



Inside Today's Blitz

- Pelosi says McConnell 'Not Serious' About Making Coronavirus Relief Bill
 - Hong Kong Prepares for Tougher Restriction as COVID-19 Surge Lingers
 - FOMC Expected to Debate Rates Path, Forward Guidance but Take No Action Today
- Big tech visits Capital hill w/ **AMZN, GOOGL, FB, AAPL** CEOs set to testify; **ATUS** is selling a stake in their enterprise Fiber biz; **ENVA** is buying **ONDK**; **MRNA** is set to price their COVID-19 vaccine above peers; **BASF** cautious on the 2H; **CCC** will combine with CPA Global; **PFE** CEO says drug pricing debate is 'destructive'

Market Outlook

Futures indicating a modestly higher open for the day with the **S&P** up 22 bps, **Dow** up 9 bps, and **Nasdaq** up 50 bps. **WTI crude** is up 1.1% and remains in a very narrow range. **Silver** is up modestly as it consolidates the recent surge. The **dollar** is down again today and near Monday's low. The COVID-19 situation remains fluid but some cautious news flow in the last 12 hours. Asia is preparing for a resurgence in COVID-19 cases after China reported a rise in new infections and Hong Kong is putting on much tougher restrictions to try and stop a new surge. In the US, Dr. Fauci said it's reasonable that we'll have an effective vaccine by December. Stimulus talks between the White House and Democrats slowed on Tuesday and McConnell's plan is all but dead in its current form. Pelosi says she's not serious about finding a solution while GOP fiscal conservatives are also looking to tank the bill. The FOMC later today expected to be a non-issue but may be used to set the stage for further announcements on forward guidance in September. Powell likely remains supportive of the 'all hands on deck' approach to

the recovery. Big tech will be on Capital Hill today with **AMZN, AAPL, GOOG**, and **FB** all testifying on antitrust and anticompetitive concerns.

Asian markets were mixed overnight with all eyes on the US stimulus bill and further FOMC comments. China was strong with the Shanghai up 2% while the Hang Seng was up just 45 bps as Hong Kong worries about another surge in cases. Japan's Nikkei fell 1.15% with materials and transports dragging. **Canon** down 13.5% after reporting their first-ever quarterly loss. **Nissan** down 10% after projecting a loss in 2020. European markets are broadly higher with the CAC up 70 bps, FTSE up 30 bps, and DAX up 10 bps. It was a weak morning for banks. **Unicredit, Banco Santander, Deutsche Bank**, and **Barclays** all weak after profits plunged and they set aside more for potential loan losses. **Telefonica Deutschland** down 4% after posting a weak quarter. **Smith & Nephew** off by 3.5% after posting a loss. German chemicals giant **BASF** is down slightly after earnings and still citing limited visibility for the FY. **Puma** is rallying 3% after earnings citing an improvement in sales by the end of June. They also saw tailwinds from increased exercise at home trends. Lighting manufacturer **Osram** up 4.5% after seeing a strong 2H. **Schneider Electric** up 4.5% after raising their margin outlook. Retailer **NEXT** up 6.5% after they saw a big improvement in June sales. **Wizz Air** up 4% after the budget airline affirmed their guidance and strong balance sheet with €1.5B cash pile.

