



## Inside Today's Blitz

- Futures Slip Ahead of Jobless Claims, GDP
- US, China Trade Chiefs Hold 'Candid' Talks in First Call on Thursday
- **WMT, GPS** to create homegoods brands together; **HSBC** to exit US retail market; **Airbus** to boost production through 2025; **GlobalFoundries** eyeing \$30B IPO

## Market Outlook

Futures indicating a slightly weak open for the day with the **Dow** off by 5 bps, the **S&P** down 23 bps, and the **Nasdaq** down 42 bps. The **Russell** is down 25 bps. Energy is lower today with **WTI** down 75 bps. **Natural Gas** is down 35 bps. **Gold** and **silver** both lower today with the latter down 42 bps. **Copper** is up 45 bps and **Palladium** up 1.38%. The **dollar** is down slightly. **Bonds** are down 16 bps. **VIX** is 19.90. It has been a quiet morning for macro news and we're seeing a bit of a return to value with the Dow outperforming. There continues to be talk of tapering as more Fed speakers yesterday (Quarles) said the conversation may need to start in June. The big focus remains on that June 16 date where Powell will speak after their FOMC meeting. Elsewhere, US and China officials held their first informal talks yesterday on trade. US representative Campbell said that the period of engagement with China is over and replaced by an era of competition. South Korea with a hawkish outlook from their central bank as they boosted growth forecasts and potential to pullback on stimulus. China industrial profits slowed Y/Y and Beijing remains concerned about margins as commodity prices surge.

Asian markets are mixed this morning with the Hang Seng down 18 bps, Shanghai up 43 bps, and the Nikkei down 33 bps. In Europe, the major indices are mostly lower with the DAX down 34 bps, the CAC up 42 bps, and the FTSE down 16 bps. We're seeing outperformance in financials while tech and energy lag. **Airbus** is higher by 5% after unveiling their long-term production plan for the A320NEO. **Rolls Royce** and **Melrose**, two suppliers, are also higher by 3-4%. **Alstom** is higher by 1.5% after the trainmaker received an order from Hessische Landesbahn. **Puma** is down 2% after **Kering** said they sold a 6% stake in the company. **Bayer** is down 4% after losing another Roundup settlement motion. Home improvement operator **Hornbach** is down 6% after earnings. **HSBC** is down marginally after announcing plans to exit the US retail business. Food and beverages operator **Tate & Lyle** down 5% after warning on FY outlook.

## Calendar

**Today... Earnings After the Close:** CRM, COST, ULTA, VEEV, BOX, ADSK, GPS, OLLI, QFIN, VMW, DELL, HPQ, GES, YY, DOMO, YEXT, FANH, ASND, LGF'A, AFYA; **Analyst Days:** ALTR, MRNA, RJF; **Conferences:** Wolfe Transports

**Tomorrow... Core PCE, Personal Spending, Chicago PMI, Michigan Consumer Sentiment; International Data:** EU Consumer Confidence, EU Business Climate; **Earnings Before the Open:** BIG, HIBB, FRO, CAL, MDNA

## Overnight Markets

VIX	19.9	1.40%
Copper	4.5505	0.46%
US Dollar	89.97	-0.07%
Gold	1898.4	-0.15%
Bonds	158.28	-0.16%
Natural Gas	3.017	-0.33%
Silver	27.76	-0.42%
Oil (WTI)	65.68	-0.80%

## Technical View



### Key Levels to Watch

A quiet night for S&P futures as we pulled back to yesterday's low at 4180.5 and carved out a nice base. VWAP is flattening out around 4185 and VWAP from Sunday is above at 4191.75. There's a downtrend from Wednesday pre-market to watch at 4187.5. Levels of interest today include 4196, 4205.50 and 4215 above. A move lower targets 4177.50 and 4168.50.

## Economic Data

- **German** consumer confidence for June was -7 vs -5.2 est.
- **China** industrial profits were 57% vs 92.3% prior

## Macro News

- **US, China** representatives held 'candid' trade talks yesterday for the first time, per Bloomberg
- **Taiwan** is looking to double their proposed pandemic stimulus to \$15B, per Bloomberg, as the recovery has been slow
- **South Korea's** central bank raised their growth and inflation forecasts and may dial back stimulus going forward, per Reuters
- **The SEC** is considering further steps to protect individual investors from potential SPAC abuses, per WSJ

## Stock-Specific News

### Consumer

- Senator Klobuchar calls on DOJ to investigate **Amazon (AMZN)**, **MGM Studios** deal. She is concerned about competitiveness but there are no precedents to block the deal

### Movers

**Gainers: VTNR 150%, LJPC 11%, VIR 9%, BB 6.5%, WSM 4%**

**Losers: PRVB -3.5%, CROX -3%, STEM -3%, ELF -2%, SNOW -2%**

### Insider Buying

QS, PLAG, OPK, RAIN, INVA

### IPO Calendar

**Upcoming... InterMedia Cloud (INTM)** issuing 12.2M shares at \$23-\$26; provider of a cloud-based communications and collaboration platform

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- **Walmart (WMT), Gap (GPS)** partner to create homegoods brand, per CNBC. The brand will launch on Walmart's website on June 24 and will start including roughly 400 pieces of bedding, bath, and decorative accessories
- **AMZN** will host its Prime Day on June 21-22, per Bloomberg
- **Nintendo** could begin assembly of their new Switch sometime in July with a target date for sales of September/October in front of the Holiday season, says Bloomberg
- **Kering** is selling a ~6% stake in **Puma**, says Reuters, and raising €805M
- **Hugo Boss** isn't being sold to Fraser Group, the hedge fund says, after rumors last week per Bloomberg
- **DIS** plans to allow outside visitors from outside of California to Disneyland starting on June 15
- **RCL** gets approval to resume U.S. sailings in June
- **CROX** to join the S&P 400
- **PACK** prices 5M share secondary at \$21
- **TPX** quarter-to-date orders have accelerated, expects 60% Q2 growth vs. 2020; Announced \$475M deal for **Dreams**, the UK's leading specialty bed retailer

