



## Inside Today's Blitz

- China says US Relationship at a 'Stalemate'
- Senate Democrats Scramble to Move Infrastructure Bill Forward Ahead of Aug. Recess
- Delta Variant Surges as Vaccinations Slow
- **PKI** to buy BioLegend for \$5.25B; **ROLL** near deal for Abb's Dodge unit; **FLOW** to explore strategic alternatives; China bars **TME** from exclusive music rights; **CMCSA** Olympic ratings tumble

## Market Outlook

Futures indicating a slightly weak open for the day with the **Dow** off by 32 bps, the **S&P** off by 20 bps, and the **Nasdaq** off by 12 bps. The **Russell** is down 15 bps. Energy is weak with **WTI** down 80 bps. **Gold** and **silver** both modestly higher with the latter up 88 bps. **Copper** is up 1.45%. The **dollar** is down 23 bps. **Bonds** are up 44 bps. **VIX** is 20.70. It has been a somewhat downbeat weekend for news with the focus on China's continued regulatory crackdown and concerns globally about COVID. Chinese markets suffered deep losses this morning after the news about the tutoring industry and others as fears over Beijing overstepping into capital markets rise. US, China relations also took a negative turn as Beijing declared their relationship at a stalemate. COVID is continuing to grow despite no new information about the delta variant. There were some more public comments about how fast we're seeing the variant spread and some potential for lockdowns/mask

mandates but officials are likely to do everything possible to avoid going that path again. In Washington, anxiety over the stimulus bill is growing the August recess is looming and Pelosi reiterated that the House won't look at the Senate's bipartisan bill (although if it passes the Senate, she'll likely be forced to bring it to table). Schumer continues to move towards reconciliation. Again, this isn't anything new but it's part of the broader umbrella of caution we're seeing today.

Asian markets are mixed today with Shanghai down 2.34%, Hang Seng down over 4%, and the Nikkei up 1.04%. In Europe, the major indices are mostly lower. The DAX is down 40 bps, CAC down 24 bps, and the FTSE is down 27 bps. We're seeing outperformance in airlines after a strong report from Ryanair. Financials are underperforming. Dutch technology investor **Prosus**, which has a stake in Tencent, plunged almost 10% after Beijing intensified its regulatory crackdown on the Chinese internet giant. **Philips** fell 3% after reporting a fall in second-quarter net profit. **ABB** was flat after reports it is in advanced talks to sell its mechanical power transmission business to RBC Bearings. **Faurecia** shares fell 4% despite the French car parts maker posting higher first-half sales and profit and upgrading its 2021 FCF outlook.

## Calendar

**Today...** New Home Sales, Dallas Fed; **Earnings After the Close:** ACC, AMP, AMKR, AXTA, CDNS, CALX, CR, FFIV, HXL, JJSF, LOGI, MEDP, PKG, RRC, TSLA, UHS; **Conferences:** Alzheimer's Association

**Tomorrow...** Durable Goods, API Inventories; **International Earnings:** Dassault Systems, Osram Licht, Deutsche Boerse, Kering, Moncler; **Earnings Before the Open:** MMM, ADM, AWI, ABG, BSX, CNC, CIT, CVLT, GLW, ECL, ENTG, FISV, GE, GPK, HUBB, IVZ, IQV, JBLU, LW, LECO, MLCO, MSCI, PCAR, PNR, PII, PHM, RTX, RGEN, ROK, ST, SHW, SSTK, SWK, TECK, AAN, TRU, TRTN, TPB, UPS, WM, XRX

## Overnight Markets

VIX	20.75	1.88%
Copper	4.4615	1.40%
Silver	25.46	0.90%
Gold	1808.5	0.37%
Natural Gas	4.072	0.30%
US Dollar	92.72	-0.22%
Oil (WTI)	71.49	-0.80%

## Technical View



### Key Levels to Watch

**S&P futures (ES\_F)** giving back most of Friday's gains overnight and then bouncing off the 4376 level into the US open. We're back around overnight VPOC and VWAP at 4389 with a small volume node above at 4396. Areas of interest today above include 4386.75, 4422, and 4439.50. A further pullback has room to 4369 and 4351.50 which aligns with the 8-EMA.

## Economic Data

- **German** IFO was 100.4 vs 101.8 est.
- **Japan** flash services PMI was 46.4 vs 48 in June
- **Spain** PPI +15.4% in June, highest since 1983

## Macro News

- **China** has said that their relations with the **US** were at a stalemate, per Bloomberg, and urged officials to stop portraying Beijing as an enemy
- **The PBOC** is forcing lenders in Shanghai to raise mortgage rates for first-time homebuyers as they look to curb the hot industry, per Reuters
- **China** said that non-bank payments firms must report plans for international IPOs and other major events, per Reuters
- **China** will impose strict new rules on the for-profit tutoring industry in China, says Bloomberg, including banning them from raising capital or receiving capital from International investors
- **Iran** could see oil sales to China cracked down on by the US as talk rises that Tehran won't return to the nuclear deal, per Reuters
- **The White House** is growing more concerned about inflation as price spikes come into focus, per Bloomberg
- **The White House** could spend \$50B over the next 2 years to build semiconductor factories to fight the chip shortage, says FBN
- **Biden's** new antitrust team won't be able to accomplish much without a more accommodative congress, says NYT

