



Inside Today's Blitz

- Yellen, China's Top Trade Rep. Liu Hold Informal, Introductory Talks
- China May Curtail Some Factory Output Due to Power Outages
- **ETSY** is buying Depop for \$1.625B; **ALL** to buy SafeAuto; **TSLA** failed to oversee Musk's tweets, the SEC alleges per reports; **SMG** is raising their outlook; **MOR** to buy **CNST** for \$1.7B or \$34/share

Market Outlook

Futures indicating a flat open for the morning with the **Dow** up 13 bps, the **S&P** up 1 bps, and **Nasdaq** down 9 bps. The **Russell** is up 7 bps. Energy is climbing again with **WTI** up 99 bps. **Natural Gas** is down 55 bps. **Gold** and **silver** are pulling back with the latter down 67 bps. **Copper** is down 37 bps. The **dollar** is up 36 bps. **Bonds** are up 8 bps. **VIX** is 19.30. It has been a very quiet night for macro news and stocks are pretty quiet across the globe today. The President is holding a meeting at the White House this afternoon with GOP Sen. Capito on infrastructure that could help momentum towards a mini-deal, although the two sides are far apart. Elsewhere, JBS says that their system will be fully operational today after hackers shut down all of its US meat operations. Energy is continuing to climb after OPEC's upbeat outlook on demand for the remainder of the year. Turkish President Erdogan has called for rates to be cut due to inflationary pressures. Expectations continue to rise for tapering talks at the June Fed meeting while the ECB next week is now squarely in focus too. The UK is lobbying to join the TPP.

Asian markets are mixed this morning with the Hang Seng down 58 bps, Shanghai down 76 bps, and the Nikkei up 46 bps. In Europe, the major indices are mixed with the DAX up 8 bps, the CAC up 12 bps, and the FTSE down 3 bps. We're seeing outperformance in autos, banks and energy. Tech is lagging but not really down a lot. It was a quiet morning for stock-specific news. **Volvo** is up 2% as its board OK'd a plan to distribute proceeds from the UD Trucks sale back to shareholders. **Bang & Olufsen** rose 9% after the luxury stereo and TV maker gave an upbeat FY outlook. German broadcaster **ProSiebenSat** fell 4% after its CEO downplayed the need for M&A and said they don't need help from the outside.

Calendar

Today... Earnings After the Close: AI, CLDR, DSGX, ESTC, GWRE, NCNO, NTAP, PAGS, PVH, SMTC, SMAR, SPTN, SPLK, SPWH; **Analyst Days:** TOL; **Conferences:** Piper Consumer, Wells Fargo, KeyBanc Materials, Jefferies Healthcare, William Blair Growth, Cowen TMT

Tomorrow... ADP Employment, Weekly Claims, Composite PMI, Services PMI, ISM Non-Manufacturing PMI, EIA Inventories, Fed's Bostic and Quarles speak; **Earnings Before the Open:** CIEN, CONN, SJM, SCWX, TTC

Overnight Markets

Oil (WTI)	68.38	0.97%
US Dollar	90.14	0.36%
Gold	1899.4	-0.29%
Copper	4.6355	-0.39%
Natural Gas	3.087	-0.55%
Silver	27.92	-0.65%
VIX	19.3	-1.30%

Technical View



Key Levels to Watch

A quiet night for S&P futures as we consolidate the move lower from Tuesday. We briefly poked under the lows to 4192 but held up well and now back near 4203 and the close. VWAP is flat at 4197 and VWAP from Sunday is above at 4206 where we have a low-volume node. 4197.5 is a key pivot today. Above targets 4215 and 4232.5. Below targets 4180 and 4162.5.

Economic Data

- **Australian** GDP was 1.8% vs 1.5% est.
- **South Korean** CPI was 1.5% vs 1.3% est.
- **Eurozone** PPI was 7.6% vs 7.5% est.

