



Inside Today's Blitz

- Stocks Set to Slip as Concerns Over COVID Variants, Slowing Growth Weigh
- China Continues Crackdown on Tech Industry
- G20 Agrees to Global Minimum Tax
- **SPCE** completes successful, manned flight to space; 'Black Widow' a winner for **DIS** at the box office; **UAL** CEO sees demand returning; **MSFT** near deal to buy RiskIQ; **Atos SE** cutting guidance

Market Outlook

Futures are indicating a weak open for the day with the **Dow** off by 52 bps, the **S&P** off by 28 bps, and the **Nasdaq** up 23 bps. The **Russell** is down 87 bps. Energy is getting hit with **WTI** down 1.6%. **Natural Gas** is down 1%. **Gold** and **silver** both for sale today with the latter down 85 bps. **Copper** is down around 1%. The **dollar** is up 23 bps. **Bonds** are up 25 bps. **VIX** is 18.20. It has been a mixed morning for stocks with Asia rallying behind Friday's strength in the US but Europe under pressure, especially around value stocks, as concerns over COVID and slowing reopening growth perk up. There was a relatively somber article in Bloomberg this weekend noting that China's slowdown could be a roadmap for how the rest of the world pulls back in the 2H as the V-shaped recovery wanes. It was a quiet weekend for news, overall. The G20 agreed to move forward with plans for a global minimum tax, as expected. Although, the likelihood it makes it through Congress is very slim, as we have discussed before. Elsewhere, China continues to put pressure on its tech industry with new IPO rules, changes to exclusivity rights around music labels, and now Bytedance is reportedly pulling their IPO plans. ECB's Lagarde has promised a new inflation outlook soon to hopefully boost markets.

Asian markets are mostly higher today with Hang Seng up 62 bps, Shanghai up 67 bps, and the Nikkei up 2.25%. In Europe, the major indices are mostly lower amid virus worries. There were over 2.6M new cases reported last week. The DAX is down 18 bps, CAC is down 42 bps, and the FTSE is down 66 bps. We're seeing cyclical groups get hit hard today with banks and travel stocks under pressure. **Daily Mail & General Trust** rose 2% after reports that controlling shareholder Rothermere is considering a bid for the remainder of the company. **Tate & Lyle**, a supplier of food and beverage ingredients, rose 1.5% after selling a stake in one of their business units. Car insurance provider **Admiral Group** rallied 3.5% after a positive 1H update. French IT consulting group **Atos** fell over 17% after it booked lower-than-expected profitability in the first half and cut financial targets for the year.

Calendar

Today... Bill Auctions, WASDE Report; **International Data:** Japan PPI; **Earnings After the Close:** SLP

Next Week... CPI, Redbook, API Inventories; **International Data:** China Import/Exports; **Earnings Before the Open:** JPM, GS, PEP, FAST, OGI, CAG, FRC, ANGO; **Earnings After the Close:** KRUS, WAFD; **Analyst Days:** MDB, XPO, RIOT; **Conferences:** William Blair Biotech, Ladenburg Healthcare

Overnight Markets

VIX	18.2	2.27%
US Dollar	92.35	0.25%
Gold	1800.7	-0.55%
Silver	26.01	-0.87%
Copper	4.304	-0.96%
Natural Gas	3.629	-1.22%
Oil (WTI)	73.33	-1.65%

Technical View



Key Levels to Watch

S&P futures (ES_F) have pulled back off of last week's highs and forming some balance overnight around 4345 and a HVN from Friday. Overnight VWAP is declining around 4352 and VWAP from Thursday's morning low is near 4322. A move below 4343 targets 4326 and then 4308. A move back higher has room to 4360, 4379, and then 4396.75.

Economic Data

- **Japan** machine tool orders rose 96.6% in June vs 141.9% prior
- **Japan** PPI was 5% vs 4.8% est.