Calendar

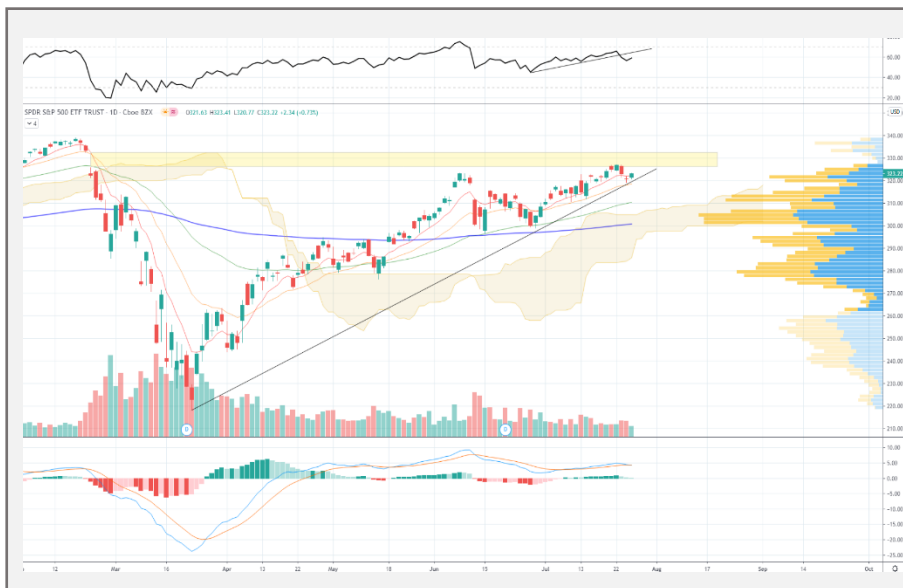
Today... Pending Home Sales, EIA Inventories, FOMC Decision, Powell Press Conference. Earnings after the close from FB, PYPL, QCOM, NOW, CCI, EQIX, LRCX, CTSH, ORLY, ADM, CERN, YUMC, AMP, TDOC, TYL, FICO, URI, AVTR, CGNX

Tomorrow... GDP, Weekly Claims. Earnings before the open from PG, MA, CMCSA, LLY, AZN, RDS, UPS, BUD, CI, MMC, NEM, MCO, NOC, ICE, TAL, WM, BAX, KDP, KHC, COP, DD, YUM, SIRI, K, ALXN, SWK, APO, CARR, VLO, APTV, ODFL, MAS, IP, KL, XYL, GPC, TW, CG, GNRC, TAP, TXT, RGEN, WEX, HUBB, DNKN, BC

Overnight Markets

Oil (WTI)	41.45	1.00%
Silver	24.43	0.51%
Gold	1952	0.38%
Copper	2.9185	0.03%
US Dollar	93.59	-0.06%
Bonds	181.13	-0.17%
VIX	27.4	-0.45%
Lumber	564.3	-0.63%
Natural Gas	1.837	-1.45%

Technical View



Key Levels to Watch

A relatively quiet night for futures but a wide range after opening flat and trading down to 3,204 around midnight. We rebounded into the Asian close and back to the mid-point of Tuesday's range at 3,223. Now we're flagging above overnight VWAP at 3215.75 and under WTD VWAP at 3223.25 with further upside to 3234.75. On the daily, still a fairly narrow range above the rising 20-MA.

Economic Data

- **Hong Kong** GDP was -9% vs -8.3% est. in Q2
- **Japan** GDP to contract mid-4% range in FY20, says government
- **Australia** lowered their CPI est. to -0.1% vs 0.1%
- **UK** mortgage approvals rise from record low

Sentiment

- **Restaurant transactions have plateaued**, says CNBC. NPD tracks 75 restaurants chains and noted that the industry began picking up again in April but has flattened as COVID-19 cases surge and more shutdowns go into effect. On July 22, 61.9% of survey respondents said that they were avoiding those establishments, up from 61.2% a week prior.

Macro News

- **USD** Falls to 2 Year Low
- **EU/China** – The EU is looking to impose sanctions on China over their treatment of Hong Kong, says WSJ.
- **Stimulus** – McConnell will struggle to get more than half of Senate republicans to support his bill, say Politico.