Macro News

- **China** is looking to curtail output in some factories and even shut down production altogether due to power outages, per FT
- **China** is facing a worker shortfall which may lead to some manufacturing firms cutting orders, per WSJ
- **Turkey's Lira** fell to a new low versus the dollar as President Erdogan discussed cutting rates, per Bloomberg
- **EU** officials struck a new agreement on tax disclosures, per FT, which will force companies to show where they book profits and pay taxes
- **Biden** is growing increasingly frustrated with moderate Democrats who are stalling progress on his agenda, per The Hill
- **Yellen, China's Liu** held their first introductory meeting call, per WSJ
- **Fed's Dudley** says that inflation is transitory now but could become more persistent in coming years as people return to work, per CNBC
- **The Fed** may need to adjust the IOER and reverse repo rates as the effective fed funds rate stays near zero, per Bloomberg

Movers

**Gainers: AMC 17.5%, BB 13.7%,
EXPR 8%, WPG 7.5%, MDLA
4.5%, AHT 4%, LIND 4%**

**Losers: IRTC -13.5%, WPRT -
5.5%, CLNY -3.5%**

Insider Buying

SLCA, INT, LJPC, CDLX, LIND

IPO Calendar

dLocal (DLO) raising \$500M at a \$5B valuation; pricing 29M shares at \$16-\$18; Provides a cross-border payment processing platform for e-commerce

Stock-Specific News

Consumer

- **Etsy (ETSY)** is buying Depop for \$1.625B. Depop is a community-led, and purpose-driven marketplace for unique fashion
- **VIAC** is being criticized for using a tax sheltering strategy to sell rights to its shows and films overseas, per NYT
- **JBS SA** has made significant progress on resolving the cyber attack, says Bloomberg, and expects to be fully back online today
- **POST** to acquire RTE cereal business of **THS** for \$85M
- **TSN** is planning to launch their plant-based goods in Asian markets starting later this month, per Reuters
- **WMT** is expanding operating hours starting June 5
- **AMZN** Prime Day has been confirmed for June 21 and June 22
- **MLCO** approves \$500M buyback
- **ENR** announces broad-based price increases across global battery business, reaffirms FY21 view
- **Bang & Olufsen** raised their outlook for FY20/FY21 as the luxury stereo company is seeing double-digit growth across all regions

On the Chart

TSN nice chart setting up with a small bull wedge back to the 21-MA and above \$81 can get some momentum again

Sympathy Movers

SONO a peer to B&O that could have a nice positive read through on demand

Financials

- **Overstock's (OSTK)** tZero exploring options, including sale or a merger, says CoinDesk. The firm notes the goal is to find strategic partners
- **ALL** to buy SafeAuto for \$270M in cash; an auto insurance carrier focused on providing state-minimum private-passenger auto insurance with coverage options in 28 states
- **Visa (V)** says US payments volume in April was 131% of 2019 levels and 132% in May. Cross-border volumes were 91% of April 2019 levels and up to 98% in May
- **CS** is planning a lawsuit against Softbank following the Greensill fallout, per FT. The dispute is centered on the \$440M in funds Katerra, a group that was a Greensill client, owes Credit Suisse
- **SYF** announces organizational changes to better leverage its innovation, data, expertise and scale
- **CME** May volumes +15% Y/Y

Hawk Database

OSTK a name where put sales have been active with over 3000 each in the Dec. \$60 and Jan. \$70 strikes

Healthcare

- **Morphosys (MOR)** is buying **Constellation Pharma (CNST)** for \$34/share or \$1.7B in cash, a 68% premium. Morphosys will also enter a long-term strategic funding partnership with **RPRX**