## Financials

- **HSBC** exits U.S. mass-market retail banking - **Cathay General** to acquire ten branches from **HSBC**; **CFG** to acquire East Coast branches, online deposit business from **HSBC**
- **Acorns** to go public via SPAC deal with **Pioneer Merger (PACX)**, says WSJ. The deal values them at \$2.2B. Acorns automatically invests small contributions from users into baskets of stocks and bonds. It counts more than 4 million subscribers
- Federal prosecutors are asking banks about information related to the **Archegos meltdown**, says WSJ, and have questioned **CS, MS** and others
- **Paytm**, a leading digital payments provider in India, is looking to raise \$3B in an IPO later this year, per Bloomberg
- **IVR** announces offering of 37.5M shares of stock

### Chart Watch

**GPS** nice pullback to the 50-MA this week and not far from recent highs and the top of May value around \$35.50

### Chart Watch

**TPX** a favorite name that has pulled back to VWAP from the January lows and above \$38 can get moving higher again with April VPOC at \$39.25 and then recent highs

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### Healthcare

- **LLY** has received a subpoena from the DOJ requesting production of documents related to manufacturing site in NJ
- **IRWD, TEVA** to partner on LINZESS prior to patent expiration
- **GSK, VIR** confirm sotrovimab receives EUA from FDA
- **QURE** DSMB recommends proceeding with Phase I/II trial of AMT-130
- **DVAX** announces pact with Bavarian Nordic for commercialization of HEPLISAV B
- **LNTH** announced that the U.S. FDA has approved PYLARIFY, an F 18-labeled prostate-specific membrane antigen (PSMA)
- **Bayer** is lower in Europe this morning after a judge rejected a proposed \$2B settlement in their Roundup litigation, per Bloomberg
- **Democrats** are unlikely to take action near-term on **drug pricing**, says the LA Times, as POTUS has left it out of his infrastructure plan and expected to leave it out of his budget

#### Hawk Database

**GSK** pulled back right to the rising 21-MA this week and still has size in the August calls across the \$36, \$39, and \$40 strikes

### Energy & Materials

- **VNTR** will buy Shell's Alabama refinery for \$75M

### Industrials

- **Airbus** shares are higher this morning after unveiling their production outlook, per Reuters. Management is boosting A320NEO output to 45/month by the end of 2021 with 65 by 2023. They see as much as 75/month by 2025.
- **TSLA** will start paying upfront for chips, per FT, to secure more of their supply versus peers. The company also reportedly considering buying a semiconductor plant
- **Hyundai** is shifting more of its resources to EVs, says Reuters, and cutting their ICE lineup

### Tech/Telecom

- **TSM** is boosting their output of automotive MCUs, per Digitimes. They are aiming for 60% higher output in 2021 vs 2020
- **TWTR** is criticizing new laws in India, per NY Times, that have given authorities greater regulation over online media and internet platforms
- **ETWO, BluJay Solutions** to combine in \$1.7B deal. BluJay is a Leading Cloud-Based, Logistics Execution Platform
- **Global Foundries** is working on an IPO that would value the chip foundry at \$30B, per Bloomberg
- **ByteDance** is shelving IPO plans, per Reuters, and instead buying back stock from current and former employees

#### Chart Watch

**TSM** forming a nice double-bottom around the \$110 level and looking to clear a downtrend and VWAP from the April highs at \$116.75

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- **FoxConn** is in talks to buy a stake in Malaysian chipmaker Dagang NeXchange, says Bloomberg
- **NOK** chosen by T-Mobile Netherlands to provide security services, modernization
- **PLAN** CFO to step down
- **OKTA** gets DISA authorization for Okta Identity Cloud

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## Analyst Notes

### Upgrades

- **OXY** raised to Buy at Goldman; OXY should benefit from FCF-driven net debt reduction, a stronger chemicals business and unique growth opportunities in Low Carbon operations
- **POST** raised to Outperform at Goldman; better outlook for the balance of the year, owing to easier comparisons (with higher foodservice exposure) and the highest EBITDA margin profile helping to best mitigate cost headwinds
- **F** raised to Outperform at RBC, analyst cites his increased confidence in the company's financial targets and also believes that Ford's management has addressed investor concerns with its battery electric vehicle strategy
- **CCEP** raised to Buy at Argus, company should benefit from growth in the Asia/Pacific region and a recovery in Europe boosting sales to convenience stores, hotels and restaurants
- **UBS** raised to Outperform at KBW, the analyst says exposure to U.S. interest rate rises, a positive potential outcome in the French cross-border matter and the recent underperformance of the shares leaves him positive on UBS
- **ZEN** raised to Buy at UBS
- **CMG** raised to Overweight at Stephens
- **MGY** raised to Overweight at Piper

### Hawk Database

**OXY** call accumulation has been strong since mid-April including 5000 June \$25 calls adding yesterday and a lot of June 25<sup>th</sup> (W) calls. OXY looks good above \$26.50.