### Movers

**Gainers: MARA 20%, RIOT 19.2%, CAN 11%, MOXC 8%, COIN 7%, AMC 3.4%**

**Losers: BEKE -24%, TAL -22%, DAO -18%, TME -15%, DIDI -13%**

### Insider Buying

INST, IMRA, PYCR, HCWB

### IPO Calendar

**Robinhood (HOOD)** to raise \$2.2 billion at a \$36.8B market cap

**Clarios International (BTRY)** to raise \$1.7B at a \$9.7B market cap

**Teads (TEAD)** to raise \$751M at a \$4.6B market cap

**Dole (DOLE)** to raise \$559M at a \$2.0B market cap

**Duolingo (DUOL)** to raise \$460M at a \$4.1B market cap

**Traeger (COOK)** to raise \$400M at a \$2.2B market cap

## *OptionsHawk Market Blitz*

- **Inflation** – A Key Gauge is Easing, writes the WSJ. One of the most important signals of future inflation has begun to ease in the past month, a development that should reassure the Federal Reserve in its prediction that the recent inflation surge will prove largely temporary. That signal is so-called inflation expectations: what businesses, consumers, workers and investors expect inflation to be over the next one to 10 years. Bond investors also don't seem to be betting on a sustained jump in inflation, based on the "break-even inflation rate" — the difference between the yield on regular Treasury bonds and on inflation-indexed bonds. The break-even rate over the next five years has dropped 0.19 percentage point since mid-May.

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## Sentiment

- **SPAC Hangover** – April saw just \$3B in issuance for SPACs vs \$35B in March as investor interest has nosedived, per FT

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## Stock-Specific News

### IPO Calendar

- **Robinhood (HOOD)** to raise \$2.2 billion at a \$36.8B market cap; offers a no-commission retail brokerage platform with over 18 million MAUs.
- **Clarios International (BTRY)** to raise \$1.7B at a \$9.7B market cap; manufactures low-voltage vehicles batteries globally
- **Teads (TEAD)** to raise \$751M at a \$4.6B market cap; operates a cloud-based programmatic digital advertising platform
- **Dole (DOLE)** to raise \$559M at a \$2.0B market cap; leading fruit and vegetable company offers over 300 products from over 30 countries
- **Duolingo (DUOL)** to raise \$460M at a \$4.1B market cap; online platform for over 300 million users to learn over 30 new languages
- **Traeger (COOK)** to raise \$400M at a \$2.2B market cap; company makes premium backyard wood pellet grills
- **Riskified (RSKD)** to raise \$333M at a \$3.1B market cap; company provides e-commerce fraud protection for enterprises
- **MeridianLink (MLNK)** to raise \$300M at a \$2.1B market cap. Company offers a cloud-based digital lending and account opening platform for mid-market community banks and credit unions
- **Snap One Holdings (SNPO)** to raise \$270M at a \$1.5B market cap. This company provides smart home technology products to over 16,000 professional integrators

## Barron's Wrap

- **Travel industry** to be weighed down by COVID fears, again, but there are bright spots like **HLT, HST, RCL, TNL**, and **WH**
- **Airbnb (ABNB)** CEO forecasts the travel rebound of the century. "What's not yet back is cross-border, and urban is only partially recovering. But last quarter we were back to 2019 levels, even without 68% of our business recovering"
- **TripAdvisor (TRIP)** shares are cheap, now is time to buy. The company has started a new travel subscription service, Tripadvisor Plus, that offers discounted hotel rates and other benefits, which could rekindle interest in what has been online travel's also-ran to Booking
- **Evoqua (AQUA)** a smart bet on clean water. Good water stocks, however, aren't plentiful-which makes Evoqua, a water-treatment company, a good stock to tap into
- Steer clear of the **Robinhood (HOOD)** IPO. Robinhood is a truly transformational company, but its problem is the quality and sustainability of its revenue
- **KEY, MTB** top banks to buy with strong yields

## Consumer/ Business Services

- **PM** to stop selling cigarettes in UK within 10 years, Daily Mail says as part of their broader plan to switch to modern alternatives like e-cigarettes or heated tobacco devices
- **CMCSA** ratings for the opening of the Summer Olympics have fallen 36% from 2016, per WSJ
- **LUMN** to sell its Latin American business to StonePeak for \$2.7B
- **DIS** plans to resume sailings from US ports next month, per Reuters
- **BALY** says preliminary Q2 revenues of \$258M to \$268M vs \$228M estimates citing better than expected operating performance at its land-based retail casinos and interactive businesses
- **Bridgepoint** is exploring a sale of **Burger King UK**, says The Times, in a deal that could be worth GBP500M

## Financials

- **Axa Investment Managers** is preparing to spend \$2.35B on specialist laboratory space and offices in Europe as interest in the life science sector increases, according to the FT
- The WSJ looks at **Fair Isaac (FICO)** and how the credit score company is losing market share. They note that lenders like **COF, SYF, JPM** and others are relying on other data to make lending decisions

### Hawk Database

**TRIP** continues to draw a lot of bullish flow including buyers in the Sept. \$36 calls and January \$50 calls lately

### Chart Watch

**AQUA** setting up well below recent highs and a move through the VPOC at \$33.40 can see shares run

### Hawk Database

**SYF** popular with put sales recently in January and December across the \$55, \$47, \$45, \$40 strikes

## OptionsHawk Market Blitz

- **HOOD** is considering offering US retirement accounts, per Reuters. Offering individual retirement accounts and Roth IRAs would allow Robinhood to tap a vast market
- **EU banks** will see capital return restrictions lifted on 10/1, says Bloomberg, a move that was expected
- **NN Group** says their Investment Partners unit has received takeover bids from **GS** and others, per FT
- **BlockFi** is coming under scrutiny by regulators by offering interest-bearing crypto accounts, per FT
- **FTX, Binance** have both announced plans to curb leverage they offer to customers, per NYT. FTX had previously offered as much as 101X
- **Vonovia** says their bid for German residential property firm **Deutsche Wohnen** has failed to secure shareholder support, per FT