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- **Walgreens (WBA), Amerisource (ABC)** close \$6.5B deal for Alliance Healthcare. **ABC** raises guidance for FY21 to \$8.90-\$9.10 vs \$8.45-\$8.60 prior and sees revenue of at least \$210B, up from growth in the high-single digit range
- **MRNA, TMO** announce pact for COVID vaccine manufacturing
- **LLY** says Taltz showed long-term improvement in Phase 3 study among patients with axial spondyloarthritis
- **AZN** says Anifrolumab demonstrated benefit across measures of skin disease in recent Phase 3 trials
- **LIVN** cuts FY outlook
- **ENSG** to acquire four nursing facilities from **CTRE**
- **IRTC** CEO to resign; Co. reiterates Q2 guidance
- **NVTA** files to sell 26.6M shares for holders
- **LHCG** to acquire Heart of Hospice

On the Chart

MRNA weekly setting up right at a big breakout spot around \$187 and the six-month cup and handle targets \$240 on a longer-term move

Industrials

- **Tesla (TSLA)** failed to oversee CEO Musk's Twitter use in 2020, says SEC, calling out messages about Tesla's solar roof production volumes and its stock price
- **TSLA** expects to buy over \$1B in Australian battery materials a year, says Reuters. The company already sources three quarters of their lithium stock from Australia
- **BA** market share for single-aisle jetliners has fallen to 35% vs 50% just 10 years ago, per Reuters, and the company doesn't have a clear plan to win back lost ground
- **Volvo** may distribute proceeds from the sale of UD Trucks back to shareholders, per Reuters
- **SAIA** says May LTL shipments per workday rose 12.7%
- **TM** debuted their all-electric SUV concept for the US market
- **HI** CEO to retire

On the Chart

HI quiet name but pulled back off of 52-week highs recently and forming a nice base around \$47.50 with a move higher target \$50 and then new highs again

Energy & Materials

- **SMG** raising FY outlook to \$9.00-\$9.30 vs \$8.60-\$9.00; Co. now expects company-wide sales growth of 17 to 19%. Scotts says Hawthorne sales also continue to exceed expectations, where it now anticipates full-year sales growth of 40%-45%
- **Brookfield** is raising their offer for **Inter Pipeline** to C\$17.50/share; Pembina offered \$6.9B for the company yesterday as they look to thwart the hostile approach from Brookfield
- **PUMP** files to sell 16.6M shares for holders

Hawk Database

SMG recently bullish focus with the June \$220/\$200 bull risk reversal opening 1250X

Tech/Telecom

- **NVDA** CEO remains confident in securing approval for their ARM deal, per Bloomberg. Government approval in China may come in early 2022
- **AAPL** remains deeply dependent on China, per Nikkei, despite all the efforts recently to pull away
- **TSM** has started construction on a new \$12B facility in Arizona, per Reuters
- **Huawei** is launching a new OS today, per WSJ, as they attempt to break into the market owned by iOS and Android

Analyst Notes

Upgrades

- **SBAC** raised to Overweight at MSCO, Tower and carrier commentary in recent months has increased confidence in the 5G leasing cycle and SBA Communications is the best positioned to outperform in this environment
- **DXC** raised to Overweight at Wells Fargo, DXC is now in a position where favorable external demand dynamics and improved internal execution should enable the company to begin to move towards sustainable revenue and earnings growth
- **CGC** upgraded to Hold at Canaccord
- **CCEP** upgraded to Outperform at KGI

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DXC still has 3500 June \$40 calls in open interest from a buyer on 3/11 and shares moving into a volume pocket with room to run higher

Downgrades

- **IMAX, CNK** cut to Sell at Goldman; our below consensus estimates reflect our more cautious domestic box office outlook where we forecast 2021/22/23 domestic box office of \$5.4/\$8.2/\$8.4 bn, well below 2019 levels of \$11.4 bn reflecting our view that the domestic box office recovery likely will be negatively impacted by (1) film studios increasingly distributing movies through alternative channels (e.g., DTC streaming, home video) as they did during the pandemic; (2) box office cannibalization from new shortened 45-day theatrical windows; and (3) new consumer behaviors adopted during the pandemic, including increased usage of streaming video services
- **GOTU** cut to Neutral at Goldman Sachs
- **SAFM** cut to Equal Weight at Barclays
- **PGNY** cut to Neutral at Guggenheim

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IMAX one to target on weakness with the recent 6000 Jan. 2023 \$25 calls bought, support near \$21 should hold.