### Hawk Database

**UBS** with a tight weekly bull flag and has seen 7500 January \$15 puts sold to open.

### Downgrades

- **THS** cut to Underperform at Goldman; weaker organic growth trends, cautionary guidance for inflationary headwinds and absent a catalyst (bonds had traded up on takeover headlines but have since subsided)
- **DB** cut to Underperform at KBW, the bank's cost targets look increasingly challenged while its capital return prospects in the second half of 2021 are less favorable than peers
- **IAC** cut to Neutral at BTIG

## Initiations

- **WIX, Z, ABNB, LYFT, UBER, FVRR, RDFN, CVNA** started Outperform at RBC
- **CHKP, NET, CRWD, PANW, FTNT, ZS, VRNS** started Outperform at Cowen
- **TMUS** started Buy at Benchmark, forecasts T-Mobile will remain successful in marketing and monetizing its U.S. 5G pole position given its superior network performance
- **ALLY** started Buy at Deutsche Bank, \$65 target, positive on the auto finance companies given the current benign credit environment, elevated auto prices due in part to supply shortages, and continued strong demand amid a secular shift in consumer transportation preferences brought to the forefront by the pandemic
- **TWLO** started Buy at UBS
- **TGAN** started Buy at Loop Capital
- **RZLT** started Outperform at Oppenheimer
- **PCOR** started Buy at Berenberg

### Chart Watch

**ALLY** a long-time favorite name is forming a nice bull flag on the daily, \$54.50 a breakout level.

## Other Notes

- **DKS** target raised to \$142 from \$86 at Barclays, Dick's has transformed the business model over the past 18 months and building a unique store experience combining breadth of selection with highly desirable brands and exclusive, hard-to-find styles, while building its proprietary offerings, all in a convenient omni format
- **NVDA** target raised to \$690 at Piper, Nvidia exceeded expectations in both its key markets of gaming and data center, as it continues to see strong demand
- **CVS, WBA** selloff is overdone on Amazon threat, says Mizhuo, given Amazon's plan to enter the pharmacy business is not new, and Amazon's rollout of pharmacies will likely initially be focused on locations located in Whole Foods stores, similar to the Target and Walmart model
- **SKY** target raised to \$60 at Barclays, citing mounting strength in manufactured housing demand coupled with execution from Skyline across boosting production and capturing margin uplift
- **ANF** target raised to \$48 at Baird, believes there is further upside to shares if the valuation can maintain its breakout from a decade long depressed range

## Trade Ideas

**Albemarle (ALB)** shares setting up in a bull wedge under \$165 and the top-end of May value with a breakout move targeting \$190. ALB is back above cloud resistance and starting to clear a big volume node as well. Shares are hitting the 'ready to run' scan today with MACD curling higher and RSI back above 50 and plenty of room for expansion.



### Technical Scans

**Inside Days:** ZLAB, TXRH, DKNG, ACAD, EXP, ROKU, APTV, MRTX, BX, ETSY, UPS, AMD, SHOP, MTCH, NFLX, SCCO, NVDA, ADI

**Bull Reversal Days:** RIO, NRG, CF, CAH, DD, VALE, CNX, MOS, STLD, EQT, WOR, GMED, LSTR, CAH, MHK, GILD, BAX, KNX, UNM, JBHT

**Ready to Run:** EDIT, GE, BILL, ALB, APLS, SEAS, MTN, CPE, YETI, ST, COOP, ADNT, AER, FOXF, AYW, GIII, BBBY

### Small Cap Options Radar

**Navios Maritime (NMM)** with unusual activity on 5/26 as 1,100 July \$25 calls were bought aggressively at \$3.40 to \$3.80 offers and the \$22.50 puts sold to open 1,370X. NMM does not see a lot of activity and shares pulled back to retest the flag breakout from April while putting in a strong bullish reversal candle off support. NMM shares have gained 145% YTD and 285% over the past six months as shipping stocks have made a big comeback. Navios is an international owner and operator of dry cargo vessels engaged in the seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain and fertilizer and also containers, chartering its vessels generally under medium to long-term charters. Navios Partners' fleet consists of 27 Panamax vessels, 18 Capesize vessels, four Ultra-Handymax vessels and seven Containerships, including two Panamax bareboat charter-in vessels which are expected to be delivered by the first half of 2021; three Capesize bareboat charter-in vessels which are expected to be delivered by the second half of 2022; two Panamax vessels acquired on March 30, 2021 and one Panamax vessel expected to be delivered by the second half of 2022, excluding one Capesize bareboat charter-in vessel which is expected to be delivered by the first half of 2023. NMM has a market cap of \$620M and trades 4.1X EBITDA with EBITDA seen rising 164% in 2021. On its latest earnings call Navios management noted the global GDP growth environment and is optimistic about demand for dry bulk and dry vessels throughout 2021. NMM is positioned to capture the increasing charter rate as about 40% all of available days are either open or index linked, and it operates with a strong balance sheet and low leverage. Demand is forecast to outpace net fleet growth in both '21 and '22. The recent rapid market recovery has caused extremely high demand for available tonnage, which is in short supply across all segments. In particular, the extremely tight availability of Panamaxes, combined with port congestion, increase in trade and lack of newbuildings has propelled periods of time



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charter rates to hit 16-year highs of 43.5% -- dollars per day for periods up to a year. Navios also acquired the remaining units of Navios Maritime Containers earlier this year creating additional scale and diversification.



### Small-Cap Options Radar

**SVMK (SVMK)** starting to work out of a multi-week base this week and on 5/26 saw 3,355 October \$20 short puts open for \$2.22 as some June \$17.5 adjust. Shares pulled back to VWAP from the IPO price back in 2018 and forming a nice base. Now, they're moving back above VWAP from the earnings gap down in February and into a big low-volume gap above back to \$21 and then ultimately \$24/\$25. The \$2.82B company trades 7.2X EV/sales and 11.4X cash with 19-20% growth expected in both FY22 and FY23. SVMK executed better in Q1 with 21% growth in RPO and 23% growth in revenue while they saw a big re-acceleration in enterprise sales. They commented this week at the JP Morgan conference:

*"And in Q1, the snapback, as you said, was sharper and faster than I had expected. I told our team, in my 22 quarters as CEO, this was the proudest I've been of our execution. We closed 662 deals, faster win rate, more quota attainment. And most importantly, the trajectory in Q2 is excellent. So we made some leadership changes in Q4, which started to take shape in Q1. We shipped a whole bunch of new product. The velocity from our product and engineering team is better today so we shipped some new market research and GetFeedback functionality and capabilities in Q1. Those did not drive any financial performance but they will in Q2 and beyond. And maybe most importantly, we can talk about our consumption-based pricing, which we launched this month to our installed base of 5,000 enterprise customers, the ones that we signed up before 2020. And so we think there's some real tailwinds that will drive that trajectory."*

