market blitz | OPTIONSHAWK

Compiled Daily by alex@optionshawk.com

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Inside Today's Blitz

- China June Exports Beat Forecasts
- Dollar Edges Higher Ahead of US Inflation Data
- IEA Warns About Oil Inventories without OPEC Deal on Production
- **NOK** expects a strong Q2 and raising guidance; **BA** faces more regulatory pressure of 787 Dreamliner; **GOOGL** to buy Pring; **QGEN** is cutting guidance again on COVID testing slowdown

Market Outlook

Futures indicating a flat open for the day with growth outperforming value early. The **Dow** is down 7 bps, the **S&P** up 3 bps, and the **Nasdaq** up 35 bps. The **Russell** is down 22 bps. Energy is higher with WTI up 36 bps. **Natural Gas** is down 13 bps. **Gold** and **silver** are mixed with the latter down 21 bps. **Copper** is down 60 bps. The **dollar** is up 8 bps. **Bonds** are up 6 bps. **VIX** is 17.05. It has been a fairly quiet night for macro news with the focus mainly on the upcoming CPI print and bank earnings this morning. The inflation data may not be hugely impactful as both sides likely take something positive away from the reading -- prices are likely to fall a bit which will support the 'transitory' thesis while overall levels will undoubtedly stay high. We got positive trade data out of China overnight which follows their positive inflation data earlier this week. They also announced approval for one of Tencent's acquisitions, so could see some regulatory relief from the tech sector. Elsewhere, IEA is warning that oil markets will tighten significantly unless OPEC reaches a deal. Inventories will fall even further below average levels in August.

Asian markets were generally higher this morning with Hang Seng up 1.63%, Shanghai up 53 bps, and the Nikkei up 52 bps. In Europe, the major indices are flat overall. The DAX is down 7 bps, CAC down 27 bps, and the FTSE is up 7 bps. We're seeing outperformance in chemicals, materials, and tech while staples and energy lag. **ING** fell 1% after the Dutch bank agreed to transfer their retail banking operations in Austria to bank99. Finnish telecom equipment maker **Nokia** jumped 8% following a stronger-than-expected second quarter. Banks in the UK are higher after the BOE lifted dividend cap restrictions. **Barclays, Standard Chartered,** and **Lloyds** all rose around 1-2%. Healthcare software and systems provider **EMIS Group** rose 1% after 1H trading results. Retirement group **Phoenix** edged up slightly after selling some assets to Irish Life. **LVMH** is up slightly after agreeing to form a 50/50 JV with **Campari** to create a EU wine and spirits ecommerce player Tannico. **Gerresheimer AG** shares fell 7% after the German drug delivery devices maker said Q2 income fell.

Calendar

Today... CPI, Redbook, API Inventories; **International Data**: China Import/Exports; **Earnings After the Close:** KRUS, WAFD; **Analyst Days**: MDB, XPO, RIOT; **Conferences**: William Blair Biotech

Tomorrow... Powell Testifies Before House, MBA Mortgage Applications, PPI, EIA Inventories, Beige Book; **International Data**: Eurozone Industrial Production, Bank of Canada Rate Decision; **Earnings Before the Open**: WFC, BAC, C, DAL, BLK, INFY, PNC; **Analyst Days**: Couche-Tard; **Conferences**: William Blair Biotech, Ladenburg Healthcare

Overnight Markets

Oil (WTI)	74.38	0.38%
Gold	1808.3	0.13%
US Dollar	92.33	0.07%
Natural Gas	3.743	-0.16%
Silver	26.19	-0.20%
Copper	4.2905	-0.60%
VIX	17.05	-1.85%

Technical View

Key Levels to Watch

S&P futures (ES_F) are balancing in the top half of Monday's range overnight with the a slight dip to VPOC at 4369. We're back near the highs now and above 4379.25 can see further upside. VWAP is at 4374 and rising slightly. Levels higher to watch are 4390 and then 4402 with a reach target up near 4415. Support below is 4365.50, 4353.25 and 4342.

Economic Data

- **China** imports rose 36.7% vs 30% est.; exports rose 32.2% vs 23%
- **German** CPI was 2.3%, in line
- **French** CPI was 1.5%, in line
- **US** small business optimism rose to 102.5 vs 99.5 est.