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Initiations

- **SOFI** started Outperform at OpCo, believes SoFi's assets - lending, investment and platform - provide an opportunity for customer acquisition, cross-sell, and market share capture
- **SNPS** started Buy at Rosenblatt, \$302 PT, analyst thinks that ballooning chip and packaging complexity, increasing levels of software on the chip, new vertical markets, and Synopsys' artificial intelligence-enabled Fusion Compiler have positioned the company for an inflection in demand and revenue growth
- **CUTR** started Overweight at Cantor Fitzgerald citing a number of topline drivers including category leadership in body sculpting and acne, recurring revenues and industry tailwinds, improving gross margins from 53% in 2020 to low-to-mid 60% by ~2022 and to the mid-60s sometime thereafter, continuing to increase operating leverage to drive even greater profitability, and customer recovery from the pandemic
- **GENI** started Buy at Goldman, \$31 target; view GENI as a best-in-class provider of “pick-and-shovels” to the rapidly growing global online sports betting industry, allowing investors to participate in the expanding TAM without choosing a market share winner among operators
- **PDFS** started Buy at Rosenblatt, \$22 PT
- **MSFT** started Outperform at KGI
- **ALT** started Buy at HCW
- **BAC** started Buy at Truist
- **VMEO** started Outperform at Cowen
- **SBLK** started Buy at SEB Equities

Hawk Database

SBLK a small name seeing a lot of bull flow since May with June \$20 put sales and some July, August, September call buys.

Other Notes

- **BIIB** could hit \$400/share on Aducanumab approval, says Mizuho, and \$200 if the drug is not approved.
- **ABT** setup is improved with COVID testing de-risked, says Barclays, the focus can now turn to the solid base business which is growing revenue double digits in April 2021 versus April 2019
- **HOG** target raised to \$70 at BAML on strong sell-through trends, used motorcycle pricing, Pan America Launch, Icons collection reinvigorating brand energy and EV feedback improving

Trade Ideas

Commercial Metals (CMC) setting up in a nice cup-and-handle pattern under \$33 and eyeing a continuation of the strong trend since February. A breakout higher has a measured move to \$38 and MACD is nearing a bull cross with RSI back above 60, ready to run with momentum shifting. CMC reports earnings in mid-June, higher in five of the last eight.



Technical Scans

Inside Days: W, HELE, TPX, TDOC, ORLY, GMED, INTU, PLAN, GNTX

Bull Reversals: ALSN, SWCH, JCOM, HELE, PSFE, MMSI, ORCL, QLYS, ALGN, MELI, TSCO, HSIC, DTE, RGLD, HPE, JNPR, MAS, AGIO

Ready to Run: KTB, TGNA, CPE, DLX, FANG, GPI, HI, CMC, USFD, PRAA, TEX, KRA, PBF, MAXR, MOMO, AVNT, FMC, FLO, GDDY, H, GIII, GRPN

Insider Profile

World Fuel Services (INT) small-cap that drew some notable insider buying last week on 5/27 and 5/28 when the CEO and CFO bought stock at \$31.40 to \$31.60. The CEO bought \$314,000 in stock. INT shares are back at the 200-EMA and forming a multi-week base with a push back above \$33 key for a run back at recent highs. The \$2.09B company trades 13.7X earnings, 0.11X sales, and 3.28X FCF with a 1.5% yield. INT distributes fuel and related products & services to the aviation, marine and land transportation industries. Within aviation they work with commercial airlines, second and third tier airlines, cargo carriers, and regional and low-cost carriers. INT is dependent on demand and benefiting from the rebound in their key markets into the 2H. Additionally, they carry a lot of cash on their balance sheet, a record \$735M, and looking in 2021 for ways to deploy capital. This could include buybacks as they carry the lowest debt level in nearly a decade. Analysts have an average target for shares of \$36 with a Street High \$40. BAML upgrading to Buy in January citing potential for accelerating volumes into 2H21 as aviation, marine, and land based demand return, vaccine distribution accelerates, and as WTI/Brent prices continue to climb. Hedge fund ownership fell 4% in Q1.