The company is launching a number of new initiatives to drive growth including response-based pricing, new cross-selling initiatives, and CX and market research solutions. SVMK is on track to launch their Zoom Video integration as well as work with Microsoft Teams, Salesforce and Slack, some of the market's top collaboration platforms. They also launched a 'return to work' solution for Surveys that "combines automated insights, industry benchmarking, and trend analysis to help people leaders quickly understand and act on employee needs and sentiment as businesses reopen." Analysts have an average target for shares of \$27 with a Street High



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\$30 from JMP. The company cites SVMK's multiple catalysts with the launch of GetFeedback CX Suite and the monetized usage of response-based pricing across Enterprises. Short interest is 2.7%. Hedge fund ownership rose 7.5% in Q1. Spyglass Capital a top holder and adding 2.5M shares.

## Open Interest Checks

Ticker	Contract	OI Checks		
		Prior OI	New OI	OI Change
UPS	June \$220 Calls	3,451	8,782	154.48%
PINS	August \$75 Calls	5,780	12,368	113.98%
LH	August \$580 Calls	598	1,250	109.03%
CRM	July \$250 Calls	3,639	6,889	89.31%
F	October \$12 Calls	10,324	17,374	68.29%
OXY	June \$25 Calls	7,886	12,875	63.26%
SHOO	June \$40 Calls	2,754	4,232	53.67%
DISCA	October \$32.5 Calls	1,766	2,603	47.40%
CRM	July \$240 Calls	4,341	6,095	40.41%
RBLX	July \$100 Calls	4,657	6,490	39.36%
MPC	October \$60 Calls	1,965	2,631	33.89%
BILL	August \$150 Calls	3,069	4,067	32.52%
VSAT	September \$50 Calls	3,194	4,051	26.83%
DKNQ	January \$50 Calls	7,449	8,630	15.85%
ZS	August \$220 Calls	1,606	1,018	-36.61%

## Extras

**Anylam (ALNY)** long base and 1000 June \$145/\$130 bull risk reversals open \$2.35 debit late

**CF Industries (CF)** with 800 January 2023 \$52.50 puts sold to open for \$10.12, stock replacement

**Alcoa (AA)** with 2000 January 2023 \$35 puts sold to open \$8.15 as put sales remain very popular in it the past week

**TransOcean (RIG)** opening sale 6000 January 2023 \$4 puts \$1.48

**Weibo (WB)** with 5000 next week \$51 calls being bought up to \$1.35 late as weekly \$49 adjust

**Dish (DISH)** with 1000 January 2023 \$50/\$35 bull risk reversals trading for \$2.50 debit

**Apple (AAPL)** with 4000 November \$125 puts bought this afternoon \$8.70 to \$8.80

**Salesforce (CRM)** buy-write sold 1000 January 2023 \$340 calls for \$8.30

**Sempra Energy (SRE)** with 1500 July \$130 puts sold \$1.55 to open

**Tesla (TSLA)** with 1200 October \$800 calls bought \$28.45 to \$29.20

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**DoorDash (DASH)** spreads sold 875 November \$110 puts to open and bought 350 of the \$140 calls

**Peloton (PTON)** spreads in September sold 1800 of the \$70 puts to buy the \$140/\$150 call spreads

**Booking (BKNG)** buyer 100 January 2023 \$3700 calls \$62.70

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## What They're Saying

**Align Tech (ALGN)** at UBS Healthcare Conference on Invisalign awareness/penetration... “But I think there clearly is an awareness component, particularly in the teen segment who traditionally and still today, the majority of them, over 90% of them still get wires and brackets. So there's a huge education piece, both with the teen, but also with the parents as well. So that's why our campaign is around, not your parent's braces, right? So really showing them that there's a different alternative, a different approach. So like I said, probably -- well, not probably, the U.S. is -- the awareness in the U.S. is probably stronger than any other country in the world just because of the history of the company, but there's still a big play for us to make those teens and those parents aware who probably didn't have Invisalign, they had wires and brackets as well, there's a different alternative now. When we talk about the teen segment, it's different in adults. We've progressively been able to penetrate the adult market and essentially, in some countries, actually create the adult market because that was really not what adults wanted to treat themselves with. But in adults, we are still single-digit market share in many markets globally. So huge opportunity for us to really grow our franchise in that area.”

**Far-Fetch (FTCH)** at JP Morgan Tech Conference on the digital luxury market... “For this year, they're expecting either an immediate bounce back or bounce back to sort of 2019 levels by 2022, sort of, somewhere between the first half and second half of 2022, which means we'll be back to a luxury market of around \$300 billion in the next 18 months. And I think moving forward, that \$300 billion will continue to grow. Historically, we've seen a CAGR in mid-single digits in terms of that overall luxury market as people buy into luxury personal goods. So a big addressable market for Farfetch to go after. And then within that, to answer your question about online, Biden, again, they're expecting to -- of that \$300 billion plus, that at least 30% of that will be online within, say, the next 4 years. So by 2025, 30% of that number will be online. So that's \$100 billion to \$150 billion of online luxury consumption compared to something like \$30 billion to \$50 billion online today. So quite a significant step-up in online luxury for us to go after. And what is driving that is the fact that online or digital e-commerce, whatever it might be, is now influencing the vast majority of what customers do within luxury. Something like 85% of all transactions had some form of online influence, whether that's research or a social media presence or your ability to transact. And we're also developing through our luxury new retail initiative with Alibaba and the Richemont Group as well as Group, concepts to be able to have in-store technology, also enable better relations with customers and servicing customers. So that would expand the TAM. It might be \$100 billion to \$150 billion, now in terms of focus and debt online. But as we look to increase our in-store presence, we're looking to go after as much of that sort of \$300 billion plus market as possible as we roll out further features from the Farfetch platform.”