## Healthcare

- **Perkin Elmer (PKI)** to acquire **BioLegend** for \$5.25B in a cash and stock deal. BioLegend had \$380M in estimated 2022 revenues. The combined company will generate immediate revenue synergies which are expected to reach \$100M annually by the fifth year
- FDA issues CRL saying it can't approve **INCY's** retifanlimab BLA
- **TNXP** to stop enrollment in Phase 3 RALLY study of TNX-102 SL; IDMC recommended stopping the trial for futility
- **DNLI** announces positive interim data from Phase 1/2 study with ETV:IDS an investigational brain-penetrant enzyme replacement therapy intended to treat both central nervous system and peripheral manifestations of Hunter syndrome
- **MRNA's** vaccine was approved in Europe for children aged 12-17
- **MODV** to acquire CareFinders Total Care for \$340M
- **PHG** announces €1.5B buyback program

## Industrials

- **RBC Bearings's (ROLL)** to acquire **ABB's** Dodge unit for \$2.9B in cash. The purchase price represents 16.7x DODGE's adjusted EBITDA
- **FLOW** initiates review of strategic alternatives; Co. may pursue a possible sale or merger of the company and the continued execution of the company's standalone strategy
- **Ryanair** posted a smaller than expected loss in Q1 and guiding to a strong Q2 in September as vaccines rollout, per Reuters

## Energy & Materials

- Unifor starts strike at **RIO** mines near Western Ontario, per Reuters

### Chart Watch

**DNLI** trading a bit lower this morning and under \$62.30 and recent support has room to fill back to \$58 and the May breakout spot

### Chart Watch

**ROLL** one of the nicest weekly charts with shares in a very coiled range under \$208 and a breakout targeting a run to \$230-235

## OptionsHawk Market Blitz

- **Pembina Pipeline** terminates **Inter Pipeline** acquisition. Inter Pipeline has agreed to pay Pembina the C\$350M termination fee provided for in the agreement.

### Tech/Telecom

- China has barred **Tencent Music (TME)** from exclusive rights in online music, says Reuters. The company said they will comply with all regulatory requirements
- The WSJ looks at the cloud market and notes that what once was a two-company race – **AMZN** and **MSFT** – has now broken up a bit giving opportunity to **ORCL**, **GOOGL**, and **IBM** to gain market share
- **INTC** CEO says the chip shortage will last well into 2022, per IGN. The semiconductor shortage has caused supply strains across numerous industries, including gaming
- **AMZN** is looking to hire a blockchain expert for its payments team, says CNBC, in a hint that the company is gaining interest in crypto
- **TSM** is considering a new fab in Germany, per Digitimes
- **Softbank** is now losing money on its massive stake in **DIDI**, says FT, which had been its single largest tech bet in the portfolio

#### Hawk Database

**ORCL** has seen a lot of large bullish positioning including buyers recently of 15,000 Sept. \$90 calls

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## Analyst Notes

### Upgrades

- **RS** raised to Buy at Citi, the company's pivot to value-add services several years ago continues to generate industry leading margins and cash flow. Hacking now forecasts sustainable free cash flow generation close to \$1B per year which translates to \$200 share price on an 8% yield
- **CASY** raised to Outperform at BMO citing a more bullish outlook for fuel margins combined with Casey's initiatives to improve in-store margins increases the analyst's confidence that the company will meet or beat its 8%-10% EBITDA growth target
- **ACN** raised to Buy at Redburn as IT investment is developing stronger than anticipated, fueled by a necessity for companies to digitally transform and achieve flexibility required for evolving business models
- **DISH** upgraded to Neutral at MoffettNathanson, The Dish/AT&T network service agreement is a game changer for Dish and a disastrous result for the wireless incumbents. The analyst believes the extended timeline granted in the agreement not only gives Dish more time to build out its network, but also improves the likelihood of a strategic partnership and future financing
- **GPS** raised to Buy at Deutsche Bank

#### Hawk Database

**DISH** has continued to see massive bullish risk reversals open in the January 2023 expiration while 6500 long September \$40 calls also in OI

## OptionsHawk Market Blitz

- **CE** raised to Buy at Vertical
- **PPG** raised to Positive at SIG
- **KTOS** upgraded to Buy at B Riley
- **PCRX** raised to Overweight at JPM
- **SWN** raised to Positive at SIG
- **SIX** raised to Outperform at Wedbush
- **GBX, TRN, GATX** raised to Positive at SIG on improving rail equipment fundamentals
- **WPC** raised to Overweight at Capital One
- **DHI** raised to Outperform at Wedbush
- **GLT** upgraded to Outperform at BMO Capital
- **HPE** upgraded to Outperform at Evercore ISI

## Downgrades

- **PAG, GPI, ABG** cut to Neutral at MSCO, the franchise auto dealers have benefitted substantially from the strongest supply-demand imbalance and inventory tightness seen in memory, but after another record strong quarter the analyst believes cycle-high conditions provide an outstanding opportunity to reduce exposure to the franchise dealers before secular issues begin to surface
- **GKOS** cut to Neutral at Stephens, the analyst has increased concern that proposed rates are not likely to improve materially and that surgeons may initially shift to performing goniotomy or significantly reduce their MIGS volume as the procedure could become unprofitable
- **SPOT** cut to Sell at Redburn
- **LOW** cut to Neutral at Wedbush
- **EDU, TAL** cut to Neutral at Goldman
- **GOTU** cut to Sell at Goldman
- **QLYS, MIME, ZS, PANW** cut to Hold at Loop

## Initiations

- **SentinelOne (S)** started Buy at Goldman with \$57 target; SentinelOne has established itself as a best of breed, founder-led XDR leader in one of the most attractive segments within Security Software. SentinelOne's disruptive platform has enabled it to take share from legacy vendors at a substantial pace, with revenue growth of 108% y/y for its most recent quarter. We view the company as well-positioned to continue to take Endpoint market share, expand into adjacent markets, and deliver strong growth with improving fundamentals.
- **EVCN** started Buy at Goldman, \$21 target; Company's portfolio of assets has largely been assembled through M&A and provides vertical and micro-vertical solutions to these businesses, while also layering on top

### Hawk Database

**DHI** featured writeup last week with September \$95/\$80 bull risk reversals has moved out of its pullback trend

### Chart Watch

**SPOT** has not participated much in the rally and has a bear flag set-up, below \$240 can start a slide back near recent lows.

