



## Inside Today's Blitz

- US Warns on Travel to UK, Others Amid Resurgence in COVID
- Biden Sees Inflation as Temporary, Says Fed Will Take Appropriate Action
- \$26B opioid settlement could be announced soon; **CMCSA**, **VIAC** discussed streaming partnership, per reports; **RPD** to buy IntSights Cyber for \$335M; **NDAQ** may spin out pre-IPO marketplace

## Market Outlook

Futures are indicating a higher open for the day with the **Dow** up 61 bps, the **S&P** up 52 bps, and the **Nasdaq** up 51 bps. The **Russell** is up 95 bps. Energy is higher today across the board with **WTI** up 42 bps. **Gold** and **silver** both higher, albeit modestly, with the former up 48 bps. **Copper** is up 77 bps. **Grains** are all bid higher this morning. The **dollar** is flat. **Bonds** are flat. **VIX** is 21.50. Stocks are bouncing back this morning in both the US and Europe, although somewhat expected given the oversold nature of the recent selling. COVID concerns continue to climb as the US is warning against travel to the UK and other locations. We're seeing some companies push back deadlines for returning to the office, but not by much. Overall, the delta variant remains a reason for caution but doesn't seem to be derailing the broader economic recovery. Elsewhere, a number of industrial earnings came in weak citing supply chain issues including Volvo and Electrolux. Demand remains

very strong. China kept its LPR unchanged despite some talk of a potential cut. President Biden reiterated that he thinks inflation is transitory but said that the Fed will take whatever measures it needs. Bitcoin fell below \$30k.

Asian markets are mostly lower this morning with the Hang Seng down 84 bps, Shanghai down 7 bps, and the Nikkei down 96 bps. In Europe, the major indices are all rebounding with the DAX up 20 bps, CAC up 58 bps, and the FTSE up 42 bps. We're seeing outperformance in industrials while tech and healthcare lag. Swiss bank **UBS** surged 4% after posting better-than-expected profit in the second quarter. **Electrolux** shares fell 10% after the Swedish home appliances maker warned global supply chain woes would worsen in coming months. **Volvo Group** fell 4% as it warned of more production disruptions and stoppages this year. Norway's **Telenor** gained 2.5% after raising its full-year annual outlook. **Alstom** rose 3.5% after the French speed-train maker reported that its first-quarter sales surged 146%. **EasyJet** rose 3% after it posted a smaller-than-expected quarterly loss.

## Calendar

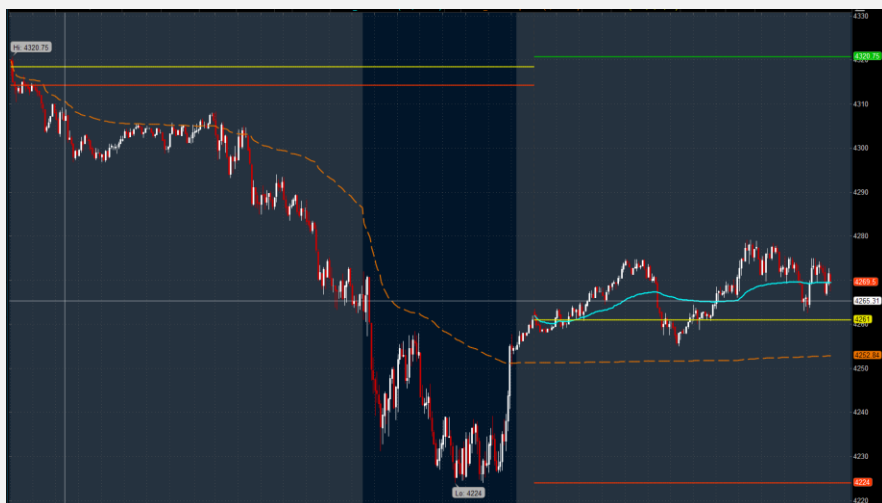
**Today...** Housing Starts, Redbook, API Inventories **Earnings After the Close:** AIR, AGR, CNI, CMG, FULT, HWC, HOPE, IBKR, ISRG, NFLX, PNF, XM, SNBR, UAL, UCBI; **Roadshow/Analyst Meetings:** CALM, KR, JAZZ, XPO

**Tomorrow...** MBA Mortgage Applications, EIA Inventories; **International Earnings:** Akzo Nobel, Antofagasta, ASML, Daimler, Julius Baer, SAP, Software AG; **Earnings Before the Open:** ANTM, ASML, BKR, BOKF, KO, CMA, FCFS, HOG, IPG, JNJ, KNX, LAD, MTB, MKTX, NDAQ, NTRS, NVS, NVR, RCI, SAP, STX, VZ; **Roadshow /Analyst:** LTCH, AVGO, USB, NFE

## Overnight Markets

Copper	4.233	0.75%
Gold	1818	0.49%
Silver	25.19	0.16%
Oil (WTI)	66.38	0.05%
US Dollar	92.91	0.01%
Natural Gas	3.766	-0.35%
VIX	21.5	-5.45%

## Technical View



### Key Levels to Watch

**S&P futures (ES\_F)** balanced overnight in the top part of Monday's RTH range at 4270 but unable to make much progress beyond the 50% retracement of the fall from Sunday. VWAP is flat around 4269 and VWAP from Sunday is below at 4252.75. A move higher targets 4287.25 and then 4311.25. Support below is at 4240, 4215.25, and then 4191.25 with a stretch move down targeting 4168.