Movers

Gainers: KODK 45%, BGFV 40%, LB 21%, AMD 11.5%, FEYE 11%, SBUX 5.5%, GFI 3.5%, OPK 3.4%, NIO 2.2%, UL 2%, GE 2%, YNDX 1.75%

Losers: ALEC -11%, CNK -8%, STX -8%, ARCT -5%, OKE -4%, MTDR -3.4%, MIST -3%, ASML -2.5%, EBAY -2%

Insider Buying

FBK, INZY, NGM, GNCA, INTC, ANNX, ACER, T, LMST

Smart Money (13D/13F Filings)

IPO Monitor

Annexon (ANNX) issuing 10M shares at \$14-\$16; biotech developing therapies for patients with complement-mediated disorders of the body, brain and eye

OptionsHawk Market Blitz

- **BOJ** – The BOJ said it won't rule out dropping rates further into negative territory to combat coronavirus, says Reuters
- **Biden** will announce his VP pick sometime next week, says WaPo. The recent talk has been that he's looking at former Obama administration vet Susan Rice.

Stock-Specific News

Consumer

- **MCD** said they are looking to divest a significant stake in their Japan business in an effort to cut costs
- **LB** announce progress on driving long-term shareholder value, expects \$400M annualized cost reductions
- **ATUS** to sell 49.99% of Lightpath fiber enterprise business to Morgan Stanley Infrastructure Partners for \$3.2B at 14.6X EBITDA and 25.7X FCF
- **ADT** names premier provider of smart home security and automation services by **DR Horton (DHI)**
- **AAN** beats earnings expectations, to separate into two companies
- **HRB** preliminary results show total US returns filed up 3.3% Y/Y
- **AMC** reached a deal with **Universal** to shorten the exclusivity window for new releases
- **Puma (PUM:GR)** forecasts unpredictable 2020 after drop in sales (-32%) and profits.
- **Kering (KER:FP)** 1H Net Revenues Drop Nearly 30%
- **Next**, a UK Retailer, rallies to 5 month high after Q2 results show 28% decline in sales, warns on second wave of COVID; Online Sales +9%; Plans better warehouse capacity

Inside the Hawk Database

ATUS is trading around \$25 pre-market and set to clear a downtrend and base higher with the 200-day at \$25.78. ATUS has seen a lot of call flows lately in the Aug. \$24, \$25 and \$26 calls with over 9000 of the former.

Sympathy Movers

INTU a potential mover on the positive filings number from HRB

Financials

- **ENVA** to acquire **ONDK** for \$90M in cash and stock, a 43.6% premium
- **REXR** to replace CRS in S&P 400
- Annuity sales in the US plunged 24% in Q2 according to the Secure Retirement Institute Survey
- **Deutsche Bank (DB)** posts pre-tax Q2 profit with credit losses higher; Boosted by bond trading and investment banking revenues surge 46%
- **Barclays** weak after earnings as they were cautious on the 2H
- **TransferWise** raises \$319M at a \$5B valuation, per Tech Crunch
- Australia's banking regulator has lifted the restriction on dividends and buybacks, says Reuters.
- **Jupiter Fund Mgmt.** profits halve as outflows decline
- **FICO** announces \$250M buyback

Sympathy Movers

Annuity sale exposure names include **EQH, ATH, BHF, AFG, PRU, LNC, AIG, PRI**

Healthcare

- **ALEC** reports preliminary data from AL001 Phase2b and Phase 2 open-label; In the presented case study of a symptomatic FTD-GRN participant, with the longest continuous treatment with AL001 for over 28 weeks, treatment resulted in a sustained decrease in plasma NfL by 29% from baseline.
- **PFE** CEO has called the ongoing drug pricing overhaul a distraction, per CNBC. He also said the move will cause "enormous destruction" as the industry races to develop vaccines and treatments for the coronavirus
- **MRNA** is reportedly looking to price their COVID-19 vaccine at \$50-\$60/course, a high premium to peers, says FT.
- **INO** - Inovio Pharma granted FDA orphan drug designation for INO-3107 for treatment of recurrent respiratory papillomatosis
- **Roche** says Phase III COVACTA study did not meet primary, key secondary endpoints treating COVID-19