### Chart Watch

**S** looks poised to run sitting just under VWAP off highs, a move above \$49.25 can start a surge to \$55

## OptionsHawk Market Blitz

horizontal solutions like customer engagement, marketing technology, and payments. This customer segment is largely under-served by horizontal SaaS vendors and EverCommerce's approach provides the vertical-specific tools that SMBs need to digitize their businesses.

- **CVRX, PNT** started Overweight at Piper
- **XMTR** started Buy at Citi
- **DNUT** started Buy at Citi; Overweight at MSCO
- **LZ** started Overweight at Barclays
- **IS** started Buy at Needham
- **INTA, CURV** started Buy at BAML

## Other Notes

- **AAPL** should continue to thrive in 5G cycle, says Baird, and the stock usually performs well in the two months leading up to the next iPhone launch, which he expects in September
- **AXP** target raised to \$151 from \$135 at BMO
- **ROP** target to \$550 from \$510 at Barclays

## Trade Ideas

**XPO Logistics (XPO)** shares forming a nice multi-week base under a big volume node at \$145 and a breakout targeting a run at new highs. XPO has been in a strong trend since breaking out in March and measured target above \$150 has sights on a run to \$175 and with both MACD crossing over bullish and RSI nearing a run above 50 recently, plenty of room to run. XPO recently approved a spinoff of their logistics business, GXO.

XPO Logistics, Inc., Daily, Nasdaq + Nyse BQT 0 141.46 H 144.18 L 137.71 C 143.62 Change +1.53% Market closed

Expand indicator list



### Technical Scans

**Inside Days:** CPRI, EBS, FTCH, PAAS, TPX, ALLE, CMI, NTRS, ANTM, LII, EXP, DPZ, PEGA, ARNC, SCHW, W, DOCU, DIS

**Bull Reversal Days:** KOD, CONE, TXN, ENSG, CHRW, KMB, BERY, DLR, AAON, SEE, FLO, NFLX, HRL, NOMD, OMC, VIAV, REYN, EXLS, CPNG, TRV

**Ready to Run:** MP, MLM, ESTC, J, IART, SMAR, MDP, ZY, SBH, UI, APD, YUMC, HASI, AER, ATUS, CBOE, DBX, XPO



## *OptionsHawk Market Blitz*

### **IPO Profile:**

**Sprinklr (CXM)** is a recent IPO that has seen shares consolidate and show some basing price action in the \$18/\$20 range, a name worth looking at closer.

Sprinklr empowers the world's largest and most loved brands to make their customers happier. It has created a new category of enterprise software, Unified Customer Experience Management, or Unified-CXM – that enables every customer-facing function across the front office, from Customer Care to Marketing, to collaborate across internal silos, communicate across digital channels, and leverage a complete suite of modern capabilities to deliver better, more human customer experiences at scale – all on one unified, AI-powered platform. Global enterprises are only beginning to understand the power of using a unified technology platform to manage their customer experience across customer-facing functions.

CXM believes Unified-CXM is in its early stages of adoption and has the ability to disrupt the traditional ways of managing customer data, including CRM, Enterprise Resource Planning (ERP), and Human Capital Management (HCM) systems, driving a cultural shift towards enhancing experiences rather than managing transactions. CXM estimates the current TAM for its platform at \$51B. CXM is seen benefitting from multiple trends such as the shift to modern communication channels, expanding public customer experience data and front-office modernization as digital transformation accelerates. Sprinklr differentiates with its focus on global enterprises >\$100M in annual revenue (average ASP >\$300K vs. SMB/midmarket specialist Sprout Social (SPT) at >\$6K). Its CXM vision begins with addressing digital channels beyond social including live chat, chatbots, and messaging, and ultimately overlaps with CRM.

CXM currently has a market cap of \$4.73B and trades 11X FY21 EV/Sales with revenues seen rising 15% in 2022 and 20% in 2023. CXM has 1179 customers with no single customer accounting for more than 5% of revenues. Gross margins are trending towards the 70% level while EBIT margins seen improving but remaining negative at -5.8% by 2024.

I can see a very attractive opportunity that CXM has positioned itself and it has established itself as a leader in enterprise. While it has a fairly strong 20% top-line growth outlook, profitability remains far away and valuation at 11X is not overly attractive as a non hyper-growth name. It has a unique platform that should continue to grow and offer a value proposition to customers with its 10 billion daily AI predictions. Shares appear fairly valued in my view with it likely to face intense competition on multiple fronts but if it becomes out of favor and trades down closer to 8X EV/Sales it may garner my interest.

### **Earnings Snapshot**

**Boston Scientific (BSX)** reporting earnings on Tuesday before the open with the Street looking for \$0.37 on \$2.94B, a 46.7% increase Y/Y. BSX has a strong history, bullish options flow, and strong chart setting up for a potential jump higher after reporting. Shares have closed higher in five of the last seven including the last two with an average closing move higher of 2.5% and a max move of 5.49%. The current implied move is 4%. The \$61.88B company trades 24X earnings, 6.11X sales, and 30.7X cash. BSX should benefit from the increase in vaccinations as more people get back into doctors' offices and last quarter posted growth across all of their business segments for the first time since 2019. The company should continue to see strength in endoscopy due to new product launches while cardiac will benefit from a bigger replacement cycle into 2022. Goldman positive on 7/14 seeing a beat-and-raise quarter as they see strength around cardiology and GI helping lift their longer-term outlook. Barclays positive in May as they should benefit from the return in elective surgeries.