Macro News

- **China's** PBOC says that the recent RRR cuts don't signal a major shift in policy outlook, per Bloomberg
- **The White House** is warning US multi-nationals about doing business with **Hong Kong** due to elevated risks, per FT
- **China** is prepared for additional US sanctions, per SCMP
- **The BOE** is lifting their cap on bank dividends, per Reuters, as expected
- A new poll of economists says that **the ECB** is likely to begin tapering bond purchases in September, per Reuters
- **The ECB** may soon lift their cap on bank dividends, per Bloomberg, but they'll warn institutions about setting payouts too high
- **IEA** has warned that the oil markets will remain volatile until OPEC reaches a production deal, per CNBC
- **Lumber** has given back all of its gains for 2021, per Bloomberg
- **SPACs –** The SEC is stepping up their inquiry into more SPAC deals as they focus on conflict of interests for banks , per Reuters

Movers

Gainers: PLXP 25%, RNAZ 10%, SOHU 10%, NOK 9.3%, IVAN 7%, BILI 3.5%, TME 3.5%, ERIC 3%

Losers: TWO -8.5%, ISEE -7%, ASO -4%, ATOS -3%

Insider Buying

H, EXLS

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

Stock-Specific News

Consumer/Business Services

- **Swatch** with a strong 1H as sales grew 54.6% vs 57.4% est.; The company is positive on 2H noting that they see sales growing in-line with 2019 levels
- **DIDI**'s biggest rivals are looking to capitalize on their regulatory woes and win market share in China, per FT
- **MCD** owners are offering perks like tuition, childcare to lure more workers back after the pandemic, per WSJ
- **PK** is selling two San Francisco hotels for $303.5M
- **IFIT Health** is buying **Sweat**, an online fitness training platform for $300M, per WSJ. This comes ahead of an expected IPO for IFIT this Fall

On the Chart

MCD with a nice weekly setup under $238 after consolidating since early May and a breakout has upside to $250

Financials

- **Citi (C)** is in talks to sell its Australian consumer business to NAB
- **MNMR** has received a competing bid from Starwood, says Bloomberg, and could upend their deal with **EQC.** The new offer is expected to be around $18.70/share
- **CS** had their credit rating cut by Moody's due to risk management issues, per Bloomberg
- **Policy Genius,** an online insurance marketplace, is going public via SPAC deal with **FRW.**
- **MQ, PAY** announced a strategic partnership to expand the reach of Payfare's platform across the global gig economy

On the Chart

PAY a recent IPO that is flagging well above its 21-day MA and above $37 can run with a measured move to $43

Healthcare

- **QGEN** is cutting guidance, again, per Reuters, as testing demand around COVID continues to slump
- **JNJ, AZN** are considering modifications to their COVID vaccines in response to rare blood clots, per WSJ
- **BIIB's** Aduhelm will be subject to a Medicare review, per WSJ, as part of a process to determine how it will be covered nationally
- **IONS** enters exclusive licensing pact with **BCYC**
- **Curia,** a contract R&D firm working within the drug industry, is in talks to buy rivals Lake Pharma and Integrity Bio, per Bloomberg

Industrials

- **Boeing (BA)** is facing more pressure around the Dreamliner, says WSJ, as production issues could take another three weeks to resolve; the company will lower production the less than five planes per month
- **BA** reports Q2 deliveries of 79 commercial airplanes

- **FTV** is buying ServiceChannel for $1.2B, a global provider of SaaS-based multi-site facilities maintenance service solutions. Service Channel is expected to generate $125M in revenue in 2021
- **FTV** says Q2 is tracking above guidance with revenue growth of 25% vs 20% prior
- **Volkswagen** is raising their 2025 operating return on sales growth to 8-9% vs 7-8% prior; Co. commits to cutting costs by another 7% and will begin output of pure EVs on the platform starting in 2026
- **UAL** has invested in electric aircraft startup Heart Aerospace.