Energy/Materials

- **BASF** cautious on the 2H. The firm doesn't expect results to improve significantly given seasonality and generally lower demand in August in the ag business
- **Rio Tinto** with positive comments on China, per Bloomberg. The CEO said "China is very, very strong right now. It's amazing it's so strong, when all other markets are very, very weak" ; Raises dividend on Iron Ore strength
- **RUN** will replace LM in the S&P 400
- **OXY** discussing \$4.5B asset sale to Pertamina
- **Smurfit Kappa**, Europe's largest paper & packaging Co., surprisingly reinstates dividend as trends improves in July

On the Chart

RIO set to clear a major weekly resistance line today at \$64

Sympathy Movers

CLF, VALE notable Iron Ore plays off **RIO** comments and both with large July 31st (W) calls in OI

Industrials

- **OTIS** CEO was on Mad Money and said that the commercial side of business is 'starting to come back'
- **TSLA's** Musk says he's open to supplying batteries to other automakers, per Reuters. Battery manufacturing is an area that analysts and industry officials say the U.S. electric car maker has a competitive edge.
- **Frontier Airlines** will experiment with hyper-low fares as it aim to boost traffic numbers, per Bloomberg.
- **Eaton (ETN)** beats estimates, initiates restructuring program
- **Schneider** rallying after earnings as margins top estimates

OptionsHawk Market Blitz

- **Aston Martin** shares climb 7% as June sales jump 11%
- **Nissan** shares fall after forecasting a \$4.5B operating loss
- **IAA** will replace DLX in S&P 400
- **GLDD** signs subcontract with Bechtel Oil
- **Saipem**, a market leader in subsea engineering and construction, sees uncertain outlook after Q2 loss on writedowns
- **Singapore Airlines** posts record quarterly loss
- **LAD** acquires BMW San Francisco, adding \$210M in revenue to the network

Inside the Hawk Database

GLDD yesterday with an unusual buyer of 1,000 August \$7.50 calls

Tech/Telecom

- **Clarivate (CCC)** to combine with CPA Global; CPA Global shareholders will receive approximately 218 million Clarivate ordinary shares, representing 35% pro forma fully diluted ownership of Clarivate. The transaction is expected to be accretive to Clarivate earnings, with approximately 12% accretion in 2021 and approximately 15% accretion in 2022.
- **GOOGL's** Sundar Pichai will tell Congress that Google faces strong competition in testimony. He'll also argue that GOOGL has created a competitive platform that has lowered prices and given consumers more choices.
- **AAPL** saw very strong growth in China in Q2, says CNBC. Sell-through volume for iPhones in China was 7.4 million units in the April to June quarter, a 32% growth year-on-year, according to Counterpoint Research
- **AMS** sinks in Europe after revs came in in-line with estimates. They guided positive in Q3 as resilient consumer demand for next-gen smart phones compensates for Automotive and Industrial weakness
- **ASML** lower in Europe after guiding Q3 bookings flat Y/Y
- **Samsung** may drop some of their own apps on the Galaxy in favor of **GOOGL** products, says Reuters. The move would give Google much greater prominence on the device
- **Canon** shares plunged in Japan to a two-decade low after their first quarterly loss
- An ITC judge has ruled that **CMCSA** infringed on two former TIVO patents now held by **XPER**
- **Bytedance** investors offer \$50B valuation bid for **TikTok** according to Reuters