## Economic Data

- **China** left LPR unchanged, as expected
- **Taiwan** exports rose 31.1% vs 30% est. in June
- **Japan** CPI was in line with expectations

## Macro News

- **US, Germany** will soon announce a resolution to their Nord 2 Stream dispute, per Reuters
- **China** has denied that it was responsible for the recent hack on Microsoft, per Bloomberg
- **US** could impose more restrictions on **Iran's** ability to sell crude oil to China, says WSJ
- **Australia's** RBA will be tested in the next month to continue moving forward with tightening plans as COVID surges, per Reuters
- **Singapore** is boosting COVID-related restrictions, says Bloomberg
- **Yellen** wants regulators to accelerate plans to implement new rules on stablecoins, per Bloomberg
- **Senate Republicans** are using threats of growing inflation to combat President Biden's agenda, per The Hill

### Movers

**Gainers: LTRN 12%, TAL 6%, CCK 5.5%, CAH 4.5%, IBM 3%, FEYE 2.5%, ANGI 2.4%**

**Losers: ARDX -70%, GKOS -7%, PPG -6%, STLD -2%**

### Insider Buying

OBTX, AXDX, BBBY, EXLS, PECO

### IPO Calendar

**Ryan Specialty (RYAN)** raising \$1.3B at a \$6.1B market cap; assists in the placement of hard-to-place risks for retail insurance brokers

**Core & Main (CNM)** raising \$750M at a \$5.2B market cap; distributes water infrastructure products

**Paycor (PYCR)** raising \$361M at a \$3.4B market cap; HCM software for SMID-cap businesses

**VTEX** raising \$304M at a \$3.2B market cap; business-to-consumer e-commerce platform in Latin

## Stock-Specific News

### Consumer

- **CMCSA, VIAC** have held talks about a potential streaming partnership, says WSJ. The two sides are focused on potential to join forces in international markets
- **LVMH** is buying a 60% stake in star menswear designer Virgil Abloh's Off-White streetwear label, says Reuters.
- **Morrison's** bidding war is cooling as Apollo won't pursue a standalone bid, says Reuters
- **Electrolux** shares are weak in Europe this morning after warning about ongoing supply chain constraints, per Bloomberg
- **Remy Cointreau** reporting a strong quarter as they continue to benefit from the reopening, says Reuters, but the stock is trading down as guidance was in-line with estimates
- **PM** authorizes new \$7B buyback
- **CCL** says three more ships will resume operations in September and four more in October, per Bloomberg
- **PTON** is entering the video game market with a new product called 'Lanebreak' per CNBC
- **WGO** to acquire premium pontoon boat manufacturer **Barletta** for up to \$270M in cash and stock
- **SIRI** adds \$2B to buyback program
- **IPAR** sees preliminary Q2 far above Street and raising FY guidance
- **BBQ Guys** to go public via SPAC deal with **VELO**. The specialty e-commerce platform for higher-end BBQ grills, grilling accessories and outdoor living products will have an EV of \$963M

### Hawk Database

**VIAC** large buyers on 7/19 in the March \$40 calls, August \$41 calls, and September 2022 \$42.50 calls

### Sympathy Movers

**WHR** potential sympathy mover with the Electrolux commentary

### On the Chart

**PTON** with a strong candle on Monday off of the 50-MA and moving back above June value, potential to re-test the recent \$125 area

### Financials

- **Nasdaq (NDAQ)** is planning to spin out its marketplace for pre-IPO shares, says WSJ. The deal would see NDAQ teaming up with **GS, SIVB, C** and **MS** and could help drive more transactions to Nasdaq's private marketplace
- **Robinhood (HOOD)** sees Q3 revenue down sequentially from Q2 as trading activity slows, per CNBC, especially around crypto
- **CB** announces \$5B one-time buyback program
- **MKTX** CFO to depart
- **MA** announced today it will enhance its card program for cryptocurrency wallets and exchanges, making it simpler for partners to convert cryptocurrency to traditional fiat currency

### On the Chart

**NDAQ** nice bull flag forming under recent highs with a move above \$180 on watch for a run to \$185-\$190 short-term

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- **UBS** shares are trading higher in Europe today after earnings with \$25B of net inflows to their wealth management business and strong fee growth, per Reuters
- **Fannie Mae** is raising their purchase and refinance origination forecasts for the year, per Bloomberg
- WSJ profiles the tough comps **Auto Insurance** companies will face this quarter as car owners return to highways and accidents increase. **PGR** reported a 47% year-over-year second-quarter increase in accident volume as well as an 8% surge in claims costs. **ALL, TRV** set to report next.

## Healthcare

- **ARDX** says the FDA has identified deficiencies in its NDA for tenapanor in the treatment of adult patients with chronic kidney disease on dialysis
- **PACB** is buying DNA sequencing company Omniome, a smaller rival, for up to \$800M says STAT News.
- **PACB, NVTA** expand multi-year collaboration to develop a production-scale high-throughput HiFi sequencing platform
- **REGN** antibody cocktail receives approval in Japan for treatment of mild to moderate COVID-19
- A \$26B opioid settlement could be announced soon, says WSJ, involving **ABC, MCK, JNJ, CAH**
- **MRNA** announced that **Takeda** plans to acquire 50M additional doses of COVID vaccine
- **RCUS** Chief Medical Officer to depart for role at **GILD**
- **IART** announces 'positive' clinical outcomes for PriMatrix
- **AMRX** receives FDA approval for generic Tobradex
- **LTRN** announced 'positive' results from study of LP-184
- **CYTK** announces \$200M offering