On the Chart

FTV is basing well below June value at $71 and a break higher has room to move back through May value to $73-$74 and out of a big 8-month range

Energy & Materials

- **Altus Power**, a leading clean electrification company, will go public via SPAC deal with **CBAH**, in a deal valued at $1.58B
- Lithium-battery supplier **SES** confirms plans to list on the NYSE via SPAC deal with **IVAN**. The deal is valued at $3.6B
- **Polysilicon prices** have begun to fall, says Bloomberg, which should mean cheaper **solar panel** production
- **Natural Gas** – WSJ highlighting record prices are causing a surge in electricity pricing. Rampant demand in China, a drought in Brazil, and surging heat waves are creating a strong demand for natural gas.

Tech/Telecom

- **GOOGL** is buying Japanese payments company Pring, per Reuters. This comes as the U.S. tech giant pushes into Japan's rapidly growing market for cashless services
- **GOOGL** is being hit with a $500M fine from the French government for failing to pay for news, per Bloomberg
- **NOK** with a positive preannouncement for the quarter and raising FY guidance as well
- **Tencent** has received approval from the Chinese government to acquire **SOGO**, says WSJ. This comes amid a wave of tech crackdowns and regulatory pressure
- **BABA** may buy a stake in cloud computing firm **Unisplendour**, says Reuters, and the company could fetch as much as $7.7B
- **AAPL** is looking at options to manufacture their own batteries for the Apple Car within the US, per Digitimes
- **SWI** says that hackers may have exploited another previously unknown flaw in two of their programs, per Reuters
- **MCFE** has a new partnership with **Visa (V)**
- **PC Growth** has started to taper off, according to IDC, with units sold up 13.2% in Q2 vs 55.9% in Q1 and 25.8% in Q4
- **IAC** June metrics Y/Y: **ANGI** +7%, DotDash +59%, Search +39%
- **PLAN** has named a new CFO

Sympathy Watch

NOK strongly higher on its news and driving **ERIC** higher as well, **JNPR** and **MSI** two US names that could react positively

Sympathy Watch

DELL, HPQ names to watch with PC sales remaining strong overall but tapering a bit M/M

- **Insightsoftware**, a maker of financial-reporting software, receives a $1B investment from **Hg** valuing it at $4B. Insightsoftware has also expanded its product offerings to budgeting, planning, tax, disclosure and other types of software
- **GDDY** announced an integration with Google which allows GoDaddy customers a way to get discovered across Google surfaces from GoDaddy's Online Store.
- **ZI** to acquire the assets and specified liabilities of **Chorus.ai** for approximately $575 million in an all-cash transaction
- **Huawei** has reportedly agreed to settle US patent lawsuits against **Verizon (VZ),** per WSJ. Huawei had originally asked VZ to pay for use of many of its existing patents

Utilities

- **DUK** has engaged with JP Morgan to review Elliott's proposals, says DealReporter. One source said a separation, "while theoretically plausible, is unlikely to create much value"

On the Chart

DUK put in a nice reversal day a few weeks ago and set to clear a downtrend now above $102/$103 and back up to new 52-week highs

Analyst Notes

Upgrades

- **ABNB** raised to Buy from Underperform at Gordon Haskett, Digital engagement data indicates trends have materially improved since mid-May which, when combined with lengthening stays, suggests there is ample room for revenue upside and EBITDA flow-through in Q2
- **HBI** raised to Overweight at Wells Fargo as Hanesbrands has begun to take back market share in innerwear, has demonstrated sustainable growth potential for Champion, and laid out a more compelling plan around reinvestment
- **RSG** raised to Overweight at MSCO, citing increasing confidence in waste fundamentals and belief that earnings in the group can outgrow the market beginning in 2022. Waste company top-line growth is driven by price and volume and volumes are historically highly correlated with GDP and consumer spending
- **EA** raised to Outperform at BMO, lockdowns in international regions should provide an engagement boost in those markets while "Apex Legends" has been performing significantly better than expected
- **POSH** upgraded to Buy at Stifel
- **PCAR, AGCO, TEX** raised to Overweight at JP Morgan

Hawk Database

HBI with 6000 August $20 calls bought on 6/25 and still has size bullish OI for this week's expiring July options

Hawk Database

EA coiled under $147 forming a large cup and handle pattern, a name with 5500 Jan. $170 calls bought and 3000 of the $135 calls