## OptionsHawk Market Blitz

Date	Description	Volume	Open.Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid
7/20/2021	BSX 100 20 AUG 21 43.5 CALL	1,859	123	\$1.05	0.45	26.24%	41.96%	\$195,195
7/19/2021	BSX 100 18 FEB 22 34 CALL	304	3	\$8.50	0.79	39.33%	68.79%	\$258,400
7/15/2021	BSX 100 20 AUG 21 39 PUT	1,800	1,003	\$0.44	-0.2	29.57%	23.23%	\$91,800
7/1/2021	BSX 100 (Weeklys) 13 AUG 21 45 CALL	1,964	0	\$0.95	0.349	24.79%	31.76%	\$186,580
6/30/2021	BSX 100 20 AUG 21 42 PUT	5,972	1,152	\$1.34	-0.406	24.80%	44.23%	\$800,248
6/21/2021	BSX 100 20 JAN 23 50 PUT	500	1	\$9.55	-0.58	28.05%	71.31%	\$600,000
6/21/2021	BSX 100 20 AUG 21 50 CALL	2,328	349	\$0.35	0.14	28.44%	11.15%	\$81,480
6/14/2021	BSX 100 20 JAN 23 42 PUT	672	21	\$5.60	-0.42	25.73%	54.91%	\$372,960
6/10/2021	BSX 100 20 AUG 21 45 CALL	2,951	4,459	\$1.07	0.35	24.99%	31.20%	\$318,708
6/7/2021	BSX 100 20 JAN 23 38 CALL	528	172	\$8.50	0.68	29.30%	54.05%	\$448,800
5/26/2021	BSX 100 19 NOV 21 43 CALL	1,531	6,916	\$2.70	0.47	27.77%	39.82%	\$411,839
5/25/2021	BSX 100 19 NOV 21 43 CALL	2,609	91	\$3.50	0.55	27.79%	47.37%	\$904,400
5/24/2021	BSX 100 19 NOV 21 47 CALL	673	17	\$1.49	0.3	23.15%	24.87%	\$102,969
5/17/2021	BSX 100 19 NOV 21 44 CALL	9,556	14	\$2.09	0.41	26.17%	33.63%	\$1,997,204

## Extras

**Atossa (ATOS)** with 10,000 September \$4 calls bought up to \$0.85

**ChargePoint (CHPT)** late buyers of 1850 September \$23 puts for \$2.89

**Arcimoto (FUV)** buyer of 1000 September \$12.50 calls for \$5.40

**General Motors (GM)** with 5000 November \$62.50 calls opening for \$1.72

**MGM** seller of 2000 January \$32 puts for \$1.77 to open

**Moderna (MRNA)** buyer of 1000 January \$300 puts for \$36.40 and spread vs 1500 of the \$250 puts for \$16.95

**Roku (ROKU)** the September \$410 puts sold to open for \$15.36, adjusting back the \$385 short puts

**Shutterstock (SSTK)** buyer of 1000 September \$105/\$110 call spreads for \$2.32

**Atlassian (TEAM)** opening sale of 1000 September \$240 puts for \$5.50

**Microsoft (MSFT)** with 3000 October \$255 puts sold to open for \$3.10, stock replacements

**PayPal (PYPL)** with 1875 November \$240 puts sold to open for \$3.65/\$3.60

**Guardant Health (GH)** with 500 August \$120 puts bought up to \$8.10

**IBM** buyer of 425 February \$130 calls for \$14.30

**Monolithic Power (MPWR)** buyer of 500 August \$410/\$450 call spreads for \$14.45

**Lending Tree (TREE)** spread buys 500 August \$200 calls for \$9.50, spread with the \$230 calls for \$2.90 as the \$210 calls look to be adjusting into earnings

**Upstart (UPST)** with 200 October \$100 calls bought for \$28.50

**Z-Scaler (ZS)** with 300 January \$250 puts sold to open for \$34.45 in a stock replacement

## Open Interest Checks

Ticker	Contract	OI Checks		
		Prior OI	New OI	OI Change
V	October \$265 Calls	1,831	4,259	132.61%
MA	October \$390 Calls	2,395	4,600	92.07%
ZM	September \$400 Calls	1,474	2,773	88.13%
ASO	August \$38 Calls	2,915	5,459	87.27%
WDC	October \$65 Calls	5,036	8,338	65.57%
BABA	August \$205 Calls	2,687	4,402	63.83%
XRX	January \$26 Calls	5,156	8,112	57.33%
ING	October \$16 Puts	1,389	2,044	47.16%
VFC	August \$82.50 Calls	2,588	3,634	40.42%
GOOS	January \$40 Calls	1,083	1,515	39.89%
RBLX	August \$85 Calls	3,019	4,110	36.14%
JD	September \$75 Calls	37,954	43,137	13.66%
RBLX	August \$100 Calls	7,627	7,889	3.44%