## Industrials

- **TSLA** all-electric semi truck is finally close to getting into production, says Elektrek
- **TSLA** China registration numbers have continued to climb, says Bloomberg, due largely to promotional activity
- **FLOW** has rejected the bid from **IR** saying that \$85/share significantly undervalues the company
- **GM** confirmed plans to offer an all-electric full-sized GMC pickup truck in the future, says CNBC
- **HEES** to sell its crane business to **Manitowoc (MTW)** for \$130M cash
- **EasyJet** reported a strong quarter, above Street estimates, and plans to raise capacity into Q3 as travel rebounds, per Reuters

### On the Chart

**REGN** flagging nicely under recent highs and on watch for a breakout above \$590

### Hawk Database

**MCK** with 3000 OTM January \$250 calls in OI from a buyer in late May while the \$195 and \$230 calls also with some notable OI

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- **Volvo** shares are weak in Europe this morning after operating income missed estimates, per Reuters. Supply chain challenges are continuing to weigh while demand remains strong
- **Volkswagen** guides initial FY21 EV deliveries to 1M, sees 1H deliveries of 171K vs 64,500 prior

## Energy & Materials

- **AUY** announces 'positive development decision' on Wasamac project
- **VALE** reports iron ore production +11.3% Y/Y; Co. warns that it is currently reviewing guidance for copper and nickel production due to labor issues, per Reuters
- **TSE** to acquire Aristech Surfaces, a North American manufacturer and global provider of polymethyl methacrylates continuous cast and solid surface sheets, serving the wellness, architectural, transportation and industrial markets for \$445M
- **Oil Search** has rejected a \$6.5B bid from **Santos**, says Reuters. The Papua New Guinea based company said the bid undervalued them
- **BHP** sees Q4 iron ore output up 9% Q/Q, sees FY down 2-3%

### Hawk Database

**AUY** a lot of bull flows lately including the January 2023 \$3.5 and \$4.5 put sales

## Tech/Telecom

- **RPD** to acquire threat intelligence firm **IntSights Cyber** for \$335M in cash and stock; the deal enhances Rapid7's industry-leading cloud-native extended detection and response (XDR) offering
- **RPD** sees Q2 at the high-end of guidance prior
- **SNAP** has bought **Vertebrae**, says The Verge, a company that lets brands create and manage 3D versions of their goods
- **AAPL's** Hollywood ambitions in focus in the WSJ today with reports they are looking to expand studio space to film TV and movies
- **AAPL** is pushing back their 'return to office' plans by a month due to COVID's recent surge, per Bloomberg
- **Global Foundries** plans to move forward with an IPO in 2022, says Bloomberg, despite recent takeover speculation with **INTC**
- **The smartphone industry** is finally being hit by the chip shortage as prices rise and production estimates get scaled back, per WSJ

### On the Chart

**RPD** small flag forming near recent highs and a breakout over \$104 can see some further momentum to \$110

## Analyst Notes

### Upgrades

- **KRYS** raised to Buy at Goldman with \$90 target; increased conviction that B-VEC will achieve statistically significant improvements in wound closure over placebo in GEM-3, with 4Q21 top-line data potentially proving a key catalyst for KRYS shares
- **INCY** raised to Buy at Benchmark, firm cites both the recent decline in the shares and ruxolitinib's published chronic GVHD data that showed the drug performed better than each of the individual components in the best available arm. He expects the FDA to approve ruxolitinib in chronic GVHD indication in September
- **GATO** raised to Outperform at RBC, sees the company having increased flexibility to accelerate exploration and expansion plans following its \$125M financing and definitive agreement to retire the Los Gatos JV term loan with partner Dow
- **BK** raised to Buy at Argus
- **SPG** raised to Buy at Stifel, \$132 target
- **CMS** raised to Overweight at KeyBanc
- **IHG** raised to Buy at Stifel
- **WES** raised to Overweight at MSCO
- **LIVN** raised to Buy at Needham

### Downgrades

- **GKOS** cut to Underweight at Wells Fargo, sees downside risk to sales from the proposed reimbursement cuts to the company's iStent. The Centers for Medicare and Medicaid Services last night issued the proposed outpatient prospective payment system for 2022 which includes the facility fees for the hospital outpatient and ambulatory surgery center settings. In the proposed rule, CMS lowered the facility fee in the ambulatory surgery center setting by 25% which was greater than expected
- **VLDR** cut to Neutral at Baird, volume opportunities for lidars in the automotive space have transitioned from robotaxis to highway safety features, which requires different lidar technologies and where Velodyne is not currently well positioned
- **ED** cut to Underweight at KeyBanc
- **RKT** cut to Underperform at Wedbush
- **VRTX** cut to Underperform at Leerink
- **NET** cut to Neutral from Buy at BTIG
- **FMC** cut to Hold at Loop

#### Hawk Database

**INCY** spread on 6/18 sold 2600 Dec. \$70 puts to buy the \$90/\$110 call spreads

#### Chart Watch

**SPG** dropped hard to start the week as a pandemic concern name but bounced right at the rising 144-day MA and key volume node retesting its March flag. Reward/Risk looks solid versus \$114.