- **SWN** raised to Buy at Mizuho
- **RDWR** raised to Buy at Needham
- **RDS.A** raised to Overweight at Barclays
- **ODFL** raised to Outperform at RJF

Downgrades

- **FSLR** cut to Neutral at Citi, $100 PT
- **EIX** cut to Neutral at BAML

Initiations

- **OKTA** started Buy at Goldman $312 target; one of the best positioned vendors to benefit from demand for cloud native Identity Management technology. See several levers for growth ahead following the closing of the company's announced acquisition of Auth0 in 2Q and deeper entry into IGA and PAM markets early next year.
- **AMAM** started Buy at Goldman, $53 target; AMAM features global pharma partnerships (e.g., with BMY and BGNE) and several proprietary assets in development, but its lead candidate (and primary valuation driver) is ARX788, an anti-HER2 antibody-drug conjugate (ADC) in a pivotal Phase 2/3 trial for breast cancer (BrCa) and earlier stage trials for other cancers.
- **RBLX** started Sell at Benchmark, $75 target, the metaverse platform was a social utility during the pandemic that could unwind as social restrictions are removed and schools reopen
- **NET** started Buy at Argus
- **SNCY, ALGT, ULCC** started Positive at SIG
- **CMPS** started Buy at Citi
- **ATAI** started Buy at Canaccord
- **TPST** started Buy at HCW
- **SQSP** started Outperform at Atlantic
- **ME** started Buy at Citi

Other Notes

- **DTE** added to conviction buy list at Goldman with $135 target; DTE offers an attractive growth proposition with a de-carbonization focus across its segments that deserve a best-in-class valuation premium
- **TSLA** estimates raised for 2021, 2022, 2023 at Goldman on higher units (driven by Model Y) and partly offset by lower regulatory credits. Sees headwinds such as chip shortages, high freight costs, rising input prices
- **EA, ATVI** estimates raised at Berenberg; after more than a year of significantly boosted player engagement and accelerated player base

Hawk Database

RDWR consolidating below recent highs has been popular with opening put sales at September $32 and $30 strikes, also December $32/$26 size bull risk reversals in OI growth as a result of lockdowns across the globe, expectations of a complete reversion to previous levels of video gaming engagement are way overblown

- **ADSK** target raised to $355 at Mizuho, after the company announced the commercial availability of Tandem, its digital twin offering. Tandem is designed to act as a single source of truth for a given project, which can ultimately lead to improved efficiencies throughout design, construction, commissioning, and ultimately the ongoing operation of an asset
- **PRTA** target to $75 from $58 at HCW
- **CMG** expected to post a Q2 beat, Baird
- **INMD** target to $120 from $92 at Barclays
- **ILMN** target to $355 from $300 at Barclays

Trade Ideas

Trex (TREX) shares basing under a big volume shelf at $104.50 and a move higher targets new 52-week highs. TREX has been forming a series of higher lows all year and rising channel targets $120. The company is coming off of a strong quarter as residential composite decking demand is strong and inventories are below historical average. BMO positive in May as the company has a multi-year structural growth runway as composite takes market share from wood decking.