Macro News

- **China** has tightened rules around foreign IPOs, per Bloomberg. The new rules would force all companies to undergo a cyber security review
- **Malaysia** is preparing to cut their 2021 GDP outlook, per Bloomberg
- **Bank of Indonesia** is considering a rate hike in 2022, per Bloomberg, amid signs of an ongoing recovery
- **China** is facing a slowdown in its economy, says Bloomberg, sending a warning to other major economies as the reopening shifts
- **The EU** could face growth headwinds in the 2H from the rise of the delta variant and slowdown of the reopening, per FT
- **The EU** is expected to delay their implementation of a new digital tax in response to US criticism, per FT
- **ECB's Lagarde** said the ECB will change its forward guidance at the upcoming meeting as they grow more serious about bolstering inflation, per Reuters
- **The BOJ** may buy 'green bonds' to boost the market, per Reuters
- **Yellen** warned that COVID variants could derail the economic recovery and called for better vaccine distribution, per NYT

Movers

Gainers: TPST 57%, CLDX 40%, SPCE 8%

Losers: DIDI -3.5%, AMC -3%, TME -2%, CCL -2%

Insider Buying

AOMR, CERE, CMCT

IPO Calendar

Stevanato (STVN) raising \$900M at a \$6.8B market cap; supplies glass vials, syringes, and other medical-grade containers

Philips Edison (PECO) raising \$500M at a \$3.7B valuation; owns equity interests in 300 shopping centers across the US

Membership Collective (MCG) raising \$450M at a \$3.2B market cap; member-only luxury hotel brand Soho House

F45 Training (FXLV) raising \$325M at a \$1.5B market cap; workout studio

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- A new survey of **economists** is warning that elevated inflation could persist for years, per WSJ
- **Business travel** is rebounding at a faster pace than expected, says Bloomberg, as more offices go back to work
- **Junk bond yields** are below the rate of inflation for the first time on record, says WSJ

Sentiment

- Wall Street is bracing for an historic surge in **corporate earnings**, says FT. S&P profits are forecast to jump more than 60% in Q2, a growth rate that would be the highest in more than a decade
- **SPACs are falling short of promises**, says FT, while taking in investor cash. A generally cautious piece about how sentiment around SPACs remains high for retail but they generally consume too much cash before a deal is done and the post-deal stock reaction has been weak since last December
- **Hedge funds** are continuing to get hurt by the 'meme stock' rally, says WSJ. A litany of top stock-picking funds like Melvin, D1 Capital, Point72, Maplelone and others are down between 40% and 50% in the 1H as the market continues to whipsaw their short bets
- **Oil** – WSJ writes on a wave of bullish Oil bets driving big price moves. The ratio of bullish bets on U.S. crude to bearish wagers surged to 23-to-1 during the week of June 15, the highest level since the summer of 2018 and nearly triple the figure from five weeks earlier, Commodity Futures Trading Commission data show.

Stock-Specific News

Barron's Wrap

- **AstraZeneca (AZN)** pipeline can keep the stock growing for years. The company has a growing number of \$1 billion blockbuster drugs and, with EU and U.S. approval of its acquisition of **Alexion Pharmaceuticals (ALXN)**, a promising new rare-diseases division
- **Malibu Boats (MBUU)** looks ready to move higher. Even if sales cool off, Malibu should sustain growth, bolstered by market-leading brands, lean manufacturing, and innovative technologies fueling demand for its products

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- **Citi (C)** worth a shot on earnings. With banks strong but perhaps not as exciting and certainly not as cheap, few are as cheap as Citigroup
- **BABA, JD** are starting to look like bargains

Consumer/Business Services

- **BYND** – Beyond Meat CEO featured in WSJ discussing the company's plans including Fake Bacon
- **DIS** – Black Widow sets pandemic record in hopeful sign for theaters (**CNK, AMC, MCS**) says the WSJ. The newest Marvel picture generated \$80 million in U.S. and Canadian theater ticket sales in its debut weekend and \$60M at-home streaming revenues.
- **IMAX** lands \$12M in global opening of "Black Widow", highest grossing opening weekend of the pandemic era in 11 markets worldwide, including North America.
- **CMCSA** – Bloomberg featured piece on its Peacock spending and the need of a strategy after a slow start with just 14M users. Report notes that "executives and analysts have speculated that Comcast will spin out NBCUniversal or the company would like to merge with **ViacomCBS (VIAC)** or **Discovery (DISCA)** to create a more potent streaming competitor."
- **AMZN's** bid to buy MGM Studios will face an extended FTC probe, says Reuters. The FTC ordered a second request for information last week in their look into the \$8.5B deal
- **Echelon Fitness** is exploring strategic alternatives including a potential sale, says Bloomberg. This was out on Friday afternoon and note says the **PTON** competitor could be valued at \$1B
- **Weber Stephen**, the maker of the iconic Weber grill, is considering an IPO and could reach a \$4-6B valuation, per Bloomberg. This comes less than a week after news that **Traeger Grills** is considering an IPO
- **JWN** is looking to buy a minority stake in four brands owned by Asos including TopShop and HIIT, per CNBC
- **TME** is being forced by the Chinese government to give up music label exclusivity, says Reuters, as regulators look to crack down on monopolistic practices
- **Authentic Brands** has dropped their pursuit of **Reebok**, says NY Post
- **LB** board has approved the separation of Victoria's Secret
- **WWE** will host their first live, in-person event with fans on 7/16 ahead of a 25-city Summer tour, per Variety
- **Morrison's** could see CD&R make a revised bid this week for the company, per Bloomberg, as they look to top Fortress's new proposal
- **WMT - FlipKart** has seen their valuation rise to \$37.6B in the latest funding round, per Bloomberg