#### Hawk Database

**GKOS** puts recently adjusted to August \$55/\$45 put spreads 1550X

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- **VIAB** cut to Neutral at JPM

### Initiations

- **NOVA** started Outperform at RBC, Sunnova has a 4%-5% share of the U.S. residential rooftop solar market but is capturing a larger portion of the market's growth, said the analyst, who thinks its dealer model and financing options for customers should allow the company to capture a larger share of the market.
- **MCW** started Outperform at BMO
- **GRPH** started Buy at BAML
- **AHAC** started Buy at Benchmark

### Other Notes

- **ON** Analyst Day a major catalyst, says Piper, as the analyst sees a heavy focus on the automotive and industrial markets, along with a push to the 43% to 45% gross margin range in the midterm
- **SAVA** target to \$124 from \$97 at HCW, Nine-month results from an ongoing open-label study with simufilam, the company's small molecule, Phase 3-ready drug candidate for Alzheimer's disease, to be presented at the upcoming 2021 Alzheimer's Association International Conference, being held July 26-29, could be a positive catalyst for the stock
- **CROX** setup remains favorable, says Baird, citing strong demand signals in the U.S. and Europe and expectations are for positive Q2 update. The analyst sees a healthy margin upside potential and a favorable path for the stock ahead of its investor day in September.
- **MCD** – UBS positive into Q2 results, says MCD should remain a core LT holding as a quality compounder set to further increase global market share and accelerate FCF growth
- **ORLY** target to \$660 from \$600 at Wells Fargo
- **PYPL** target to \$350 from \$310 at Wells Fargo

#### Hawk Database

**ON** broke under its 200-day MA this week but seems ready for an oversold bounce. The January 2023 \$40/\$50 call spreads bought 10,000X on 7/12



## Trade Ideas

**United Parcel (UPS)** showing relative strength recently after a strong run higher in April and now consolidating in a narrow flag under \$215. Shares put in a nice bull reversal yesterday closing green in a tough tape and further strength has a long-term target of \$240+. UPS should continue to benefit from the growth in ecommerce which has staying power beyond the pandemic.



### Technical Scans

**Inside Days:** GDRX, EXAS, HOLX, ALNY, NCNO, CTAS, PGR, IDXX, ROL

**Bullish Reversals:** OLED, AMD, W, CHWY, SE, PINS, SNAP, ONEM, OKTA, U, CHGG, SNOW, FVRR, SHOP, BILL, COUP, TTD, DDOG, DKNG, PENN, NFLX, ROKU, GNRC, MASI, NVTA, Z, PYPL, LULU, YETI, TSLA, SEDG

### Earnings Preview

**Chipotle (CMG)** reporting earnings tonight after the close with the Street looking for \$6.49 on \$1.88B in sales. Next quarter is guided to \$6.29/\$1.87B and the FY is \$24.51/\$7.38B, a 23% increase Y/Y. Shares have closed lower in six of the last seven reports with an average closing move of 5.2% and a max move of 12.15%. The current implied move is 4.15%. Shares have been very strong since the March 2020 lows and consolidating in a monthly bull flag since January under \$1575. A breakout targets a longer-term run to \$1850. Support below is around \$1475, VWAP from the recent May lows. CMG has seen mostly bullish flow since March, smaller size but high-dollar trades. In June, the January \$1960 calls were bought for \$550K while the December \$2300 calls have over 1450X in open interest, a more than \$800K trade. The \$44.5B company trades 48X earnings, 7X sales, and 42X cash. CMG has seen sales steady despite the reopening as dining rooms reopen and digital sales continue to outperform. The company recently announced menu price hikes of 4% with more likely in the Fall to help mitigate labor cost and materials headwinds. Analysts have an average target for shares of \$1666 with a Street High \$2100. Wells Fargo raising estimates on 7/14 expecting Chipotle's results to come with some negative headlines around throughput and as management re-bases investors off prior AUV/store margin algorithm. However, the former is temporary, and the latter was fleshed-out throughout the quarter, and shares could actually benefit from getting the negative headline out of the way. Baird positive on 7/13 and thinks Q2 will exceed estimates. The analyst continues to think CMG is well positioned to sustain positive operating momentum in the second half of the year with opportunity for the company to accelerate high-ROIC unit expansion in 2022 and beyond. Stephens expecting a beat on SSS as June openings came in strong. Cowen checks showed that sales accelerated through the quarter and would be a buyer after a good quarter as CMG shares tend to sell off after earnings. Short interest is 2.8%, down near 4-year lows. Edgewood Management a top buyer and now has 1.28M shares. Pershing Square has a 1M share position. Hedge fund ownership fell 2% in



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Q1. CMG insiders have been active too with a \$1M buy from a director in April at \$1485 and a different director buying \$340K in stock at \$1478 in March.

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob. ITM	Premium Paid
6/28/2021	CMG 100 17 DEC 21 1860 CALL	152	37	\$16.50	0.137	25.81%	10.20%	\$250,800
6/24/2021	CMG 100 21 JAN 22 1960 CALL	548	25	\$10.20	0.09	25.11%	6.29%	\$558,960
4/26/2021	CMG 100 21 JAN 22 1280 PUT	204	48	\$67.70	-0.25	30.19%	34.29%	\$1,425,960
4/22/2021	CMG 100 17 DEC 21 2300 CALL	639	133	\$8.50	0.04	29.17%	2.60%	\$536,760
4/14/2021	CMG 100 21 JAN 22 1200 PUT	579	169	\$48.80	-0.17	33.67%	25.83%	\$2,825,520
3/30/2021	CMG 100 21 JAN 22 2300 CALL	483	75	\$8.12	0.05	30.04%	2.82%	\$381,570
3/26/2021	CMG 100 21 JAN 22 2100 CALL	382	37	\$17.10	0.11	30.00%	7.00%	\$653,220
2/16/2021	CMG 100 21 JAN 22 1760 CALL	140	44	\$101.40	0.36	33.12%	24.81%	\$1,428,000
2/11/2021	CMG 100 17 SEP 21 1780 CALL	196	46	\$80.00	0.34	33.72%	25.23%	\$1,636,600
12/18/2020	CMG 100 21 JAN 22 1780 CALL	107	9	\$91.70	0.32	34.05%	20.75%	\$997,240
7/20/2020	CMG 100 21 JAN 22 1000 CALL	101	63	\$310.33	0.71	42.33%	50.83%	\$3,160,290
6/9/2020	CMG 100 21 JAN 22 950 CALL	106	8	\$241.05	0.67	39.61%	47.06%	\$2,555,130