Technical Scans

Inside Days: TMUS, ACAD, PENN, VRTX, DKNG, ORLY, OTIS, ROL, LITE, WCN, EXPE, U, EBS, ZTO, PEGA, IDXX

Bull Reversal Days: MIC, LII, GSHD, TROX, FIGS, PTON

Ready to Run: INTC, ROLL, FIS, OXM, ECPG, AMKR, XPEL, KW, ASML, EXPE, UTZ, DOOR, M, TDY, TDUP, IGMS, NWSA

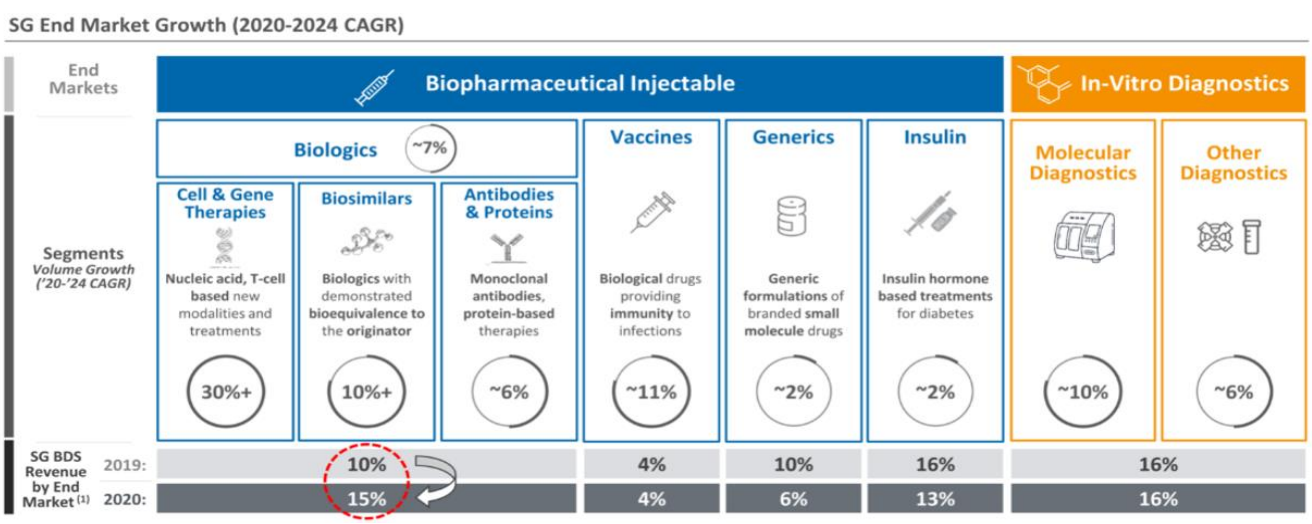
IPO Profile

Stevanato Group (STVN) preparing to IPO this week in the US, offering 40M shares at $21-$24, valuing the company at $7B. They expect to price on 7/15. STVN is a leading provider of containment, delivery and diagnostic solutions for the pharma, biotech, and life sciences industries. The company is the market leader in pre-sterilized vials, pen cartridges, and pre-fillable syringes. STVN will use the funds to expand capacity in both Italy and the US with a strong focus on biologics.

Their business is broken up into two segments: Diagnostic Solutions and Engineering. The former did €565M in sales, by far the vast majority, while the latter did €97M. Diagnostics includes all of their closure systems as well as drug delivery solutions and IVD solutions. They do a lot of their work in bulk and contracted with healthcare professionals. This business is an integral part of early-stage pharma drug development (think: Phase 1 through Phase 3 trials). Once a drug is approved and goes into commercial production, they utilize their Engineering business which includes services like assembly, packaging, sterilization and more.

The Italian company has been an integral part of the COVID vaccine distribution cycle helping Moderna, Pfizer, and J&J deliver more than 2B doses in the last five months. In fact, the company estimates they have supplied around 90% of all glass vials and syringes for current programs. The surge in new business has helped drive the top and bottom line too. They did €662M in revenue in 2020, up 23%, with a €665M backlog going into the year. STVN had 24% EBITDA margins. STVN had 97% customer retention in 2020 and currently works with 15 of the top 20 biotech companies globally as well as 41 of the top 50 pharma companies.

Their market opportunity is steady and growing too. Not only is there a shift underway towards higher-quality plastics like cyclic olefin copolymer due to environmental issues and better overall properties. But, tamper-evident and childproof packaging is becoming more relevant for life sciences companies. Container closure systems are a $2.8B market and growing at 6-7% annually while pre-fillable syringes, their specialty, are growing at a faster rate. Drug delivery is a $1.3B market and growing 5-7% thanks to tailwinds from growth in generic drugs. Finally, IVD is a $6.2B market growing at 5-6% thanks to faster-growing market segments like molecular diagnostics. Drug delivery is a big area of opportunity with pen injectors for diabetes, dry powder inhalers for COPD, and auto-injectors for biologics. Growth rates should continue to rise as they have exposure to cell/gene therapies, biosimilars, vaccines, generics, and insulin.