Chart Watch

BYND has pulled back recently to the top of April and May value at \$140 and setting up a nice risk/reward for a return to \$150+

Hawk Database

CMCSA remains one of the nicer weekly charts with a break above \$59 in focus and name that has seen buyers in the Aug. \$55 calls in size recently

Chart Watch

WMT small bull flag to watch today under \$141 and could get a quick move back to \$143/\$144 and the top of the recent range

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- **Electrolux** says they expect inflationary pressures to subside in the 2H of 2021, per FT, and they've been successful passing on price hikes so far to customers
- **Europcar** says car rental prices will stay elevated as the auto industry continues to face pressure from the chip shortage, per FT
- **Aleph Holding**, expected to IPO in 2022, is selling a stake to **CVC** valuing the digital media company at \$2B. Aleph generates revenue by helping corporations and social-media companies work with each other in geographies mainly outside of the U.S. and Europe.

Financials

- **AON, WLTW** – A judge has set a date for the Aon, Willis trial of November 18 to November 23, per Reuters. The \$30B deal is being challenged by the DOJ
- **CS** said their head of compliance has departed after just five months on the job, per Reuters
- **CME** says Q2 International ADV was up 6% Y/Y
- **HLI** is buying Baylor Klein, a boutique M&A advisory firm
- **Dyal Capital** – a unit of **OWL** – is nearing a deal to buy a stake in the Sacramento Kings, per WSJ. The 5% stake would value them at \$1.5B
- **Bank** sector featured on WSJ into earnings season noting after last year's struggle they are set for big profits. It does highlight obstacles as well, such as a slowdown in trading profits. It also notes tepid loan demand and low rates may weigh on net-interest margins.

Healthcare

- **PFE** will meet with US health officials today to discuss COVID boosters, per Reuters. This comes ahead of potential EUA for the third shot
- **CLDX** presents 'positive' data from CDX-0159 phase 1b study in patients with antihistamine refractory cold urticaria and symptomatic dermographism
- **BCRX** reports 96-week data from APeX-2 which showed an 80 percent average reduction in their mean attack rate per month during weeks 25-96 of the trial, compared to baseline
- **MSP Recovery**, a company specializing in securing Medicare and Medicaid secondary payments, will go public via SPAC with **LCAP**, says Bloomberg. The deal values them at \$32.6B
- **Smith's Group** says that TA Associates has made an GBP2B bid for their medical business, per Reuters
- **Sinovac** has agreed to supply 380M doses of CoronaVac to COVAX over the next 12 months

Sympathy Movers

WHR the name to watch in the US on Electrolux commentary

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AON buyers continue to add into weakness with the August \$140 calls in focus on 7/8

Chart Watch

CME has pulled back to a big volume node at \$205 last week and bouncing, nice setup for a return to \$215 and June VPOC above

Chart Watch

BCRX forming a bull wedge under \$17 and recent highs, potential for a continuation higher towards \$20+

Industrials

- **United (UAL)** CEO sees a huge desire fueling US air travel rebound, Bloomberg writes. Leisure travel on U.S. airlines now exceeds pre-pandemic levels and severely depressed business flying is expected to begin returning in the fall
- **SPCE** completes first fully crewed spaceflight, the 22nd flight of the VSS Unity and first with a full cabin
- **BA, Airbus** could be in line to see a new 160 plane order from Air France KLM, says Bloomberg
- **TSLA's** Musk is being asked to defend his Solar City purchase in court, per WSJ. The plaintiffs have characterized the deal as a scheme to benefit himself and bail out a home-solar company on the verge of insolvency.
- **Volkswagen** said that 1H results will be strong with operating profit of €11B and cash flows of €10B but they warned on the 2H due to the ongoing semi shortage, per FT
- WSJ featuring another piece on Shipping delays and high rates causing issues with small businesses. The average price to ship a container from China to California is now at \$6,043, up 43% since the start of this year and 344% since the start of 2020, according to the Freightos Baltic Index. The price for a box from Asia to Europe is \$13,073, up 130% from the beginning of the year.