## Open Interest Checks

Ticker	Contract	OI Checks		
		Prior OI	New OI	OI Change
RCL	September \$70 Calls	1,324	16,884	1175.23%
DASH	August \$190 Calls	880	4,330	392.05%
LVS	January 2023 \$50 Calls	2,667	6,655	149.53%
EMR	January 2023 \$115 Calls	1,144	2,547	122.64%
AA	January \$35 Calls	3,756	7,767	106.79%
SNAP	September \$60 Calls	1,668	2,976	78.42%
APPS	December \$50 Short Puts	1,259	2,149	70.69%
SPCE	January 2023 \$100 Calls	2,006	3,408	69.89%
SE	September \$270 Calls	633	1,048	65.56%
AR	January \$16 Calls	2,200	3,398	54.45%
F	January 2023 \$10 Calls	56,821	85,171	49.89%
UAL	December \$50 Calls	3,179	3,981	25.23%
SAVA	August \$80 Calls	2,392	2,600	8.70%
ATVI	August \$90 Calls	2,431	2,407	-0.99%
MRNA	October \$300 Calls	1,566	1,426	-8.94%
YALA	October \$12.50 Puts	2,542	1,705	-32.93%
SQ	August 13th (W) \$237.50 Calls	2,405	1,381	-42.58%
FB	September \$355 Calls	4,660	2,219	-52.38%
FUN	October \$40 Calls	1,775	610	-65.63%
IAA	January \$55 Calls	1,152	36	-96.88%

## Extras

**Scorpio (STNG)** highs into the close with 3000 December \$20/\$13 bull risk reversals opening at \$0.40

**SeaWorld (SEAS)** IV surging late with 10,000 August \$44 calls bought \$2.95 as the \$50 calls appear to be adjusting

**Abercrombie (ANF)** with 4000 weekly \$38.50 calls bought \$1.05 into the close

**Western Digital (WDC)** offer sweeps into the close of 1500 October \$65 calls \$4.50

**Bloomin' (BLMN)** into late day lows with 6000 August \$25 calls bought \$1.35 and 4000 of the \$27.5 calls sold \$0.55

**Optimize RX (OPRX)** unusual buy 1500 March \$35 puts \$1.95 offer

**Lyondell (LYB)** opening sale 600 March \$85 puts for \$7.725

**Apple (AAPL)** opening seller of 2000 March \$125 puts for \$6.45

**Exxon (XOM)** with 2000 January 2023 \$62.5 ITM puts sold to open \$14.75 with some cheap upside \$90 calls bought with in a risk reversal

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## What They're Saying

**Tractor Supply (TSCO)** earnings call on the space productivity program for its side lot... "Typically, there's as much space outside of our stores in the side lot as we have inside the store. The productivity of this space is substantially below the chain average. We're in the midst of a multiyear project to transform our side lot with an expanded product offering and an enhanced shopping experience. With this investment, the side lot space is leveraged to offer a wider product offering in the lawn and garden categories, enter new categories and offer greater convenience through the expansion of our buy online, pick up at store capabilities or drive-through pickup. We also continue to see a positive halo effect from the garden center to the existing store and vice versa. The addition of product categories, increased ease of shopping and new services provides us with even more ways to continue to keep our existing customers engaged to Tractor Supply and attract new customers to the brand. Our ability to drive higher sales per square foot through the transformation of our side lot remains a significant opportunity. We currently have about 60 side lot transformations completed, and we anticipate having greater than 150 complete as we exit 2021. In these early remodels, we're learning a great deal about our customers' appetite for our expanded lawn and garden assortment and we're even more excited than we embarked on the initial test pilots."

**Zoom (ZM)** and **Five9 (FIVN)** M&A call notes... "Contact center is a \$24 billion market, expanding our total combined addressable market to over \$86 billion. This combined TAM represents a significant long-term opportunity to drive innovation and expand market share across a larger opportunity set. We see this combination as highly beneficial for both customers and synergistic for investors. The combination creates a leading unified communication and customer engagement platform that can be sold across both customer bases. It will allow us to cross-sell Zoom Phone to Five9 customers and bring the contact center to Zoom's largest customers. Zoom will leverage our global brand and international customer base to generate additional

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prospect. And again, we will be addressing an expanding TAM. his transaction will leverage our shared growth initiatives, including expanding international, enterprise and channel businesses as well as add to the strong momentum of Zoom Phone. This combination places Five9 at the heart of enterprise communications. Omnichannel customer engagement, powered by AI, deepen Zoom's customer relationships and further integrates Zoom with other key enterprise workflows and systems. Our combination is synergistic and brings together best-in-class financial performance, product leadership and cultural values. This transaction provides Zoom with an additional large and attractive TAM.”