STVN sees both near- and long-term effects from COVID continuing to have a positive impact on their business. In the F-1, discussing the pandemic, they noted, "demand for syringes, vials and related products and services will remain elevated as the COVID-19 vaccine and treatment roll-out continues globally and, more generally, as epidemic preparedness, including through new vaccination programs and booster shots, becomes a greater priority going forward."

Overall, STVN is a very intriguing name and way to get exposure to some big trends in biotech like growth in drug trials, vaccines, biologics, and much more. They're growing quickly with positive FCF and profitability at a reasonable valuation. **West Pharma (WST) is** the most obvious comparison to STVN and trades at a premium to the IPO range – 12X sales vs 8X sales and a 23% growth rate vs 40%.

Extras

ON Semi (ON) buyer 10,000 January 2023 $40/$50 call spreads late day for $3.40, nearing a pullback trend breakout. **ON** has that key August 5th Analyst Day catalyst nearing as it shifts its strategy to higher margin areas

Chemours (CC) buyers 2500 October $25 puts $0.50 offer sweeps

Stifel (SF) unusual buy 1000 October $60 puts $1.70 to $1.80

Blackstone (BX) late day buyer 1000 December $115 OTM calls at $2 offer

Costamare (CMRE) jumped late day with offer sweeps 2500 September $12 calls $0.80 to $0.90

Willis Tower (WLTW) spread sold 500 December $210 puts to buy the $230/$260 call spreads

Uber (UBER) late day offer buy 1300 November $52.50 calls $3.35

Akebia (AKBA) unusual IV spike late day as 5000 July $3.50 calls bought for $0.10

Open Interest Checks

	OI Checks			
Ticker	**Contract**	**Prior OI**	**New OI**	**OI Change**
LUV	September $52.50 Calls	2,399	6,871	186.41%
VIAC	September $46 Calls	3,158	7,123	125.55%
BIDU	December $180 Calls	476	975	104.83%
STEM	August $35 Calls	3,547	6,754	90.41%
CRWD	January $230 Puts	1,367	2,335	70.81%
JD	January $70 Calls	3,027	5,158	70.40%
DGX	August $140 Calls	2,370	4,011	69.24%
DELL	October $105 Calls	4,332	7,056	62.88%
SPCE	August $50 Calls	4,339	6,838	57.59%
CMCSA	September $60 Calls	40,502	58,341	44.04%
PINS	August $70 Calls	5,807	5,751	-0.96%

What They're Saying

Atos SE guidance call talking about going after bigger acquisitions… "On the acquisitions, we intend to accelerate our acquisitions. As I said, we need for this transformation organically and inorganically to drastically increase the share of our cloud digital security and decarbonization business. So we will make acquisitions. If you remember, the 2% scope was the so-called cell finance or, let's say BAU acquisitions. And we've always said, that we would be ready to go farther than that for larger acquisitions like, let's say, midsized acquisitions. So this doesn't change. And I would say, would carry even more emphasis in the current context."

Earnings Grid

Stock	Next Earn Date	Time	Open Interest	Historical Moves	Implied Move	Avg. 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%
STT	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%

Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
CAG	Conagra	$0.54	$0.52	$2739.0	$2,712.15	-16.7%	FY Below
FAST	Fastenal	$0.42	$0.41	$1,507.70	$1,512.60	-0.10%	
GS	Goldman Sachs	$15.02	$9.85	$15390.0	$12,172.45	15.8%	Trading Revs Missed
JPM	JPMorgan Chase	$3.78	$3.09	$30,500.00	$29,712.88	-7.90%	
PEP	PepsiCo	$1.72	$1.53	$19,217.00	$17,949.01	20.50%	FY Above
ANGO	AngioDynamics	$0.00	$0.00	$76.80	$72.67	31.70%	FY In Line

PEP – Beats EPS and Revenues (+20.5%), Raises Outlook – We are pleased with our second quarter results as we delivered very strong double-digit net revenue and earnings per share growth. Given the strength of our results, we now expect our full year organic revenue to increase 6 percent and core constant currency earnings per share to increase 11 percent

Nordic Semi (NOD:NO) among top gainer sin Europe with shares higher by 5.8% after reporting. Company noted strong demand across all end markets but growth caped by wafer supply. We see that there is an ongoing disruption in logistics, asset tracking, smart home, we shall come back to, smart lighting and health care. And in health care, we see a strong growth in diabetes, monetary and treatment. And I think we can call it explosive sort of growth in health care, something that we have talked about for many years, finally, happening.