Energy & Materials

- **CVX** is considering permanently shuttering their Pasadena, Texas FCC, per Reuters.
- **PPG** is considering a third price hike for the year, says Bloomberg, as inflationary pressures continue to hit them
- Lone Star near \$2B deal for CVC Chemical firm **AOC**
- **PVAC** is buying **LONE** in an all-stock deal
- **KL** says Q2 production was up 15% Y/Y
- Commercial sweeteners company **Tate & Lyle** has agreed to sell a majority stake to KPS Capital Partners for \$1.7B, per Reuters

Tech/Telecom

- **MSFT** – Microsoft is said to be buying cybersecurity company **RiskIQ** for more than \$500M cash. RiskIQ makes cloud software for detecting security threats, helping clients understand where and how they can be attacked on complex webs of corporate networks and devices.
- **AAPL** – Bloomberg speculates potential for the Apple Card+ to rival **AmEx (AXP)** and **Chase (JPM)** as well as **Square (SQ)**.
- **AAPL** is the next antitrust target for state AGs, says Apple Insider, after Google's suit was brought last week

Hawk Database

UAL the July 30th (W) \$50 calls bought last week over 1000X and December \$50 and \$52.50 calls bought in late June of note into earnings

Chart Watch

BA strong bounce last week and above \$245 can make a run as it clears a multi-week channel down

Chart Watch

KL gap above at \$41 to watch with room to \$43 and June VPOC to fill

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- **TWTR** is looking to appoint a grievance office in India to help comply with their new social media rules, per Reuters
- **FB's** WhatsApp is the subject of a new complaint by the EU Consumer Organization over privacy policy changes, per Bloomberg
- **INTC** is expected to spread their \$20B EU semiconductor investment across a number of countries, per FT, and not just on one facility
- **HUYA, DOYU** merger has been officially blocked by Chinese regulators
- **SWI** guides Q2 revenues modestly above Street estimates
- **Paycor**, a HCM company, eyes a \$3.6B valuation for its IPO - Reuters
- **Softbank** accelerated the pace of their investments in Q2, says FT, putting more than \$13B to work into more than 50 companies
- **Atos SE** shares are weak today in Europe after a Q1 update where they cut guidance, per Reuters. The company has seen an accelerated decline in legacy infrastructure business as cloud migration demand rises
- **Tsingua Unigroup** confirmed on Friday that one of its creditors has asked a court to start bankruptcy proceedings, per Nikkei
- **ByteDance** is shelving IPO plans after regulators warnings over data security recently, per Bloomberg
- **SGH** pricing 3M offering at \$51

Utilities

- **Dominion (D), Berkshire (BRK.B)** have agreed to terminate a sale of the Questar Pipelines citing FTC clearance; Dominion will launch a competitive sale process

Analyst Notes

Upgrades

- **AMG** upgraded to Buy at Deutsche Bank, sees the traditional asset manager stocks as best positioned for outperformance across his subsectors into the Q2 reporting season. Key drivers include improving organic growth trends, less pressure on fee rates, a generally constructive macro growth outlook and still relatively inexpensive valuations
- **GBX** raised to Buy from Underperform at BAML, Concerns about decelerating macro growth is more impactful to freight flows than to Greenbrier results and the analyst believes that as demand for new railcars lags the recovery in freight, there is potential for a multi-year upcycle in new orders

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- **IVZ** raised to Buy at Citi, Invesco offers among highest earnings upside surprise potential and is among the least crowded names in the sector
- **CAKE, EAT** raised to Outperform at RJF
- **RHP** raised to Outperform at RJF
- **MFC** raised to Overweight at Barclays
- **IR, FTV** raised to Outperform at Wolfe
- **RGA** raised to Overweight at JPM
- **HSKA, CVET** raised to Buy at Guggenheim
- **TSC** raised to Buy at B Riley

Chart Watch

EAT has a nice pullback pattern and base and above \$62.75 can make a run.