## What They're Saying

**Honeywell (HON)** earnings call on its Quantum Solutions... "The combination of Honeywell Quantum Solutions and Cambridge Quantum Computing or CQC forms the largest, most advanced standalone quantum computing company in the world. Honeywell's H-Series quantum computer offers the world's highest demonstrated quantum volume of 1,024, and CQC has the first and most advanced quantum operating system. Together, they create a unique full stack quantum player in a league of its own. Quantum computing will absolutely remain a key breakthrough initiative for Honeywell. We will own a majority of the stake in the new company with commensurate governance rights, and we'll have a long-term agreement to help manufacture the critical ion traps needed to power the company's quantum hardware. Honeywell's business will also continue serving as a proving ground for the company's quantum offerings. The combination of Honeywell Quantum Solutions and CQC is essential to advancing the value that Quantum Solutions provide to customers. To advance this value, the new company will codevelop integrated quantum hardware and software solutions to enable a one-stop shop for quantum customers. Additionally, the focus will be on developing hardware-agnostic software solutions and a unique quantum operating system, which is optimized for the quantum hardware on which it is used. These technologies will support customer needs for improved computation in diverse areas, including cybersecurity, drug discovery and delivery, material science, finance and optimization across all major industrial markets. We're already working with global customers to deliver solutions for markets with massive scalable commercialization opportunity, including JPMorgan, BMW, Samsung, Google, DHL and many others. The combined company holds over 150 technical patents and will have a staff of approximately 330 people, which is the largest pool of quantum talent in the world, more than 120 of whom hold doctorates and over 200 of whom are scientists, including some of the world's leading quantum computing experts. The long-term financial prospects of the new companies are substantial. The combination is expected to significantly accelerate the path to commercial scale, creating the potential for approximately \$1 billion in sales within 2 to 5 years. We are

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excited about the new company's prospects, and we expect to continue to be a global quantum computing leader, shaping the future of what is projected to become a \$1 trillion industry over the next 30 years.”

**Roper (ROP)** earnings call on to performing business units... “Specific to business unit performance, Deltek, our enterprise software business that serves the U.S. federal contractor, architect, engineering and other services end market had an excellent quarter. Their strength was rooted in large-scale GovCon customer wins and expansion activity. Deltek was further benefited by the recovery in the professional services end market. Aderant, our legal software business, continues its momentum and market share gains. In addition, and encouragingly, their customers are beginning the journey of migrating to Aderant's cloud solutions. This will take many years for the entire customer base to migrate, but will result in increased customer intimacy and higher levels of recurring revenue. CliniSys and Data Innovations continued their long string of market share gains in the quarter. And CBORD grew based on strength in health care and, in particular, their higher education product offerings. Finally, our 2020 cohort of acquisitions continue to perform very well, both at Vertafore and EPSi.”

**Abbott Labs (ABT)** earnings on how Libre is growing and its potential TAM... “We had a real strong quarter, as you saw, and approaching that \$1 billion mark on a quarterly perspective, sales above 40%. I think really important here is the user base. This is a different kind of device business. We’ve talked about it from a mass market opportunity versus other parts of our device portfolio that might be a little bit more, let's say, niche versus the size of Libre. But the user base is super important because when you've got this kind of retention level that we're seeing on the product, between 80 and 90-plus percent globally, it really looks more like a subscription-like model. And when you're in that subscription-like model and you've got this recurring revenue, the user base is hugely important. And I think that's a lot of our focus right here, as we talked about this mass market, is building the user base. And I think we've done a really good job internationally and in the U.S. But as we've talked about, we've got 3.5 million users. I've talked about numbers all the way up to 80 million users potential for this product once you aggregate insulin users and type 2s, et cetera. I think this is a real strong growth opportunity for us, and we're still in the early innings, as I've said. From a road map perspective, we're not deviating from kind of how we thought about this, right, which is we will continue to provide superior technology, superior experience to the user, whether it's with the product, whether it's how they get the product and still a value proposition that makes sense for a mass adoption.”

## Earnings Grid

### 7/26 AMC Reports

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 %ile	Short Float	SI Change (Gmo)
CDNS	7/26/2021	AMC	Bull: \$9.45M (100%)	Lower 6 of 8, Lower last 5	5.23%	4.42%	-0.63%	-14.21%	3.77	-16.75%	70.33%	1.10%	-0.2757793765
AMP	7/26/2021	AMC	No Trades Since Last Report	Higher 6 of 8, Higher last 3	5.14%	6.52%	2.64%	22.41%	7.23	-11.39%	9.82%	1.82%	-0.1025641026
BRO	7/26/2021	AMC	No Trades Since Last Report	Even	4.14%	4.83%	1.14%	8.17%	0.92	-17.58%	95.81%	1.26%	-0.2429667519
UHS	7/26/2021	AMC	Bear: \$1.15M (100%)	Even	5.73%	6.89%	-0.09%	-2.08%	4.66	-10.44%	37.37%	2.88%	0.44
PKG	7/26/2021	AMC	Stock: \$0.37M (100%)	Lower 6 of 8	4.93%	4.41%	-0.82%	-1.21%	4.89	-12.76%	95.10%	1.77%	0.2205882353
FEIV	7/26/2021	AMC	Bear: \$0.73M (79%), Bull: \$0.21M (21%)	Lower 5 of 8, Lower last 2	1.17%	9.47%	-2.09%	-5.46%	3.18	-18.43%	54.12%	4.97%	-0.05750798722
AXTA	7/26/2021	AMC	Bull: \$0.46M (100%)	Even	5.63%	5.71%	-0.02%	-1.14%	1.66	-8.44%	6.07%	2.97%	-0.2821846554
AMKR	7/26/2021	AMC	Bull: \$0.18M (100%)	Higher 5 of 8	10.31%	18.19%	2.87%	40.57%	0.09	-22.39%	54.87%	4.31%	0.02395209581
CR	7/26/2021	AMC	No Trades Since Last Report	Even	5.39%	6.64%	-0.20%	-10.24%	9.27	-14.30%	64.61%	1.16%	-0.03643724696
HXL	7/26/2021	AMC	Bull: \$0.11M (100%)	Even	11.50%	6.14%	-2.12%	-19.26%	3.07	-13.05%	8.92%	10.50%	0.3044776119
BRC	7/26/2021	AMC	Bull: \$1.83M (63%), Bear: \$1.08M (37%)	Higher 6 of 8, Higher last 2	2.61%	10.25%	1.64%	2.65%	2.86	2.80%	88.83%	13.13%	0.1663735491
CALX	7/26/2021	AMC	Bull: \$0.51M (100%)	Higher 5 of 8, Lower last 2	13.22%	15.10%	4.56%	37.78%	0.94	-30.04%	94.37%	3.78%	-0.2553956835