Open Interest Checks

Ticker	Contract	OI Checks		
		Prior OI	New OI	OI Change
JMIA	July \$29 Calls	2,608	8,317	218.90%
JD	August \$70 Calls	1,405	2,836	101.85%
LH	November \$280 Calls	2,003	4,005	99.95%
TXRH	September \$105 Calls	3,165	5,498	73.71%
SAVA	August \$150 Calls	1,817	3,098	70.50%
AMD	August \$87.5 Calls	2,115	2,761	30.54%
OXY	September \$25 Calls	7,429	7,272	-2.11%
SPY	December \$425 Calls	22,159	20,614	-6.97%
EPR	October \$55 Calls	2,048	1,273	-37.84%
OXY	November \$25 Calls	3,618	2,194	-39.36%

Extras

Workday (WDAY) with 900 March 2023 \$160 puts sold to open today \$12.55

L Brands (LB) late day buyer 7500 next week \$71.5/\$75 call spreads for \$1 as 10,000 of the \$68/\$73 adjust

Holly Frontier (HFC) with 3300 July 9th (W) \$37 calls bought for \$0.85 late

Plug Power (PLUG) opening sale 1000 Jan 2023 \$27 puts for \$8.55

Hersha Hospitality (HT) unusual 1200 November \$10 ITM calls bought into the close \$2.45 offer in sweeps

Plains (PAA) with 2000 August \$11 puts sold to open for \$0.80

Rick's Hospitality (RICK) with 300 July \$80/\$70 bull risk reversals opening as June calls adjust

Valero (VLO) buyer 500 December \$75 puts for \$5.90 to open

What They're Saying

Veeva Systems (VEEV) earnings call on the buzz around decentralized clinical trials across the CRO and Pharma space... "Yes. Decentralized trials, that's part of what we call digital trials, so that's moving clinical trials to paperless and patient-centric. Decentralized trials itself refers to, most often, to being able to do parts of the trial process with the patient in the patient's home, still supervised by a caregiver but that may be through in-home nurse or that may be through a Zoom call, something like that. So we do have significant technology investment in that area and that will be ongoing. That's things like MyVeeva for patients, for example, that will fit into decentralized clinical trials. What we're doing for eConsent, our Site Connect product, and then we'll connect that into our Clinical Suite for the sponsor. So it's a big opportunity and area of investment but for us, it could be a bit broader. It's what we call digital trials."

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Applied Materials (AMAT) at the Cowen TMT conference on secular tailwinds vs cyclical tailwinds and what they're seeing now... "The vast majority of what we see right now is a secular tailwind around our industry. We talk about the next wave of compute. We talk about Internet of Things, artificial intelligence. We talk about it as being the basis of competition for companies around the globe, and it's nonconsumer discretionary. I actually call it existential. Companies will make these investments, survive and thrive or they won't and they'll cease to exist. And so we see something very structural happening here. That is a nice secular tailwind, and we're in the very early innings of this playing out as the semi industry grows to about \$1 trillion. That's the general consensus by the end of the decade. Our industry being 14% of the overall semi industry as a ratio between the 2 industries. That's going to drive our industry up over \$100 billion to \$140 billion and \$150 billion in overall size. And so we feel good about these secular tailwinds. Customers that are putting equipment in place today, that's really to satisfy demand for a couple of years out. And as we look at the number of 300-millimeter factories we're tracking around the globe, you're now over 50 projects around the globe that can take almost \$300 billion of WFE. So our customers are putting infrastructure in place that's tracking a very strong secular growth trends shaping our industry. In the near term, you'll get a little bit of the cyclical effect as our customers try to catch up in the near term environment with some of the output to address shortages that they see in the market. The vast majority that's shaping our industry right now, in our view, is a secular trend that's been playing out for quite some time now."