Downgrades

- **CHTR** cut to Perform at Bernstein, competition from T-Mobile in the value segment could cause negative revisions of Charter's 2022-2023 consensus internet net additions. And in the premium segment of the market, the analyst expects pockets of elevated competition from AT&T Fiber to pressure Charter's average per user modestly and cap net add forecasts
- **RKT** cut to Hold at Jefferies
- **UAL** cut to In Line at Evercore
- **WSO, MMM** cut to Underperform at Wolfe
- **CLOV** cut to Underweight at JPM
- **SWAV** cut to Neutral from Buy at BAML
- **IDXX** cut to Neutral at Guggenheim

Initiations

- **WKME** started Buy at Goldman with \$47 target; WalkMe offers a Digital Adoption Platform to customers, a solution that helps enterprises maximize the ROI of their software by facilitating usage of websites and internal SaaS apps. While there is some emerging competition among 3P vendors and the large application developers, we believe WalkMe's differentiation lies in the extensibility of the platform across any type of application and the myriad of use cases that can be developed through its no-code platform
- **CNVY** started Buy at Goldman, \$21 target; CNVY's solutions help U.S. government-sponsored health plans such as Medicare Advantage and Medicare Part D attract and retain members, improve revenue accuracy, drive cost savings, enhance operational effectiveness and achieve regulatory compliance. CNVY's technology and services platform purpose-built for government-sponsored health plans confers a wide competitive moat capable of sustaining robust 15%+ average annual organic revenue growth, with growth tailwinds from a large addressable market, MA

Chart Watch

WKME potential to break its tight post-IPO range and clear \$31.50 to new highs.

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member growth, rising supplemental benefits utilization and cross-selling.

- **UPST** started Buy at Goldman, \$147 target; The company is disrupting the \$92bn annual unsecured personal credit origination market and to date commands less than 4% share. Ultimately believe the company's technology asset will allow the company to succeed in lending categories well beyond unsecured personal that in aggregate represent a multi-trillion dollar market opportunity, including auto loans, student loans, point-of-sale loans, and HELOCs/mortgages.
- **LYEL** started Buy at Goldman, \$30 target; encouraged by the preclinical data seen to-date and the experienced management team and note multiple programs are set to enter the clinic with first-in-human data next year, including: 1) LYL797, a ROR-1 CAR T to be initially evaluated in non-small cell lung cancer (NSCLC) and triple negative breast cancer (TNBC) and where we note early proof-of-concept for the target (IND in 1Q22; \$6.3B peak sales); 2) TIL LYL845 in multiple solid tumor types (IND in 2H22; \$21.4B peak sales); and 3) in collaboration with GSK, we anticipate IND filings in 1H22 for an enhanced NY-ESO-1 TCR product candidate in synovial sarcoma and other solid tumor indications.
- **LBPS, FBRX, SYBX, KLDO, MCRB** assumed Buy at Chardan
- **CVX** started Outperform at BMO; Sees Chevron raising dividend and resuming buybacks
- **VERV** started Buy at Guggenheim

Hawk Database

UPST featured write-up this morning with the size August \$130/\$160 call spreads opened Friday.

Other Notes

- **VMEQ** target raised to \$60 from \$50 at Jefferies, cites April/May revenue growth above consensus, strong headcount growth and job listing growth
- **ZS, NET, OKTA, CRWD** estimates raised at Mizuho after the analyst polled 100 security buyers in the U.S. in order to gauge the overall security market, including the current demand environment. From a vendor standpoint, data points were most bullish for the four hypergrowth vendors. One notable surprise from the survey was that 83% of security buyers characterized their Q2 spending activity as better than usual, up meaningfully from the 54% level in our survey a year ago
- **BHVN** target raised to \$134 from \$92 at Mizuho
- **DPZ** target raised to \$515 from \$466 at RBC
- **CMCSA** target raised to \$72 at Benchmark on Olympics boost
- **PANW** target to \$490 from \$410 at Deutsche Bank
- **ZS** target to \$282 from \$215 at Deutsche Bank
- **FTNT** target to \$242 from \$190 at Deutsche Bank

Trade Ideas

Keysight Tech (KEYS) shares flagging above the rising 8- and 21-EMA after breaking out of a big range to new 52-week highs. A run above \$156 has a measured target of \$163. KEYS has tailwinds from growth in 5G and recently milestone partnership with Qualcomm. Citi out positive earlier this year citing other positive impacts from EVs, car batteries, and higher digitalization in cars in general which will drive the need for increased testing and measurement calibration.