JPM – Beats EPS and Revenues (-7.9%) – JPMorgan Chase delivered solid performance across our businesses as we generated over $30 billion in revenue while continuing to make significant investments in technology, people and market expansion. This quarter we once again benefited from a significant reserve release as the environment continues to improve, but as we have said before, we do not consider these core or recurring profits. Our earnings, not including the reserve release, were $9.6 billion. Consumer and wholesale balance sheets remain exceptionally strong as the economic outlook continues to improve. In particular, net charge-offs, down 53%, were better than expected, reflecting the increasingly healthy condition of our customers and clients. In Consumer & Community Banking, combined debit and credit card spend was up 45%, or up 22% versus the more normal, pre-pandemic second quarter of 2019. We saw accelerating growth across categories including in travel and entertainment, which returned to growth in June, up 13% vs. 2019. Originations in Home Lending, up 64% to $40 billion, and Auto, up 61% to $12 billion, remained very strong. However, CCB loans were down 3% reflecting elevated prepayments in mortgage and lower Card balances. Deposits were up 25%, and investment assets were up 36%, driven by market appreciation and positive net flows. In the Corporate & Investment Bank, Global IB fees are at an all-time high of $3.6 billion, up 25%, driven by an active M&A market as well as acquisition financing in DCM. Markets revenue, down 30% compared to a record last year, was up 25% versus 2019 on strong client activity. Similarly, Commercial Banking earned gross IB revenue of $1.2 billion, up 37%. In Asset & Wealth Management, AUM of $3 trillion grew 21% driven by higher asset values and strong net inflows, and loans were up 21% primarily driven by securities-based lending.

FAST – Beats EPS, Revenues In Line (-0.1%) - The second quarter of 2021 was heavily influenced by two trends. First, in the second quarter of 2020 we sold significant quantities of personal protective equipment (PPE), the "surge"-type volumes that we experienced in the second quarter of 2020 did not recur in the second quarter of 2021. Second, demand from our traditional manufacturing and construction customers in the second quarter of 2021 was significantly stronger than in the year earlier period, when measures to address the pandemic resulted in a sharp and broad drop in economic activity. The net effect on sales of these two trends - reduced sales of surge-related product, but improved manufacturing and construction demand - were mostly offsetting. We continue to experience pressure related to product and transportation cost inflation. Pricing actions taken in the first and second quarters of 2021 contributed to the increase in the impact of net pricing on sales in the second quarter of 2021. Our gross profit, as a percentage of net sales, increased 200 basis points to 46.5% in the second quarter of 2021 from 44.5% in the second quarter of 2020. This increase reflects several items. First, product and customer mix favorably impacted our gross profit percentage as a result of the sharp increase in the mix of fastener sales and sharp decrease in non-fastener sales in the second quarter of 2021 relative to the second quarter of 2020. Second, overhead/organizational leverage improved primarily due to stronger business conditions. Third, product margins improved, primarily due to a higher gross profit percentage for our safety products as a result of more favorable customer mix within the safety category. Fourth, net rebates were more favorable on a combination of stronger demand increasing our product purchasing activity and lower rebates to certain customers that had significant purchases of PPE product in the second quarter of 2020.

CAG – Beats EPS and Revenues (-16.7%), Lowers FY22 EPS Below Street – organic net sales decreased 10.1% driven by lapping the prior year's significant surge in at-home food consumption at the onset of the COVID-19 pandemic. As the fourth quarter unfolded, input cost inflation accelerated and we now expect fiscal 2022 input cost inflation to be materially higher than we anticipated at the end of fiscal Q3. In response, we have further enhanced the aggressive and comprehensive action plan already being executed, which includes broad-based pricing. While we are pleased with the initial results, there will be a lag between the time we are hit with higher costs and when we realize the benefits of our actions. The impact of this lag is expected to be most acute in the first half of fiscal 2022.

Disclosures

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