**DynaTrace (DT)** at JPM Tech Conference on its partnerships... “Well, we actually -- the way we view the world of partners is sort of twofold. One of them are system integrators because they actually do the implementations for AWS, Azure, for Google, for ServiceNow, for even the IBM OpenShift folks and so on, and so that is a key piece. The second one are the tech alliances themselves. The 3 big hyperscalers and some of the other folks, whether it's, like I said, OpenShift, the VMware, Tanzu folks, ServiceNow, others. And so it's that combination we work with back and forth, and there is a symbiotic relationship between them. The strategic alliances, sort of

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those hyperscalers and so on, those are in order to get some leverage and advantage, you have to treat each one sort of separately, which is what we do. We actually have a team that focuses driving that and intersecting with our sales organization. That's been going well. It's been scaling. We talked about sort of a rapid expansion in marketplace deals, private offer deals through those 3 big hyperscaler marketplaces. And then our system integrator program has been expanding as well. Now 40% or more of our opportunities are influenced through these system integrators around the world. Some of them are global, like Capgemini, Deloitte, those kind of folks, and some are sort of regional-based and many of those. So that's that combination we see giving us some great leverage from a productivity standpoint in our sales organization and, again, has given us confidence to expand our sales organization at a 30% rate, up from 25%, which we were expanding the organization in last year."

**Etsy (ETSY)** at JP Morgan Tech Conference discussing key metrics from its marketing efforts... "Frequency is one of the areas where we have a number of our product and engineering squads focused on moving that number across both product and marketing. The -- so we put a lot of eggs in that basket as far as resourcing because we think that, that is going to drive a lot of the future value. We have been able to move the needle there. So we, for instance, talked about GMS per active buyer was up 20% in the first quarter, and it's been up and accelerating for many, many of the past quarters. I think we go back as far as 8 quarters back where it was increasing every quarter, but we started to see real inflection points in that growth rate. So it's been accelerating. Another metric that we put out there is that we think about our buyers in a few different segments. So we have active buyers. Those are buyers that come one time per year or they have come at least 1 time per year. We have repeat buyers who come 2 or more times a year. And then, the most valuable segment is what we call habitual buyers that come 6 or more times year and spend \$200 or more. And the habitual category grew to 8 million in the first quarter of 2021, and was up over 200%. And that number keeps also growing and accelerating, and they represent something like 40% of our total GMS. So they're a very valuable category. They're the fastest-growing category. Repeat buyers also grew significantly about the same -- about 116%. It's a little faster than overall GMS. And one of the metrics that we gave not in the first quarter but the quarter before was that, for a long time, we had said that about 60% of Etsy's buyers came only once a year and the other 40% came to or more times a year. But suddenly, in 2020, we saw that had shifted to over 50% of our buyers who are coming 2 or more times a year, and the average of that group was 5."

**Five-9 (FIVN)** at JP Morgan Tech Conference on the Contact Center market opportunity shifting to the cloud... "Yes, it's early innings. I mean, I'd argue sort of first inning, if your -- key question you followed baseball. It's less than 15% penetrated to the cloud at this point, and that's, I would say, an aggressive estimate. I believe the number is probably more in the 10% or less penetrated. So there's a huge amount of headroom to take the on-premises contact center businesses and transition them on to the cloud. We're really just getting started on that front. You've got a generational shift happening towards millennials and Gen Z, who have fundamentally different expectations. There -- the call center of your is not cutting it anymore, and businesses are recognizing that and they understand they've got to transform. So that's the biggest motion and lots of surveys are sort of showing that it's showing up at the very top."

**BBY** – Beats EPS and Revenues (+35.9%), Comps +37.2% - Customer demand for technology products and services during the quarter was extraordinarily high. This demand is being driven by continued focus on the home, which encompasses many aspects of our lives including working, learning, cooking, entertaining, redecorating and remodeling. The demand was also bolstered by government stimulus programs and the strong housing environment. The year has clearly started out much stronger than we originally expected. The sales momentum is continuing into Q2 and we are raising our annual comparable sales growth outlook. As we think about the back half of this year, we expect shopping behavior will evolve as customers are able to spend more time on activities like eating out, traveling and other events. It is difficult to

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know exactly how that impacts our business, especially as we lap particularly strong sales in the back half of last year. Therefore, at this time, we are leaving our original FY22 back-half sales assumptions unchanged