Technical Scans

RSI Leading (Bull): BHP, RIO, ITW, ECL, PGR, MAR, RACE, TRV, OKTA, ODFL, WY, HEI, ATUS, CCK, MHK, WHR, PKG, SNA, WSM, HUBB, LAD, ITT, SITE, EHC, GTLS, PAG, COLM, KNR, PSN, FELE, PCH

Inside Days: DHI, VRTX, APPN, VEEV, PAYS, LOGI, CHTR, GDRX, FIVN, EXPD, AVLR, NET, RPRX, AJG, FTCH, NVDA, SHOP, AMZN, DOCU

Bullish Reversal Days: SQSP, APPS, HASI, YY, GLOB, GDS, COHR, XLNX, XP, VIRT, GWRE, INCY, MC, MDB, BAND, MNST, MKC, EA, ATVI, LII, TRUP, ACAD

IPO Profile

Applovin (APP) has seen a wild ride since its IPO in April with shares sinking the first few weeks of trading and then rising sharply, but since have pulled back to the 61.8% retracement of the low to high range and put in a potential reversal candle. APP sits just under VWAP since it started trading so a move above \$68 could be a nice entry versus the recent reversal low and a name worth taking a closer look.

APP's software solutions provide advanced tools for mobile app developers to grow their businesses by automating and optimizing the marketing and monetization of their apps. Its platform has driven over six billion mobile app installs for mobile app developers and APP now has a diversified portfolio of owned mobile apps. Growth of the mobile app ecosystem benefits mobile app users, but makes it harder for mobile app developers, and particularly independent (indie) developers, to scale and succeed in a crowded market. Most developers lack access to the marketing, monetization, and data analytics tools required to stand out. AppLovin is critical to

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the success of mobile app developers, in particular mobile game developers, solving key marketing and monetization challenges.

APP's total market opportunity based on IDC data is seen at \$189 billion in 2020, growing to \$283 billion in 2024, or a 10.6% compound annual growth rate (CAGR). APP's solutions include "AppDiscovery", its marketing software solution that matches advertiser demand with publisher supply through auctions at vast scale and microsecond-level speeds. It is powered by the AXON machine-learning recommendation engine with predictive algorithms that enable developers to match their apps to users that are more likely to download them. App's MAX is its in-app bidding software that optimizes the value of an app's advertising inventory by running a real-time competitive auction, driving more competition and higher returns for publishers. Lastly, Compass is an analytics software tool within MAX which gives developers the testing capabilities, insights, and intelligence needed to stay competitive and manage profitability.

APP revenues have grown at a 76% CAGR from 2016 to 2020 and in 2020 rose 46% Y/Y. APP earns revenues through two segments, Business revenues are fees paid by mobile app advertisers, or business clients, that use our Software to grow and monetize their apps. Consumer Revenue is generated when a user of one of its Apps makes an in-app purchase (IAP) as its Apps are generally free-to-play mobile games. On the consumer side Monthly Active Players (MAPs) have risen to 1.5M in 2020 from 0.3M in 2018 with ARPU rising to \$41 from \$11. APP revenues are seen growing 84.5% in 2021 and then 20-25% annually the next three years. APP is also very profitable with \$690M in EBITDA seen for 2021 growing 19.5% Y/Y after a 52% growth year and seen rising 25-35% annually. APP operates with 61.7% gross margins and Adjusted EBITDA margins near 40%. APP is targeting 30%+ cash flow growth over the long term.

Since 2018 APP has invested over \$1 billion across 15 strategic acquisitions and partnerships with app studios, games, and technologies. In February, APP announced a key deal for Adjust, a leading mobile app attribution, measurement, and analytics company in Germany at a \$1B purchase price.

APP is a high growth, high margin business in a large and growing addressable market with a clear value-added service utilizing machine-learning and technological advantages. APP currently trading just 9.7X FY21 EV/Sales and 7.9X FY22 seems like a very good value considering its strong profitability and cash flow outlook. APP is positioned to benefit from the continued growth in app development, a growing smartphone installed base, and growth in mobile gaming. APP can also unlock a lot of further growth by expansion into new verticals.

