$50 Calls / 3K Spe \$38 Short Puts / 7500 June \$36 Calls	Higher 3 of 5	6.88%	5.61%	2.00%	-1.40%	3.44%
TTWO	1K Dec \$185 Short Puts, 1500 Jan \$195 Calls / 1500 Jan \$190 Short Puts	Lower 3 of 5	7.45%	5.50%	3.03%	30.90%	1.90%
IQ	15K Sep \$10 Short Puts / 20K June \$27.5 and \$30 Calls Bought / 20K Jan \$12.5 Puts Bought	Lower 4 of 5	12.10%	10.39%	13.90%	-24.80%	2.94%
M	20K May \$15 Puts Bought / May 18/20 Call Spreads 15K	Higher Last 3	8.25%	8.89%	12.23%	-17.40%	-0.04%
LOW	Strong Bearish Bias of Put Accumulation in June and September	Higher 4 of 7	5.63%	4.54%	0.94%	-11.10%	2.07%
JD	Mixed Flows - 2K Dec \$75 Calls Bought, 2K Jan 2023 \$65 Short Puts, 2K Dec \$60 Put Buy, 10K Aug \$65 Short Puts	Higher 4 of 5	7.78%	5.71%	2.29%	0.50%	0.71%
TJX	4500 July \$67.5 Short Puts, 19,500 July \$67.5 Calls Bought, 4350 Oct \$65 Calls Bought	Higher 4 of 6	6.43%	4.21%	0.95%	-18.90%	3.32%
BEKE	3K Oct \$35 and 1400 Jan 2023 \$45 Short Puts / 3K May \$45 and \$40 Puts Bought in OI / 2K Oct \$60 Short Puts	Higher 1 of 2	15.30%	9.18%	1.60%	9.60%	4.72%
ADI	8000 Sep \$155 Calls Bought in OI, 10K May \$145 Short Puts, 4500 Sep \$150 Calls Bought	Higher 4 of 6	4.78%	3.39%	9.89%	3.70%	-4.69%

## Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
DNMR	Danimer Scientific	-\$1.12	-\$0.06	\$13.20	\$12.00	24.50%	
XONE	ExOne	-\$0.29	-\$0.21	\$13.02	\$14.31	-2.70%	
GAN	GAN Limited	-\$0.11	-\$0.02	\$27.84	\$24.81	263.00%	FY Above
TME	Tencent Music	\$0.69	\$0.73	\$7,820.00	\$7,767.68	23.90%	

## Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
BIDU	Baidu	\$12.36	\$10.75	\$28,134.00	\$27,160.58	24.80%	
BZUN	Baozun	\$0.82	\$0.67	\$2,020.50	\$2,048.60	32.60%	
DOYU	DouYu	-\$0.10	\$0.58	\$2,152.70	\$2,192.77	-5.50%	
HD	Home Depot	\$3.86	\$2.93	\$37,500.00	\$33,677.23	32.70%	
HUYA	HUYA	\$1.10	\$1.12	\$2,604.80	\$2,645.83	8.00%	

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IQ	iQIYI	-\$1.61	-\$2.54	\$7,968.40	\$7,348.84	4.20%	FY Below
KC	Kingsoft Cloud	-\$0.11	-\$0.85	\$1813.5	\$1,898.27	30.4%	
M	Macy's	\$0.38	-\$0.47	\$4,706.00	\$4,233.09	56.00%	FY Above
NTES	NetEase	\$7.47	\$6.27	\$20,517.20	\$20,104.00	20.20%	
SE	Sea Limited	-\$0.62	-\$0.56	\$1,763.60	\$1,677.69	146.70%	
WMT	Walmart	\$1.69	\$1.21	\$138,300.00	\$131,526.26		

**GAN** – Missed on EPS and Beat on Revs – "Our first quarter financial results exceeded our expectations, and the outlook remains positive for the balance of 2021. We are increasing our full year revenue guidance to a range of \$103 million to \$108 million. As we gain scale, become more efficient, and move through a period of significant investment for growth, we anticipate to drive improved profitability. These factors will yield better operating leverage across the business over the long-term and further bolster our strong financial position as we execute our growth strategy, support new and existing customer launches and launch the B2C sports book technology later this year.