Earnings Grid

Stock	Open Interest	Historical Moves	Avg. 6 Q. Max Move	Implied Move	Short Float	SI Change (3mo)	IV30 Skew
CRWD	1K June \$225 Call Buyer / Sellers in Jan \$250 Calls / July \$170 Short Puts 3450X / 1400 Oct \$190 Put Buy / 4K July \$220 Calls w/ Buyers	Higher 4 of 5	12.75%	5.89%	6.35%	19.9%	-0.17%
DOCU	1500 Weekly \$200 Calls Bought / Put Sales Popular Across Many Months, Strikes	Lower 3 of 4	10.85%	6.18%	3.00%	14.7%	-5.18%
HPE	8000 Nov \$14 Puts Bought / 5500 August \$14 Calls Bought	Lower 5 of 7	2.65%	4.13%	2.32%	-10.5%	0.79%
STNE	5000 June \$63 Puts Bought in OI / 3000 July \$70/\$80 Call Spreads Bought and 1K Oct. \$67.5 Calls Bought	Lower Last 3	14.50%	8.12%	5.70%	41.9%	-0.44%
SPLK	5000 June \$120/\$110 Put Spreads Bought	Lower 4 of 5	12.10%	6.94%	4.11%	-2.8%	-1.42%
COO	300 June \$400/\$380 Bull Risk Reversals	Higher Last 5	5.32%	6.42%	2.55%	9.6%	3.55%
MDB	Size Jan 2023 Short Puts in OI Account for Most OI	Lower 8 Straight	10.85%	7.54%	12.87%	-7.4%	-0.43%
NTAP	2000 June 80 Puts Bought / 1750 Jan. 2023 \$90 Calls Bought	Lower 3 of 5	9.82%	5.47%	4.17%	14.0%	6.64%
PAGS	Large Calls Bought in OI for June, August, September, November, Jan. 2022	Higher 7 of 9	6.10%	12.46%	8.86%	6.0%	0.66%
SJM	2250 June \$235 Short Puts in OI	Higher 5 of 6	5.50%	5.96%	10.36%	8.7%	0.19%
AAP	June \$190/\$210 Call Spreads, Short \$170 Puts 1500X / 1K Sep \$185 Short Puts / 20K Jan \$160 Calls Bought	Higher 6 of 8	7.10%	7.44%	4.18%	-5.4%	3.59%
ESTC	1500 June \$100 Short Puts / 8K Aug \$100 Short Puts	Lower 3 of 4	14.80%	13.09%	14.03%	14.4%	2.55%
FIVE	1K Weekly 182.5/167.5 Put Spreads / 1K June \$195 Calls and 900 June \$200 Calls Bought	Higher 5 of 7	9.77%	6.19%	6.52%	-0.3%	4.36%
GWRE	No Notable OI	Lower Last 6	8.60%	9.70%	4.35%	5.0%	-0.92%
CIGN	3K Jan \$45 Short Puts	Lower Last 4	12.83%	6.55%	2.60%	-0.5%	-3.06%
PVH	June \$100 and \$95 Short Puts 2000X / June \$115 and \$120 Calls Bought 2000X	Higher Last 3	8.17%	11.07%	2.28%	0.6%	5.28%
SMAR	1200 June \$65 Short Calls / 1600 Aug. \$70 Short Calls	Lower 5 of 7	14.55%	12.95%	4.21%	11.5%	3.51%
APPS	3500 June \$55/\$50 Put Spreads / 5K June \$65 Puts in OI	Higher 4 of 5	24.20%	10.53%	3.04%	-16.0%	0.95%
AI	Notably Bearish Flow, Short Calls, Long Puts	Lower Last 4	6.05%	17.42%	25.00%	44.5%	-1.57%
NCNO	1500 June \$65 Short Calls / Aug. \$65 and \$60 Short Puts 2500X and 2400X	Higher 2 of 3	10.00%	12.66%	6.40%	30.9%	1.81%
AMBA	Small Mixed Flows	Lower 5 of 6	13.06%	7.03%	5.65%	-15.9%	0.85%
PD	No Notable OI	Lower 5 of 7	20.73%	15.47%	10.66%	0.2%	2.02%
SUMO	5000 Aug. \$25/\$17.5 Bull Risk Reversals in OI	Higher 1 of 2	18.00%	19.78%	8.80%	-28.7%	-5.32%
CLDR	25,000 Aug \$17.5 Calls Accumulated in OI, Large Short Puts at \$10 Strike	Higher 4 of 6	14.30%	9.39%	6.47%	-23.5%	1.26%

Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
APPS	Digital Turbine	\$0.25	\$0.20	\$95.08	\$95.10	141.60%	FY Above
HPE	Hewlett Packard	\$0.46	\$0.42	\$6,700.00	\$6,613.71	11.50%	

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MDLA	Medallia	-\$0.08	-\$0.07	\$131.40	\$127.29	16.60%	FY Above
STNE	StoneCo	\$0.60	\$0.89	\$867.70	\$985.00	21.10%	
ZM	Zoom Video	\$1.32	\$0.98	\$956.24	\$908.17	191.40%	FY Above
AMBA	Ambarella	\$0.23	\$0.17	\$70.10	\$68.64	28.40%	FY Above
AAP	Advanced Auto	\$3.34	\$3.08	\$3330.4	\$3303.32	23.4%	FY In Line
DCI	Donaldson	\$0.66	\$0.58	\$765	\$707.59	21.5%	FY Above

ZM – Beat on EPS and Revs – Drivers of total revenue included acquiring new customers and expanding across existing customers. At the end of Q1, Zoom had approximately 497,000 customers with more than 10 employees, up approximately 87% from the same quarter last fiscal year, 1,999 customers contributing more than \$100,000 in trailing 12 months revenue, up approximately 160% from the same quarter last fiscal year, and a trailing 12-month net dollar expansion rate in customers with more than 10 employees above 130% for the 12th consecutive quarter

AMBA – Beat on EPS and Revs – "Ambarella has its strongest product portfolio in its history, and positive secular forces are driving the digital transformation across the growing number of industries we serve. Although early in this transformation, our Q1 non-GAAP operating margins of 12%, compared to 1% a year ago, demonstrate our positive earnings leverage. Our automotive business, led by CV, should double this year, and a multi-year period of share gains, in a growing market, has now likely commenced," said Fermi Wang, President and CEO. "We continue to face a variety of significant supply-chain challenges, however our execution is strong and our guidance assumes the worst of the supply-chain challenges from the Texas freeze will be experienced in Q2 and improve as we progress through the second half of the year."

HPE – Beat on EPS and Revs - CEO Antonio Neri says: "Our disciplined execution on our strategic priorities is positively impacting both top and bottom line performance. We are strengthening our core compute and storage businesses, doubling down in our growth Intelligent Edge and HPC businesses and accelerating our pivot to as-a-service, while also advancing our cloud-first innovation agenda to become the edge-to-cloud platform as-a-service choice for our customers and partners. As businesses emerge from the pandemic and move beyond the immediate needs of COVID, digital transformation is at the forefront of their strategic initiatives. Our focus has been to accelerate our strategy in order to help our customers transform their businesses, optimize their applications and data across an increasingly distributed world, and be future ready, today." CFO Tarek Robbiati says: "The overall demand environment is improving, and we are seeing traction across our portfolio. We are once again raising our full-year guidance to reflect the continued momentum in the demand environment and our strong operational performance to date. This marks the third increase in our outlook since our Securities Analyst Meeting last October."

Disclosures

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