Analyst Notes

Featured: Immunovant (IMVT) initiated Buy at HCW, \$34 PT, sees as potential M&A target. While other drugmakers are also seeking to bring SC formulations to the market, in our view, those programs possess either further development risk or have unfavorable profiles (most notably around headaches). Momenta's nivalimab appears to offer best-in-class efficacy, but has not finalized its SC formulation. Argenx's efgartigimod is being developed in a SC formulation using Halozyme's Enhance technology, though that platform has been associated with antibody formation, albeit non-neutralizing, in the past. As a product developed to be delivered subcutaneously, Immunovant seems most assured of bringing to market an anti-FcRn mAb in a convenient form. With Immunovant demonstrating efficacy in the thyroid eye disease (TED), combined with pharmacodynamic data showing robust IgG lowering which, based on trial results reported by other anti-FcRn mAbs, we're confident IMVT-1401 should show efficacy across in key IgG-mediated diseases, most importantly myasthenia gravis (MG). Given the magnitude of the market opportunity, we see IMVT-1401 achieving over \$2B in peak sales. Based on that potential, as well as the recognition of the FcRn mechanism's importance, we think Immunovant possesses significant strategic value as a potential acquisition target.

Upgrades

- **KHC** upgraded to Overweight at Piper, \$39 PT, well-positioned with a largely meal-oriented portfolio with modest foodservice exposure
- **DGX** raised to Overweight at KeyBanc, sees "material upside potential" to near-term consensus expectations as DGX is now generating \$1.00 of incremental EPS per month from running COVID-19 lab tests
- **USX** raised to Buy, \$9 target, at BAML, company is undergoing a "sustainable inflection in margins" thanks to better asset utilization, lower driven turnover, and an improving rate environment
- **AMD** upgraded to Positive at Susquehanna, \$85 PT; share shifts appear to be accelerating for AMD and that the "competitive gap" with Intel (INTC) is widening.
- **ROK** upgraded to Neutral at Rosenblatt, combined with the rise in the market multiple, valuation is now more balanced
- **CSGP** raised to Overweight at JPM, \$900 target
- **LB** raised to Overweight at JPM
- **USB** upgraded to Buy at Deutsche Bank
- **STX** upgraded to Hold at Summit Insights
- **QTS** raised to Outperform at Ray-Jay
- **TENB** raised to Buy at SunTrust
- **ZYXI** raised to Buy at B Riley
- **GNK, SBLK, EGLE** raised to Buy at DNB
- **ARLO** raised to Outperform at Ray-Jay
- **MDC** raised to Outperform at Evercore

Inside the Hawk Database

DGX with 2,450 August \$130 calls in OI from buyers on 7/16 while the Aug. \$125 calls also with 2700 in OI from buyers in early July

On the Chart

ROK a solid setup with shares testing new 1-year highs last week and pulling back to the 21-MA yesterday where it held. Above \$230 has room to run up to \$250+

Downgrades

- **ASML** downgraded to Neutral at Bernstein, firm notes TSM's transition to 3nm will be later than expected and given Intel's (INTC) 7nm delay, two of ASML's top three customers are slowing
- **TMUS** cut to Perform at RBC, valuation on the stock is "relatively full" considering his price target given the company's acquisition integration spending pressures on medium-term cash flows, execution uncertainties, and potential impact from promotional offerings
- **SONO** cut to Perform at Ray-Jay
- **AWI** cut to Underperform at Evercore
- **SBUX** cut to Hold at Wedbush
- **FITB** cut to Hold at Deutsche Bank

Inside the Hawk Database

SONO a potential buy-the-dip candidate on any weakness with size call buys lately in both August and September

Initiations

- **FLXN** initiated Outperform at CSFB, Zilretta is still early in its growth trajectory in knee osteoarthritis, with further upside possible from label expansion
- **BILL** started Outperform, \$103 target at OpCo
- **TENB** started Buy at Wedbush, \$40 target

Other Commentary

- **ZYXI** Piper sees a lot of potential value creation upside as the company is starting to build out its blood volume monitoring business
- **EBAY** PT raised to \$65 at Baird on "solid" Marketplace trends into July, particularly on the U.S. Shares may be somewhat rangebound however into the holiday setup
- **MNTA** PT raised to \$50 at HCW as they increase peak sales estimate for M254 to \$3.2B from \$2B while greater off-label use could drive sales higher
- **DXCM** PT raised to \$485 at Citi, total addressable market "continues to evolve," with 20% of the U.S. installed base now Type 2 patients and management continues to gain momentum with hospital and gestational diabetes application
- **SHW** PT raised to \$700 at RBC as they are well positioned given the continued "DIY demand" expected to be sustained through the second half of the year