**L Brands (LB)** Investor Day on market position and growing TAM for Bath & Body Works... “We are a market leader across our key product categories, and in home fragrance and soaps and sanitizers, we have a 22% and 21% market share, respectively. Importantly, we continue to believe that we are in the right markets as each one has experienced strong historical growth and is projected for further future growth. While we have strong market share already, given the massive addressable markets across all of our categories, there remains significant room for further growth in our existing product lines. We also see potential opportunities for expansion in large and growing markets that Bath & Body Works doesn't compete in today, including in the clean, natural organic space within our existing categories as well as potential near in white space categories such as skin care, hair care and other home categories. Within fragrance, body care and home fragrance, we have the #1 brand across multiple categories. As shown, these include fine fragrance mist, body lotion, body cream, candles, electric diffusers, liquid handsoap and hand sanitizers. Important to note that we also have numerous other key items that hold top 3 positions in their respective categories, and we see the opportunity for further growth in each of these items as well as for further expansion to more key items over time.”

## 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	Hit Put/Call OI %ile	Short Float	SI Change (3mo)
NFLX	7/20/2021	AMC	\$56.02M (51%), Bear: \$34.03M (31%), Vol: \$20.4M (18%), Stock: \$0.35M	Lower 6 of 8	5.38%	8.81%	-5.05%	-18.24%	-0.66	-30.49%	79.93%	2.21%	7.47%
ISRG	7/20/2021	AMC	Bull: \$6.11M (65%), Bear: \$3.25M (35%)	Higher 5 of 8	4.25%	5.35%	2.34%	12.58%	0.99	-13.40%	44.66%	1.18%	1.47%
CMG	7/20/2021	AMC	Bull: \$2.77M (100%)	Lower 6 of 8, Lower last 4	3.87%	6.55%	-2.66%	-4.93%	-0.15	-25.87%	11.82%	2.87%	16.61%
IBKR	7/20/2021	AMC	Bull: \$1.42M (100%)	Lower 7 of 8, Lower last 3	6.92%	4.75%	-2.37%	-20.88%	2.86	-13.44%	52.18%	5.04%	17.19%
XM	7/20/2021	AMC	Bull: \$2.59M (91%), Bear: \$0.27M (9%)	Higher 2 of 2, Higher last 2	12.09%	16.68%	11.83%	23.65%	-4.80	-10.16%	73.96%		
RXN	7/20/2021	AMC	No Trades Since Last Report	Higher 5 of 8, Higher last 3	9.41%	6.43%	1.07%	15.52%	-1.16	-12.57%	52.82%	1.44%	9.68%
SNBR	7/20/2021	AMC	No Trades Since Last Report	Higher 5 of 8	12.48%	15.35%	3.33%	44.06%	1.82	-28.67%	38.81%	14.74%	31.80%
AIR	7/20/2021	AMC	Bull: \$1.06M (74%), Bear: \$0.38M (26%)	Higher 6 of 8, Higher last 3	8.63%	12.16%	4.81%	33.54%	2.82	-15.91%	21.11%	4.66%	63.16%
INJ	7/21/2021	BMO	Bear: \$7.14M (60%), Bull: \$3.85M (32%), Vol: \$0.96M (8%)	Higher 6 of 8, Higher last 2	2.02%	2.82%	1.15%	8.89%	1.63	-6.21%	52.94%	0.55%	-10.67%
KO	7/21/2021	BMO	Bull: \$4.19M (39%), Bear: \$4.11M (38%), Stock: \$2.39M (22%)	Higher 6 of 8	2.49%	3.44%	1.61%	12.81%	1.85	-16.84%	19.33%	0.59%	-19.52%
VZ	7/21/2021	BMO	Bull: \$1.7M (46%), Stock: \$1.02M (28%), Bear: \$0.98M (27%)	Lower 6 of 8, Lower last 3	1.99%	2.19%	-0.32%	-2.75%	1.70	-13.51%	21.83%	1.16%	0.72%
ANTM	7/21/2021	BMO	Bull: \$1.64M (100%)	Even	3.60%	5.64%	-1.80%	-9.24%	4.90	-10.72%	39.08%	1.02%	-34.47%
NDAQ	7/21/2021	BMO	Bear: \$2.44M (100%)	Higher 5 of 8	4.26%	3.37%	1.21%	8.87%	3.66	-7.28%	75.53%	2.82%	27.89%
NTRS	7/21/2021	BMO	Bear: \$0.18M (100%)	Even	7.16%	5.50%	-0.30%	-6.86%	4.58	-12.44%	85.24%	1.28%	-10.62%
STX	7/21/2021	BMO	Bull: \$20.38M (84%), Bear: \$2.89M (12%), Stock: \$0.99M (4%)	Lower 7 of 8	5.57%	7.25%	-3.77%	-25.84%	0.76	-22.47%	8.32%	3.59%	-40.97%
MKTX	7/21/2021	BMO	No Trades Since Last Report	Even, Lower last 2	6.28%	4.18%	0.17%	5.38%	4.56	-2.63%	22.34%	2.59%	56.88%
IPG	7/21/2021	BMO	Bear: \$0.34M (69%), Bull: \$0.15M (31%)	Higher 6 of 8	6.36%	5.81%	3.05%	13.71%	2.37	-17.45%	44.17%	4.23%	20.38%
LAD	7/21/2021	BMO	Bull: \$5.65M (97%), Bear: \$0.21M (3%)	Higher 7 of 8, Higher last 5	8.79%	10.73%	5.49%	53.82%	4.30	-20.79%	58.80%	6.19%	-8.84%
KMX	7/21/2021	BMO	Bull: \$0.58M (48%), Stock: \$0.39M (32%), Bear: \$0.24M (20%)	Higher 6 of 8, Lower last 2	6.97%	5.66%	0.12%	-7.43%	1.09	-12.95%	88.73%	3.83%	21.43%
HOG	7/21/2021	BMO	Bull: \$4.6M (83%), Bear: \$0.95M (17%)	Higher 5 of 8, Higher last 2	7.36%	14.97%	6.14%	38.31%	1.23	-18.37%	9.07%	12.36%	19.49%

## Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
CCK	Crown	\$2.14	\$1.78	\$2,856.00	\$2,941.40	6.20%	FY Above
ELS	Equity Lifestyle	\$0.61	\$0.55	\$317.42	\$262.68	24.90%	FY Above
IBM	IBM	\$2.33	\$2.29	\$18,745.00	\$18,298.60	3.40%	
JBHT	J.B. Hunt Transport	\$1.61	\$1.57	\$2,908.37	\$2,729.19	35.60%	
PPG	PPG Industries	\$1.94	\$2.19	\$4,359.00	\$4,318.95	44.60%	
STLD	Steel Dynamics	\$3.40	\$3.37	\$4,465.31	\$4,233.37	113.20%	
ZION	Zions Bancorp	\$2.08	\$1.26	\$760.00	\$712.42	11.80%	

## Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
ALLY	Ally Financial		\$1.50		\$1,875.92		
BMI	Badger Meter		\$0.46		\$118.40		
DOV	Dover	\$2.06	\$1.84	\$2,031.68	\$1,905.69	35.50%	FY Above
GATX	GATX		\$1.03		\$309.17		
HAL	Halliburton	\$0.26	\$0.23	\$3,707.00	\$3,691.52	16.00%	
HCA	HCA		\$3.16		\$13,611.92		
IRDM	Iridium	\$0.03	-\$0.04	\$149.92	\$148.53	7.00%	
KEY	KeyCorp	\$0.72	\$0.54	\$1,773.00	\$1,732.22	3.30%	
MAN	Manpower		\$1.41		\$5,148.76		
OMC	Omnicom	\$1.60	\$1.36	\$3,571.60	\$3,291.85	27.50%	
PACW	PacWest Bancorp	\$1.52	\$0.98		\$304.07		
PM	Philip Morris	\$1.57	\$1.55	\$7,840.00	\$7,710.93	17.90%	FY Light
SYF	Synchrony Financial	\$2.12	\$1.33		\$2,603.35		
TRV	Travelers	\$3.45	\$2.38	\$7,616.00	\$7,534.68	9.50%	

**CCK** – Beat on EPS and Missed on Revs, FY Above – The company's performance during the second quarter continued to be strong, and Crown remains on track for another record year in earnings. Adjusted earnings per share and segment income increased 61% and 58%, respectively, and were largely fueled by beverage can volume growth of 20%, as each global region recorded double-digit gains. Demand recovery has been robust in regions such as Brazil, throughout Europe, Mexico, the Middle East and Southeast Asia that previously had been adversely impacted by the pandemic. Each of our businesses performed very well commercially and operationally despite certain challenges posed by supply chain disruptions. The strong results delivered by

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Transit Packaging were driven by continuing improvement in global manufacturing activity and the achievement of several cost reduction initiatives. So far this year, the company has repurchased \$379 million of common stock, executing on our capital allocation strategy of returning cash to shareholders. The Company previously announced an agreement to sell its European Tinplate business to KPS Capital Partners. The business comprises 44 manufacturing facilities in Europe, the Middle East and Africa that produce food cans and ends, aerosol cans, metal closures and promotional packaging for various consumer brands. We expect that the transaction will close during the third quarter of 2021. Net proceeds from the transaction will be used for debt reduction, beverage can capital projects and continued share repurchases over time. To meet accelerating demand for beverage cans, the world's most recycled and sustainable beverage packaging, the company is implementing several capacity expansion projects globally, which include both the construction of new plants and the addition of production lines to existing facilities.

**IBM** – Beat on EPS and Revs – "In the second quarter client adoption of our hybrid cloud platform contributed to strong performance in Global Business Services and software and drove improved overall revenue growth. At the same time, we continued to help clients infuse our AI-based technology offerings into their core business workflows," said Arvind Krishna, IBM chairman and chief executive officer. "We are pleased with our progress and we remain on track to deliver full-year revenue growth and meet our cash flow objective."

**PPG** – Missed on EPS and Revs In Line – Our strong organic sales growth reflects a partial demand recovery from the pandemic, including above-market contributions across many of our businesses. However, our volume growth was significantly tempered due to various supply and component disruptions, including those that reduced the overall manufacturing capability of our customers. In addition, despite strong underlying end-use market demand, various coatings raw material shortages and logistics issues reduced our ability to fully supply our existing order book within the quarter. Our recent acquisitions also contributed to our strong year-over-year sales growth, and they are meeting our expectations," said Michael McGarry, PPG chairman and CEO. "While we delivered solid adjusted EPS in the second quarter, our results were below our April forecast. In addition to the top-line impact from the supply disruptions, we experienced continual increases in raw material and transportation costs throughout the quarter. We actively implemented additional selling price increases during the quarter and our pace of price realization is well ahead of the most recent raw material inflation cycle in 2017-2018. In addition to further selling price increases, we delivered about \$40 million of structural cost savings from business restructuring programs and have increased our targeted, full-year 2021 savings by about 10%, to \$135 million. We also continued our outstanding cash flow generation which year to date is about \$600 million, or about \$250 million higher than 2020. We continue to proactively manage various supply chain disruptions, which we now expect will likely persist through the third quarter. As a result, we expect that aggregate input and logistics costs will be sequentially higher in the third quarter, compared to the second quarter. We continue to prioritize further selling price increases, which we expect will fully offset raw material cost inflation before the end of 2021, on a run-rate basis. Overall economic demand growth remains very broad and robust and, as supply conditions normalize, we expect strong sales growth later this year and into next year aided by our technology advantaged products, our diverse geographic and end-use market participation, and continuing recovery from our aerospace business.