**BIDU** – Beat on EPS and Revs - "We are delighted to bring innovation across many sectors, including marketing cloud, enterprise cloud, smart transportation, autonomous driving, smart assistant and AI chip, through our decade-long investment in AI," said Robin Li, co-founder and CEO of Baidu. "With AI powering the next stage of technology growth, many Baidu alumni have rejoined us, and our employees are energized from working on intelligent computing that can improve daily life and make the complex world simpler. For the second quarter of 2021, Baidu expects revenues to be between RMB 29.7 billion (\$4.5 billion) and RMB 32.5 billion (\$5.0 billion), representing a growth rate of 14% to 25% year over year, which assumes that Baidu Core revenue will grow between 20% and 33% year over year. This guidance does not include potential contribution from an acquisition of YY Live. The above forecast reflects Baidu's current and preliminary view, which is subject to substantial uncertainties"

**HD** – Beat on EPS and Revs, Comps +31% - Fiscal 2021 is off to a strong start as we continue to build on the momentum from our strategic investments and effectively manage the unprecedented demand for home improvement projects," said Craig Menear, chairman and CEO. "I am proud of the resilience and strength our associates have continued to demonstrate, and I would like to thank them and our supplier partners for their hard work and dedication to our customers.

**SE** – Missed on EPS and Beat on Revs - The company said, "We continued to see strong growth in the adoption of SeaMoney's offerings. Our mobile wallet total payment volume exceeded \$3.4B for the Q1, more than tripled that of the Q1 of 2020. Moreover, quarterly paying users for our mobile wallet services surpassed 26.1M in the Q1."

**M** – Beat on EPS and Revs, SSS +62.5% - "In our first quarter we outperformed sales expectations across all three of our brands: Macy's, Bloomingdale's and Bluemercury. We built on our momentum from the fourth quarter and our sales trend continued to improve throughout the first quarter," said Jeff Gennette, chairman and CEO of Macy's, Inc. "These results were driven by the positive effects of the government stimulus program and expanding vaccine rollout, coupled with the accelerated execution of our Polaris strategy, including investments in our digital platforms. Macy's remains a fashion and style source for customers as a digitally led omnichannel retailer." "As consumers seek to re-engage with each other, we are seeing promising signs that our core customers are shopping again, and we continue to attract new customers, who increasingly begin their shopping

experience with us online," continued Gennette. "Customers are shopping categories that have been strong throughout the pandemic, including home, fine jewelry and watches, fragrance and luxury items. And we're encouraged by the improvement we're seeing in special occasion categories as customers begin to travel and return to a pre-pandemic lifestyle. We also have emerging opportunities in new categories and brands, including toys, health & wellness, pet and home decor." "As we look to the rest of the year, we are hyper-focused on meeting consumers' demand for speed, convenience and a seamless omnichannel shopping experience. We also continue to evolve our merchandising strategy, and we remain a partner of choice for top brands with more collaborative and profitable vendor relationships," continued Gennette. "With a healthier economy and the reopening of communities as the backdrop to the execution of our Polaris strategy, we are well positioned to deliver sustainable, profitable growth in 2021 and the years beyond."

**WMT** – Beat on EPS and Revs, SSS +6% in US - "This was a strong quarter. Every segment performed well, and we're encouraged by traffic and grocery market share trends. Our optimism is higher than it was at the beginning of the year. In the U.S., customers clearly want to get out and shop. We have a strong position as our store environment improves and eCommerce continues to grow. Stimulus in the U.S. had an impact, and the second half has more uncertainty than a typical year. We anticipate continued pent-up demand throughout 2021. Our results reflect the continued hard work and commitment our associates have shown throughout the pandemic - serving others and helping provide vaccines - and we're grateful to them."

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## Disclosures

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

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