## Earnings Grid

1	Stock	Open Interest	Historical Moves	Avg. 6 Q Max Move	Implied Move	Short Float	SI Change (3mo)	IV30 Skew
2	MDT	7750 June \$130 Calls Bought in OI	Higher Last 3	3.88%	2.70%	0.59%	5.6%	2.18%
3	COST	Mixed Flows - 2000 Oct. \$350/\$310 Put Spreads Bought	Lower 5 of 6	3.03%	2.56%	0.98%	2.9%	1.32%
4	PDD	8K Weekly \$152.5 Calls Bought / 4400 June \$145 Calls Bought / Oct. \$120 Short Puts 1500X	Lower 4 of 6	16.67%	9.23%	3.41%	39.3%	0.53%
5	INTU	1400 June \$430/\$390 Bear R/R / 1200 June \$360 Short Puts / 1K June \$540 Calls Bought	Lower 4 of 6	4.90%	3.28%	0.89%	-19.6%	2.29%
6	DELL	July \$105 Call Buys and \$95/\$90 Bull Put Spreads / July \$110 Short Calls 6K	Higher 3 of 4	7.20%	6.37%	4.29%	46.9%	4.29%
7	VMW	1500 Oct \$185 Calls Bought for \$1.3M / 1800 July \$155 Calls Bought in OI / 1K Jan \$160 Calls Bought	Lower 6 of 8	7.30%	4.24%	10.17%	7.6%	0.33%
8	SNOW	3K June \$205 Calls Bought / 1600 June \$200 Calls Bought / 4500 June \$240 Calls Bought / 2500 Aug \$315 Calls	Higher 2 Reports	15.00%	8.05%	2.90%	-6.7%	1.51%
9	ADSK	2K July \$240 Short Puts and 1900 June \$290 Calls Bought in OI / 800 July \$320 Calls Bought	Higher 4 of 6	5.70%	4.59%	0.97%	0.0%	3.60%
10	DG		Lower Last 5	4.80%	3.86%	1.18%	4.8%	3.21%
11	A	1K Jan \$115 Short Puts in OI	Higher Last 7	4.90%	4.83%	0.85%	12.2%	2.34%
12	HPQ	Recent Put Buyers in August, June, November, September / 20K Nov \$35 Calls Bought in OI	Higher 4 of 5	7.58%	5.39%	1.08%	-23.7%	-1.16%
13	VEEV	Sep. \$300, \$310 Short Calls 1000X / 2K Jan \$230 Calls Bought, 1K Jan \$250 Short Puts	Higher 5 of 8	7.80%	7.34%	1.43%	2.8%	1.51%
14	AZO	300 June \$1500 Puts Bought / 1K June 25th (W) \$1230 Puts	Lower 3 of 5	5.26%	3.91%	1.73%	23.4%	2.32%
15	OKTA	1K Jan 2023 \$210 Short Puts / 1200 Aug \$260 Short Puts / Aug \$220 Short Puts - Bullish OI Overall	Lower 5 of 7	7.05%	5.46%	5.18%	28.4%	3.53%
16	BBY	900 June \$125 Puts Bought / 2K June \$115 Puts Bought / 2500 Jan \$90 Puts / 2500 Sep \$85 Short Puts, 2K June \$120 Calls / 4K June \$115 Calls Bought	Lower 5 Straight	8.10%	5.32%	2.93%	22.8%	3.01%
17	DLTR	2500 June \$120 Calls Bought / 2K Aug \$115 Calls Bought and 2K Aug \$100 Short Puts	Higher 3 of 4	10.80%	5.31%	2.06%	24.7%	0.27%
18	ZS	2K June \$190/\$210 Call Spreads, Short \$150 Puts / 1800 Sep \$175 Short Puts / 3K Jan \$230/\$290 Call Spreads	Higher 3 of 4	18.75%	7.67%	3.47%	0.9%	0.81%
19	BURL	No Notable OI	Higher 6 of 8	7.50%	5.15%	2.98%	8.2%	2.12%
20	ATHM	5K June \$95 Calls Bought in OI	Lower 3 of 4	7.50%	7.81%	2.30%	-17.1%	3.06%
21	ULTA	Sep \$345 Call Sales, June \$330 Put Buys / Bullish Jan 2022 and 2023 Positioning	Higher 4 of 6, Lower Last 2	10.95%	6.14%	3.93%	-6.5%	2.24%

1	Stock	Open Interest	Historical Moves	Avg. 6 Q Max Move	Implied Move	Short Float	SI Change (3mo)	IV30 Skew
22	WSM	1K June \$135 Short Puts / 1500 June \$175/\$160 Put Spreads	Higher 4 of 5	15.60%	9.21%	7.47%	-4.1%	5.84%
23	GPS	2K Jan 2023 \$32 Short Puts / 4K Sep \$32 Calls Bought	Higher 5 of 6	10.20%	8.15%	3.82%	-11.8%	3.43%
24	PLAN	6K Aug \$65 Calls Bought / 5500 Aug \$60 Calls Bought / 5500 Aug \$45 Short Puts	Lower 3 of 5	18.60%	11.75%	12.41%	45.5%	2.83%
25	CPRI	2500 June 60/65 Call Spreads / 3K June \$57.5 Calls and Nov \$75 Calls Bought / 1700 Jan 2023 \$50 Calls Bought	Higher Last 3	9.70%	7.75%	3.93%	16.5%	-0.45%
26	TOL	1K Sep \$55 Puts Bought	Lower 9 of 10, Higher Last 1	7.40%	5.48%	4.07%	12.7%	3.29%
27	DKS	3K June \$90 Calls Bought / Bullish May 28th (W) Risk Reversals	Higher 6 of 7, Lower Last 1	11.57%	7.29%	18.24%	7.6%	4.83%
28	YY	2500 Weekly \$87/\$100 Call Spreads / June \$105 and \$110 Call Buyers / 5900 June \$80 Puts Bought	Higher 3 of 5	11.60%	9.96%	15.31%	38.0%	-18.91%
29	NTNX	6K June \$32.5 Calls Accumulated / 5K July \$32.5 Calls / 2500 Oct \$30 Sort Calls / 5K Dec 2022 \$47.5 Calls Bought	Lower 4 of 5	18.45%	9.75%	3.44%	-0.2%	1.24%
30	JWN	2K June \$40 Puts Bought / Oct \$32.5 Short Puts 2500X / 3K July 40/50 Call Spreads / 6K July 30 and 35 Call Buys	Lower 4 of 5	10.95%	8.25%	8.37%	-32.9%	-2.36%
31	APPS	2500 June \$50 Short Puts / Weekly \$77 and \$80 Call Buys / 2K June \$85 Calls Bought / 1K Sep \$50 Short Puts	Lower 4 of 7	24.20%	13.39%	3.04%	1.6%	0.68%
32	AEO	2500 Nov \$50 Calls Bought / Some Low Delta Put Sales in OI	Higher Last 4	10.10%	7.06%	9.48%	-16.6%	5.67%
33	PSTG	2K June 17.5 Calls Bought / Nov 22.5 Short Calls 2K / 1600 Nov \$25 Short Puts	Higher 3 of 5	10.10%	12.71%	5.21%	-17.5%	-5.25%
34	OLLI	5K July \$100 Puts Bought in OI	Higher 4 of 6	10.20%	9.88%	12.90%	16.3%	0.23%
35	API	2500 Dec \$40 Short Puts	Lower Last 3	12.10%	17.22%	7.40%	19.2%	-5.18%
36	BOX	June/July Put Calendar Spreads at \$24 and \$23 Strikes in Size / 6K June \$23 Calls Bought / 10K June \$25 Call Buy	Lower 3 of 4	9.35%	9.97%	7.25%	3.1%	2.81%
37	URBN	11K June \$37 Calls Bought in OI	Lower 4 of 6	13.36%	7.70%	4.21%	-34.2%	-0.20%
38	ANF	6500 June \$40 Calls Bought / Weekly Size \$40 and \$40.5 Call Buys / 1K Aug \$40 Calls	Higher 3 of 5	9.95%	11.36%	6.10%	2.0%	1.56%
39	GES	7500 June \$29/\$35 Call Spreads, Short the \$24 Puts	Higher 6 of 7	16.00%	13.81%	7.19%	-13.4%	3.49%
40	ELF	Aug \$35 and Nov \$40 Call Buys in OI	Higher 4 of 5	11.77%	10.39%	5.10%	-19.9%	-1.34%

## Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
UHAL	AMERCO	\$3.76	\$5.07	\$1,059.86	\$999.16	29.00%	
AEO	American Eagle	\$0.48	\$0.47	\$1,034.61	\$1,023.02	87.50%	
CHNG	Change Healthcare	\$0.42	\$0.36	\$855.16	\$836.30	1.40%	
DXC	DXC Technology	\$0.74	\$0.70	\$4,385.00	\$4,286.23	-8.90%	FY In Line
ELF	e.l.f. Beauty	\$0.16	\$0.09	\$92.67	\$82.39	24.00%	FY In Line
ENS	Energysys	\$1.30	\$1.23	\$813.50	\$781.38	4.10%	

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NXGN	NextGen Healthcare	\$0.21	\$0.19	\$144.20	\$140.13	5.70%	
NTNX	Nutanix	-\$0.41	-\$0.49	\$344.50	\$334.47	8.20%	
NVDA	NVIDIA	\$3.66	\$3.28	\$5,660.00	\$5,408.76	83.80%	FY Above
OKTA	Okta	-\$0.10	-\$0.20	\$251.00	\$239.21	37.30%	FY In Line
OOMA	Ooma	\$0.11	\$0.08	\$45.60	\$44.30	13.10%	FY In Line
PSTG	Pure Storage	\$0.00	-\$0.06	\$412.70	\$405.87	12.40%	
SNOW	Snowflake	-\$0.70	-\$0.16	\$228.91	\$213.36	110.40%	
WSM	Williams-Sonoma	\$2.93	\$1.86	\$1,749.03	\$1,530.25	41.60%	
WDAY	Workday	\$0.87	\$0.73	\$1,175.03	\$1,160.05	15.40%	
ZUO	Zuora	-\$0.02	-\$0.04	\$80.30	\$79.00	8.70%	FY In Line

### Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
AMWD	American Woodmark	\$1.28	\$1.71	\$473.40	\$463.77	18.60%	
PLAN	Anaplan		-\$0.09		\$127.08		
ATHM	Autohome	\$0.92	\$0.93	\$281.10	\$284.94	28.70%	
BBY	Best Buy	\$2.23	\$1.42	\$11,637.00	\$10,426.06	35.90%	
BURL	Burlington Stores	\$2.59	\$0.83	\$2,193.60	\$1,776.83	173.70%	
CM	CIBC	\$3.59	\$3.07	\$4,932.00	\$4,971.73	7.70%	
DG	Dollar General	\$2.82	\$2.20	\$8,401.00	\$8,284.60	-0.60%	FY In Line
DLTR	Dollar Tree	\$1.60	\$1.40	\$6,480.0	\$6,430.07		
FRO	Frontline	\$0.04	-\$0.06		\$97.05		
GCO	Genesco	\$0.79	-\$0.53	\$538.70	\$449.15	92.90%	
HLNE	Hamilton Lane	\$0.95	\$0.76	\$76.90	\$87.17	-25.30%	
HHR	HeadHunter Group	\$17.34	\$15.96	\$2,841.1	\$2,725.50	42.7%	FY Above
MDT	Medtronic	\$1.50	\$1.42	\$8,188.00	\$8,128.82	36.50%	FY In Line
RY	Royal Bank of Canada	\$2.76	\$2.51		\$11,973.85		
SAFM	Sanderson Farms	\$4.34	\$2.50	\$1133.9	\$1,046.96	34.2%	
TITN	Titan Machinery	\$0.46	\$0.16	\$372.70	\$337.65	20.10%	FY Above
TD	Toronto-Dominion Bank	\$2.04	\$1.76	\$10,228.00	\$9,802.92	-2.80%	

**AEO** – Beat on EPS and Revs - "Our first quarter results were truly outstanding and reflected excellent progress on our "Real Power. Real Growth." value creation plan in addition to favorable external factors. Demand for Aerie's product and powerful brand platform continued at a rapid pace, which drove significantly higher sales,

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margins, and profitability. The American Eagle initiatives to reignite the brand, optimize inventory, and reduce promotions resulted in a meaningful recovery in margins, with more runway ahead. I am extremely pleased with how our teams are executing across all functions, from our customer-facing priorities through our supply chain initiatives. We have been well positioned to meet higher demand for our products and have excelled in managing all facets of our business. We remain poised for success, and our brands are stronger than ever. I believe we are on pace to deliver our 2023 operating profit target well ahead of schedule," said Jay Schottenstein, CEO

**NTNX** – Beat on EPS and Revs – "I am delighted with our strong quarterly results. For the third quarter in a row, we delivered outperformance across all guided metrics and demonstrated our ability to execute consistently," said Rajiv Ramaswami, President and CEO of Nutanix. "We are also pleased with our progress on key priorities, including bolstering our ecosystem with our extended partnership with Lenovo, continued momentum with our core cloud software platform and an increased attach rate of our emerging products."