Extras

Boston Properties (BXP) buyer of 5000 November \$130 calls for \$2.12

CrowdStrike (CRWD) with 1000 January \$220 puts bought up to \$15.35

GDS Holdings (GDS) buyers late of 2000 September \$75 calls for \$3.90

Snap (SNAP) with 1,300 September \$75 calls bought for \$2.95 to \$3

US Steel (X) buyer of 4000 July 23rd (W) \$23.50 calls for \$1.71 as some July 9th (W) calls adjust out

Joyy (YY) with 3,500 July 23rd (W) \$61 calls bought for \$1.75, some positions rolling out from July 9th (W) calls

Broadcom (AVGO) with 400 January 2023 \$370 puts sold to open down to \$30.20

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Coinbase (COIN) with 500 June 2022 \$190 puts sold to open for \$23

Fastly (FSLY) with 550 January 2023 \$80 puts sold to open for \$34.55

Peloton (PTON) with 600 January 2023 \$160/\$190 call spreads bought for \$5.74

Unity (U) over 750 October \$90 ITM calls bought for \$20.20 to \$21

XPO Logistics (XPO) with 400 November \$120 puts sold to buy the \$150/\$175 call spread 400X800

Asana (ASAN) buyer of 375 November \$67.50/\$90 call spreads for \$6.32

Bandwidth (BAND) with 200 February \$150 calls bought for \$11.20 to 11.30

Chipotle (CMG) with 200 August 6th (W) \$1585 calls bought for \$59.10 ahead of 7-20 earnings

Intuit (INTU) with 200 January \$550 calls bought for \$19.30

Open Interest Checks

		OI Checks		
Ticker	Contract	Prior OI	New OI	OI Change
AFRM	November \$60 Puts	4,217	11,725	178.04%
BAC	April 2022 \$40 Calls	3,070	7,066	130.16%
IQ	January 2023 \$15 Calls	6,037	11,045	82.96%
GOGO	January 2023 \$12 Calls	2,034	3,537	73.89%
UPST	August \$150 Calls	1,576	2,626	66.62%
ALLY	September \$55 Calls	3,812	6,303	65.35%
CHWY	January \$85 Calls	1,249	1,948	55.96%
NEE	September \$75 Short Puts	1,840	2,851	54.95%
UAA	January \$20 Short Puts	2,113	3,271	54.80%
AAPL	October \$150 Calls	17,802	26,330	47.90%
APLS	October \$80 Calls	5,601	8,113	44.85%
GM	August \$60 Calls	7,798	10,293	32.00%
FB	July 30th (W) \$370 Calls	3,115	3,795	21.83%
SNOW	August \$300 Calls	2,663	3,234	21.44%
F	September \$13 Calls	25,176	30,420	20.83%
VZ	July 30th (W) \$55 Calls	3,587	1,359	-62.11%
WYNN	August \$120 Calls	1,939	175	-90.97%
LW	January \$90 Calls	1,026	26	-97.47%

What They're Saying

PriceSmart (PSMT) earnings call on its omnichannel moves... "During Q3, Click & Go represented 3.5% of our net merchandise sales. Curbside pickup and delivery is now available in all of our clubs and all of our markets. Over the past several months, delivery continues to become a larger portion of our total Click & Go sales. Our grocery, health

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and beauty and cleaning departments are currently the best performers on our e-commerce platform. We're also pleased to see members using our online platform to sign up and renew their membership. 15% of all new sign-ups fiscal year-to-date were completed online. That's up from 14% for the 6 months ended February 28, 2021, and 5% in the year-ago period. Online member sign-ups and renewals provide several advantages to us, including the opportunity for auto renewal and auto payments and access to high-quality, accurate and valuable information. Our experience with Click & Go has not only shown us the demand for the service but the value of the data generated by our e-comm and online channels. As a result, we created significant sustainable growth possibilities for our business."