**STLD** – Beat on EPS and Revs – "During the second quarter, steel demand remained robust as shipments and product pricing continued their positive momentum across our entire steel platform. Higher steel selling values drove significant metal spread expansion across the entire platform and were most prominent within the flat roll steel operations, as continued demand strength and historically low customer inventories persisted throughout the supply chain and supported prices. Domestic steel consumption was strong from the automotive, construction, and industrial sectors, while the energy sector continued to show signs of rebounding. "Our

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segment operating results were exceptional," continued Millett. "Second quarter operating income from our steel operations was a record \$1.0 billion, and our metals recycling operations sustained strong earnings, as increased domestic steel mill utilization of 81% supported ferrous scrap demand and pricing. Our steel fabrication operations once again achieved record quarterly shipments and ended June with another record order backlog, as we are in the middle of the summer construction season."

**SYF** – Beats EPS (\$2.12 vs. \$1.35) – New Accounts +58%, Purchase Per Account +33%, Average Balance -4%; Digital Now 65% of Payments; Net Interest Income down 2% as payment rates remain elevated and delinquencies remain low;

**DOV** – Beats EPS and Revenues (+35.5%), Raises FY21 - We performed well again this quarter as new order activity remained strong and margin improvement continued its solid trajectory across all segments. Our portfolio is performing above pre-pandemic levels in terms of revenue and margin, and our record-high backlog provides visibility into the second half of the year, and in some of our businesses into 2022. During the quarter we saw top-line growth across all of our segments, with the largest contributions to the year-over-year increase from pumps and process solutions, fueling solutions, food retail, marking & coding and automotive aftermarket businesses. We are encouraged by the demand growth in compressor components, foodservice, and textile printing, and we expect continued recovery in these markets over the balance of the year. Our forecast for the balance of the year reflects the expectation that logistics constraints and input cost inflation will neither deteriorate nor improve materially. Despite this dynamic, we believe that our localized manufacturing and sourcing strategy and diverse business mix give us distinct advantages to win in the current demand environment.

**OMC** – Beats EPS and Revenues (+27.5%) - Organic growth in the second quarter of 2021 as compared to the second quarter of 2020 increased across all of our fundamental disciplines. The percentage increases were as follows: 29.8% for Advertising, 25.0% for CRM Precision Marketing, 15.2% for CRM Commerce and Brand Consulting, 53.0% for CRM Experiential, 22.7% for CRM Execution & Support, 15.1% for Public Relations and 4.5% for Healthcare.

**HAL** – Beats EPS, Revenues Beat (+16%) – Our second quarter performance demonstrates that our strategy is working well and Halliburton's strategic priorities are driving value in this transition year. Total company revenue increased 7% sequentially, as both North America and international markets continued to improve, and operating income grew 17% with solid margin performance in both divisions. Halliburton's Completion and Production division margin reached three-year highs, while our Drilling and Evaluation division margin outperformed expectations, setting both divisions up for robust margin growth this year. The positive activity momentum we see in North America and international markets today, combined with our expectations for future customer demand, gives us conviction for an unfolding multi-year upcycle. Halliburton's value proposition, unique exposure to both international and North America markets, and differentiated technologies across an integrated services portfolio solidify our sustainable competitive advantage, and deliver strong free cash flow and industry-leading returns

**PM** – Beats EPS and Revenues (+17.9%), FY21 Below Street – Cigarette and heated tobacco unit shipment volume up by 6.1% (reflecting cigarette shipment volume up by 3.2%, and heated tobacco unit shipment volume up by 30.2% to 24.4 billion units). Market share for heated tobacco units in IQOS markets, excluding the U.S., up by 1.4 points to 7.3%. IQOS continued its impressive growth, surpassing an estimated 20 million total users by quarter-end and driving sequential quarterly heated tobacco unit in-market sales volume growth of 8%. We expect this momentum to be bolstered by the launch of IQOS ILUMA, starting next month in Japan.



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**ALLY** – Beats EPS (\$2.33 vs. \$1.50) – Consumer auto originations of \$12.9 billion, from a record 3.5 million decided applications; Strongest retail auto credit performance on record with 0.03% of net recoveries; Retail deposits of \$129.2 billion, up 12% YoY, and up \$0.9 billion QoQ; Ally Home® direct-to-consumer mortgage originations of \$2.2 billion, up 81% YoY; Ally Invest brokerage net customer assets of \$15.6 billion, up 62% YoY; Ally Lending gross originations of \$299 million, up 283% YoY; Increased 2021 share buyback program 25% to \$2.0 billion

**HCA** – Beats EPS, Revenues (+30.4%), Raises Outlook – With the effects of the pandemic moderating in the second quarter, we experienced a strong rebound in demand for healthcare services. We continue to invest aggressively in our strategic agenda, which is building greater clinical capabilities to serve our communities while also developing more comprehensive enterprise resources to support caregivers and differentiate our local networks. Same facility admissions increased 17.5 percent and same facility equivalent admissions increased 26.8 percent in the second quarter of 2021, compared to the prior year period. Same facility emergency room visits increased 40.5 percent in the second quarter of 2021, compared to the prior year period. Same facility inpatient surgeries increased 15.0 percent while same facility outpatient surgeries increased 52.5 percent in the second quarter of 2021 compared to the same period of 2020.

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## Disclosures

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