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### 7/27 BMO Reports

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	Short Float	SI Change (3mo)
UPS	7/27/2021	BMO	Bull: \$16.41M (70%), Bear: \$5.52M (24%), Stock: \$1.41M (6%)	Even, Higher last 2	0.82%	9.04%	0.27%	12.49%	2.11	-18.39%	98.77%	0.98%	-0.2143646409
RTX	7/27/2021	BMO	Bull: \$15.79M (87%), Stock: \$1.47M (8%), Bear: \$0.93M (5%)	Higher 5 of 8, Higher last 2	0.80%	3.74%	-1.30%	-0.19%	3.74	-12.29%	90.83%	0.88%	-0.02204261572
MMM	7/27/2021	BMO	Bear: \$3.19M (43%), Bull: \$2.28M (31%), Stock: \$1.99M (27%)	Lower 6 of 8	0.70%	6.34%	-3.33%	-25.05%	3.18	-16.14%	31.52%	2.04%	0.1111111111
GE	7/27/2021	BMO	Bull: \$11.4M (73%), Vol: \$3.92M (25%), Bear: \$0.22M (1%)	Even	1.81%	8.27%	1.07%	20.20%	1.35	-17.10%	11.95%	0.95%	-0.1612772838
SYK	7/27/2021	BMO	Bull: \$2.43M (100%)	Lower 7 of 8, Lower last 7	4.01%	3.84%	-1.65%	-12.95%	2.00	-11.04%	98.78%	0.95%	-0.0777777778
SHW	7/27/2021	BMO	Bull: \$1.87M (100%)	Higher 5 of 8, Lower last 2	4.42%	5.32%	0.87%	14.10%	4.55	-19.20%	7.17%	1.42%	1.740155748
FISV	7/27/2021	BMO	Bull: \$6.18M (54%), Bear: \$3.03M (27%), Vol: \$2.17M (19%)	Lower 5 of 8, Lower last 3	0.70%	4.92%	-2.08%	0.38%	1.41	-19.28%	38.91%	1.54%	-0.3540502793
BSX	7/27/2021	BMO	Bull: \$6.16M (76%), Bear: \$1.4M (17%), Stock: \$0.58M (7%)	Higher 5 of 8, Higher last 2	0.89%	4.65%	3.12%	13.61%	2.03	-11.30%	67.95%	0.89%	-0.1577203446
ECL	7/27/2021	BMO	No Trades Since Last Report	Even, Lower last 4	4.34%	4.68%	-1.76%	-11.07%	5.33	-6.67%	69.01%	0.86%	-0.00462962963
WM	7/27/2021	BMO	Bear: \$1.98M (67%), Bull: \$0.99M (33%)	Even, Higher last 3	3.12%	2.38%	0.28%	-1.31%	3.77	-11.38%	38.35%	0.73%	-0.2976190476
MSCI	7/27/2021	BMO	No Trades Since Last Report	Higher 5 of 8, Higher last 3	5.79%	3.88%	0.30%	-0.31%	1.45	-14.40%	35.80%	0.85%	-0.3854545455
IQV	7/27/2021	BMO	Bull: \$0.8M (46%), Bear: \$0.5M (29%), Stock: \$0.45M (26%)	Higher 7 of 8, Higher last 6	5.60%	7.12%	3.10%	22.31%	8.22	-18.44%	97.89%	1.50%	0.02888086643
CNC	7/27/2021	BMO	Bull: \$4.5M (84%), Vol: \$0.8M (15%), Bear: \$0.09M (2%)	Lower 5 of 8	0.99%	6.06%	-2.42%	-10.91%	3.91	-11.04%	58.64%	1.59%	-0.08752515091
ROK	7/27/2021	BMO	No Trades Since Last Report	Lower 6 of 8, Lower last 4	4.57%	6.61%	-0.93%	4.86%	5.73	-20.30%	86.16%	2.49%	0.4744897959
GLW	7/27/2021	BMO	Bull: \$2.15M (100%)	Lower 6 of 8, Lower last 4	1.38%	5.09%	-2.33%	-19.46%	1.42	-18.84%	52.55%	1.47%	0.1417004047
SWK	7/27/2021	BMO	Bull: \$1.79M (83%), Bear: \$0.37M (17%)	Lower 6 of 8	1.05%	5.60%	-1.60%	-11.05%	5.73	-15.49%	70.10%	1.00%	-0.6220565727