**NVDA** – Beat on EPS and Revs - Reports record gaming revenue of \$2.76B, up 106% from a year earlier. Reports record data center revenue of \$2.05B, up 79% from a year earlier. "We had a fantastic quarter, with strong demand for our products driving record revenue," said Jensen Huang, founder and CEO of Nvidia. "Our Data Center business continues to expand, as the world's industries take up NVIDIA AI to process computer vision, conversational AI, natural language understanding and recommender systems. NVIDIA RTX has reinvented computer graphics and is driving upgrades across the gaming and design markets. Our partners are launching the largest-ever wave of NVIDIA-powered laptops. Across industries, the adoption of NVIDIA computing platforms is accelerating. Mellanox, one year in, has exceeded our expectations and transformed NVIDIA into a data-center-scale computing company. We continue to make headway with our planned acquisition of Arm, which will accelerate innovation and growth for the Arm ecosystem. From gaming, cloud computing, AI, robotics, self-driving cars, to genomics and computational biology, NVIDIA continues to do impactful work to invent a better future," he said

**OKTA** – Beat on EPS and Revs - "Broad-based demand for both our customer and workforce identity solutions led to another quarter of strong financial results and an excellent start to the fiscal year," said Todd McKinnon, Chief Executive Officer and co-founder of Okta. "Organizations around the world are turning to Okta to improve the digital customer experience and to improve how their employees safely connect to their applications from anywhere. With the closing of the Auth0 acquisition earlier this month, we are further enhancing Okta's market-leading identity platform, enabling us to provide even more choice and unprecedented innovation to customers and developers. Together, we'll capture more of the massive \$80 billion identity market opportunity even faster."

**SNOW** – Missed on EPS and Beat on Revs - Product revenue for the quarter was \$213.8 million, representing 110% year-over-year growth. Remaining performance obligations were \$1.4 billion, representing 206% year-over-year growth. Net revenue retention rate was 168% as of April 30, 2021. The company now has 4,532 total customers and 104 customers with trailing 12-month product revenue greater than \$1 million. "Snowflake reported strong Q1 results with triple-digit growth in product revenue, reflecting strength in customer consumption," said Snowflake CEO Frank Sloatman. "Remaining performance obligations showed a robust increase year-on-year, indicating strength in sales across the board."

**WSM** – Beat on EPS and Revs - Comparable brand revenue growth accelerated to 40.4%, with all brands accelerating sequentially including West Elm at 50.9%, Pottery Barn at 41.3%, Williams Sonoma at 35.3% and Pottery Barn Kids and Teen at 27.6%. "We are proud to report another record quarter of accelerating revenue and profitability with over 40% comp growth and a 950bps expansion in our non-GAAP operating margin. These



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results were driven by strength across all of our brands. We are seeing strength in our core businesses and our new growth initiatives have outperformed. As re-openings accelerate across the country, a record number of customers continue to shop with us as they invest in their homes. We are honored to be our customers' destination for their entertaining and home furnishings needs as they welcome friends and family back," said Laura Alber, President and Chief Executive Officer.

**WDAY** – Beat on EPS and Revs - "It was a strong start to the year as more organizations turn to Workday to accelerate their digital transformation efforts and meet the evolving finance and workforce demands for a post-pandemic world," said Aneel Bhusri, co-founder, co-CEO, and chairman, Workday. "As we look to future growth and innovation, our values are stronger than ever with our employees foundational to continued customer success, which is why we're investing heavily in growing our workforce. In doing so, we can further embrace the opportunity in front of us to partner with more organizations globally." "Building on last year's momentum, our first quarter bookings outperformance, combined with ongoing strength in our pipeline, demonstrates continued demand for our solutions and increased confidence in new bookings acceleration this fiscal year," said Chano Fernandez, co-CEO, Workday. "A big thanks to our employees and partners around the world who play an important role in helping us achieve continued customer momentum. As we look ahead, we'll be making investments across our organization and in new market opportunities so we can expand our efforts and build on this great start to the year." "We delivered solid first-quarter results driven by strong execution against an improving market backdrop," said Robynne Sisco, president and chief financial officer, Workday. "As a result, we are raising our fiscal 2022 guidance for subscription revenue to a range of \$4.425 to \$4.440 billion, growth of 17%. We expect second-quarter subscription revenue of \$1.095 billion to \$1.097 billion, growth of 18%. We are also raising our fiscal 2022 non-GAAP operating margin guidance to a range of 18% to 19%."

**MDT** – Beats EPS and Revenues (+36.5%), FY22 In-Line - Our recovery improved throughout the quarter, with most of our markets returning to near normal, pre-COVID growth rates. In addition to supporting our employees, customers, and communities during the pandemic, we accomplished important milestones, including launching new products, investing in our pipeline, and changing our operating model, just to name a few. As we look ahead, these actions set us up to drive accelerated revenue growth in the year ahead and over the long term.

**DG** – Beats EPS and Revenues (-0.6%), Raises Outlook - The net sales decrease was primarily driven by a decline in same-store sales, as well as the impact of store closures, partially offset by positive sales contributions from new stores. Same-store sales decreased 4.6% compared to the first quarter of 2020, driven by a decline in customer traffic, partially offset by an increase in average transaction amount. Same-store sales in the first quarter of 2021 included a decline in the consumables category, partially offset by growth in the seasonal, apparel, and home products categories. The Company believes consumer behavior driven by government stimulus payments had a significant positive effect on sales in its non-consumable product categories.

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## 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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