Earnings Grid

Stock	Next Earn Date	Time	Open Interest	Historical Moves	Implied Move	Aug. 8 Q Max Move	Med. 8 Q Close Move	Sum. 8 Q Close Move	IV30 Skew	IV30 Avg Crush	Hist Put/Call OI %-tile
JPM	7/13/2021	BMO	\$38.48M (44%), Stock: \$26.5M (30%), Bear: \$20.51M (23%), Vol: \$2.49M	Even, Lower last 3	3.24%	2.82%	-0.52%	-2.20%	2.22	-11.24%	72.81%
PEP	7/13/2021	BMO	Bull: \$4.71M (42%), Vol: \$3.6M (32%), Bear: \$2.85M (26%)	Higher 6 of 8, Higher last 2	1.73%	1.82%	0.24%	1.21%	3.34	-10.72%	84.12%
FAST	7/13/2021	BMO	Bear: \$0.88M (56%), Bull: \$0.7M (44%)	Lower 5 of 8, Lower last 3	3.85%	6.93%	-1.41%	10.35%	4.01	-26.80%	23.68%
CAG	7/13/2021	BMO	Bull: \$0.92M (100%)	Higher 6 of 8	3.60%	8.91%	2.07%	10.93%	3.05	-26.26%	32.59%
WFC	7/14/2021	BMO	Bull: \$24.69M (82%), Bear: \$4.53M (15%), Stock: \$0.82M (3%)	Lower 6 of 8	4.19%	5.93%	-4.29%	-23.58%	3.00	-12.80%	37.02%
C	7/14/2021	BMO	\$73.32M (66%), Bear: \$19.39M (17%), Stock: \$9.74M (9%), Vol: \$8.44M	Lower 6 of 8, Lower last 6	3.72%	4.18%	-2.86%	-20.60%	2.77	-5.40%	49.41%
BLK	7/14/2021	BMO	Bear: \$39.55M (61%), Bull: \$25.08M (39%)	Higher 6 of 8	3.13%	3.75%	2.33%	12.88%	3.38	-9.93%	98.59%
DAL	7/14/2021	BMO	Bull: \$24.25M (86%), Bear: \$2.43M (9%), Stock: \$1.61M (6%)	Lower 5 of 8	4.29%	4.59%	-2.09%	-5.38%	1.51	-11.14%	35.14%
UNH	7/15/2021	BMO	Bull: \$47.99M (93%), Bear: \$3.51M (7%)	Even	2.50%	4.21%	1.23%	11.97%	2.34	-12.90%	73.02%
MS	7/15/2021	BMO	Bull: \$25.45M (51%), Bear: \$20.94M (42%), Stock: \$3.33M (7%)	Higher 5 of 8, Lower last 2	3.51%	3.95%	1.42%	10.43%	3.71	-14.03%	0.71%
SCHW	7/15/2021	BMO	Bull: \$5.17M (77%), Bear: \$1.19M (18%), Vol: \$0.37M (6%)	Higher 5 of 8	3.44%	4.58%	2.06%	9.42%	3.89	-6.88%	35.56%
USB	7/15/2021	BMO	Bull: \$2.44M (74%), Bear: \$0.86M (26%)	Lower 5 of 8, Lower last 3	3.59%	4.80%	-1.31%	-10.10%	1.96	-6.23%	38.27%
BK	7/15/2021	BMO	Stock: \$0.2M (100%)	Even, Lower last 2	3.93%	6.05%	-1.93%	-15.58%	3.11	-16.10%	36.86%
CTAS	7/15/2021	BMO	Bear: \$0.6M (100%)	Higher 5 of 8	3.37%	6.09%	1.25%	13.78%	3.07	-23.00%	11.62%
AA	7/15/2021	AMC	Bull: \$20.02M (86%), Bear: \$1.91M (8%), Stock: \$1.26M (5%)	Even	8.08%	10.10%	-1.16%	-11.24%	0.91	-8.89%	97.00%
MRTN	7/15/2021	AMC	No Trades Since Last Report	Even, Lower last 3	5.21%	7.64%	-0.21%	5.25%	-7.20	-11.35%	94.34%
STI	7/16/2021	BMO	Bear: \$1.44M (100%)	Even	5.15%	5.75%	0.78%	4.21%	4.48	-16.40%	1.07%
KSU	7/16/2021	BMO	Bull: \$6.48M (48%), Stock: \$4.52M (33%), Bear: \$2.57M (19%)	Higher 6 of 8	4.11%	4.62%	2.59%	18.30%	0.08	-14.61%	86.57%
ALV	7/16/2021	BMO	No Trades Since Last Report	Higher 6 of 8, Higher last 3	4.29%	5.71%	3.04%	22.01%	1.89	-16.00%	41.61%

Disclosures

Disclaimer:

Not Investment Advice or Recommendation

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