Stock	Next Earn Date	Time	Open Interest	Historical Moves (8 Q)	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	Short Float	SI Change (3mo)
ADM	7/27/2021	BMO	Bear: \$0.53M (64%), Bull: \$0.3M (36%)	Higher 5 of 8	1.15%	4.00%	0.61%	0.45%	1.74	-11.28%	36.56%	0.76%	-0.1650099404
PCAR	7/27/2021	BMO	Bull: \$0.37M (100%)	Even, Lower last 3	4.84%	3.65%	-0.01%	6.53%	2.93	-17.36%	6.00%	1.38%	-0.1376146789
TRU	7/27/2021	BMO	Bear: \$0.35M (100%)	Even	5.39%	6.19%	0.02%	3.08%	1.12	-15.79%	99.83%	0.83%	-0.4212454212
ENTG	7/27/2021	BMO	Bear: \$0.27M (100%)	Lower 6 of 8, Lower last 3	6.65%	6.52%	-0.75%	1.96%	4.01	-11.67%	87.62%	1.46%	0.01554404145
PHM	7/27/2021	BMO	Bull: \$6.73M (82%), Bear: \$1.51M (18%)	Even	1.13%	7.27%	1.21%	-2.62%	2.67	-12.23%	1.05%	3.09%	0.3527454243
IVZ	7/27/2021	BMO	No Trades Since Last Report	Lower 6 of 8, Lower last 2	6.76%	6.83%	-1.20%	-20.51%	2.08	-5.38%	89.49%	1.85%	-0.3931933382
PNR	7/27/2021	BMO	No Trades Since Last Report	Even	5.25%	4.10%	-0.19%	8.39%	2.47	-14.10%	45.93%	2.21%	1.044692737
RGEN	7/27/2021	BMO	Bull: \$0.3M (54%), Bear: \$0.25M (46%)	Higher 6 of 8	7.49%	7.60%	3.72%	20.13%	3.28	-17.82%	52.78%	3.34%	0.09677419355
LW	7/27/2021	BMO	Bull: \$0.97M (78%), Bear: \$0.27M (22%)	Lower 6 of 8, Lower last 2	5.74%	7.73%	-2.41%	-18.87%	5.80	-16.33%	93.54%	1.75%	-0.05555555556
ST	7/27/2021	BMO	No Trades Since Last Report	Lower 6 of 8, Lower last 4	5.47%	5.82%	-2.77%	-15.64%	7.03	-12.84%	96.82%	1.62%	0.1552511416
PII	7/27/2021	BMO	Bear: \$4.58M (89%), Bull: \$0.57M (11%)	Higher 7 of 8	6.91%	9.52%	4.72%	42.48%	5.80	-15.74%	83.94%	7.08%	1.478527607
MICO	7/27/2021	BMO	Bull: \$17.46M (97%), Vol: \$0.59M (3%)	Higher 5 of 8, Higher last 2	7.39%	4.52%	0.79%	3.06%	-1.69	-8.89%	0.71%	1.50%	1.95867666
GPK	7/27/2021	BMO	Bull: \$1.37M (100%)	Lower 5 of 8	5.08%	5.56%	-0.63%	0.27%	0.14	-21.80%	31.41%	2.48%	0.07906976744
XRX	7/27/2021	BMO	Bull: \$7.3M (98%), Bear: \$0.19M (2%)	Lower 5 of 8	6.62%	6.48%	-1.30%	1.98%	-0.26	-13.42%	0.18%	3.94%	0.6026785714
CVLT	7/27/2021	BMO	No Trades Since Last Report	Higher 5 of 8	7.39%	11.23%	2.69%	-6.92%	3.43	-21.81%	22.85%	2.12%	0.0326512086
TRTN	7/27/2021	BMO	No Trades Since Last Report	Even, Lower last 3	6.50%	6.11%	0.45%	9.01%	3.87	-12.82%	0.45%	1.99%	0.3282350574
MMYT	7/27/2021	BMO	No Trades Since Last Report	Even, Higher last 2	11.23%	11.60%	-0.39%	9.59%	8.91	-20.60%	28.37%	3.82%	0.2873565218
AAN	7/27/2021	BMO	No Trades Since Last Report	Even	12.37%	18.45%	11.30%	22.60%	-15.26	-12.66%	54.25%	1.66%	-0.2987912365

## Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
CHKP	Check Point Software	\$1.61	\$1.56	\$526.10	\$523.96	4.10%	
DORM	Dorman Products	\$1.10	\$1.04	\$310.60	\$289.07	33.80%	
HAS	Hasbro	\$1.05	\$0.47	\$1,322.20	\$1,166.66	53.70%	
LII	Lennox Int'l		\$4.41		\$1,189.31		
LMT	Lockheed Martin	\$7.13	\$6.52	\$17,029.0	\$16,933.54	5%	FY Above
OTIS	Otis Worldwide	\$0.79	\$0.72	\$3,701.00	\$3,461.30	22.20%	FY Above
PKI	PerkinElmer	\$2.83	\$2.44	\$1,288.00	\$1,122.61	58.60%	FY In Line
PHG	Philips	\$0.40	\$0.39	\$4,230.00	\$4,203.91	-3.80%	
RPM	RPM Inc	\$1.28	\$1.28	\$1,744.30	\$1,691.67	19.60%	FY In Line

**CHKP** – Beats EPS and Revenues (+4.1%) – We had a good second quarter. Strong execution drove double-digit growth across CloudGuard and Harmony, and triple-digit growth in Infinity platform sales. Overall we grew our security subscription revenues by 12 percent. We’ve seen a 93 percent increase in ransomware attacks, as Gen V attacks are now the new norm. We believe organizations can stop the next cyber pandemic by adopting a prevention-first approach to security across the network, cloud and remote users.

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**OTIS** – Beats EPS and Revenues (+22.2%), Raises Outlook – In addition to launching Gen3™ and Gen360™, our newest, innovative platforms with built-in IoT connectivity, we grew New Equipment orders by 24% and our industry-leading maintenance portfolio by 3%. We also delivered mid-teens organic sales growth with margin expansion in both segments.

**HAS** – Beats EPS and Revenues (+53.7%) – Wizards continued to generate outstanding results behind a compelling analog and digital release schedule for MAGIC: THE GATHERING. Consumer products revenue increased as demand remains robust for Hasbro toys and games and entertainment revenue grew as we are producing entertainment with strong deliveries. The Hasbro team is performing at a high level and *Supercharging our Brand Blueprint* to drive demand for our brands and content slate as we track to our target of double-digit revenue growth for the full-year and position us for profitable growth not just this year but also in future years. As we invest to unlock value from our brands across the blueprint, we are on track to reach our objectives for the year while expanding the reach of our business, reducing debt and paying our dividend. The discipline in our business is evident from the \$1.2 billion in cash we had on hand at quarter end, reporting the lowest days sales outstanding in our recent history, and repaying \$250 million in debt.

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## Disclosures

### **Disclaimer:**

### **Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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