Earnings Grid

Stock	Open Interest	Historical Moves	Avg. 6 Q Max Move	Implied Move	Short Float	SI Change (3mo)	IV30 Skew
PG	12,000 Oct \$130 Calls in OI from Buyers; 33,000 January \$120 Calls in OI from Buys; 14,000 Jan 2022 \$185 Calls Bought	Higher 6 of 8	4.10%	2.94%	0.60%	-13.3%	4.22%
MA	1200 Oct \$350 Calls Bought; 1950 Oct \$340, 1K Each Oct \$300 and \$305 Calls; 3500 Aug \$305 Calls	Higher 4 of 6	3.45%	3.45%	0.48%	-22.0%	2.06%
CMCSA	7K Aug \$35 Short Puts; 6K Sep \$42.5 Call Buyer; Short Aug \$42.5 and \$45 Calls in OI; Oct \$37.5 Cal Buyer 3K	Lower Last 4	4.85%	3.88%	1.82%	0.9%	4.95%
LLY	6K Aug \$170 Calls Bought; 1200 Sep \$170 Calls; 500 Sep \$160 Calls Bought	Lower 5 of 7, Higher Last 2	3.65%	4.78%	0.62%	-30.4%	3.44%
AMT	1000 Oct \$260 and 850 Oct \$270 Calls Bought in OI	Higher 6 of 8	2.20%	3.17%	0.74%	7.5%	6.36%
UPS	Aug \$125 and \$130 Short Calls in OI; 5500 Sep \$115 Calls Bought and 5K Sep \$120 Calls	Lower 4 of 5	7.35%	6.12%	2.59%	21.2%	9.09%
BUD	2K Aug \$55 Calls Bought; 10,500 Sep \$50 Calls Bought	Lower 4 of 5	6.80%	5.00%	0.24%	19.4%	2.16%
CCI	2K Oct \$170 Short Calls	Lower 3 of 5	4.85%	3.50%	2.53%	21.4%	2.30%
CI	4000 Oct \$210 Calls Bought in OI; 5000 Jan \$170 and 6700 Jan \$175 Calls Bought in OI	Lower 4 of 6	4.20%	3.64%	0.84%	-26.2%	5.84%
EQIX	800 Sep \$620 Short Puts; 300 Long Sep \$600 Calls	Higher 5 of 7	4.90%	6.81%	1.37%	43.0%	5.63%
MCO	Mixed Flows - Nothing Large - 100 Nov \$240 and 200 Nov \$260 Calls Bought in OI	Higher 4 of 6	5.05%	7.53%	0.86%	-25.9%	5.32%
NEM	4K Aug \$50 Short Puts - Size Bullish Longer Dated,	Lower 3 of 5, Higher Last 2	4.48%	5.72%	1.32%	-25.2%	-1.01%
ICE	2K Aug \$95 Calls Bought; 1700 Sep \$100 Short Calls; 2K Jan \$80 Puts Bought	Higher 3 of 5	3.04%	5.42%	0.82%	-7.2%	2.35%
NOC	1000 Oct \$330 Calls Bought; Sep \$350 Calls and \$300 Put Short 800X;	Higher 3 of 4	4.89%	3.33%	0.72%	-28.7%	4.28%
LRCX	No Notable OI	Higher 6 of 8	8.70%	6.93%	2.60%	-7.8%	6.74%
WM	1200 Oct \$90 Short Puts; 1750 Jan \$105 Calls Bought in OI	Lower 4 of 5	2.15%	5.30%	0.71%	-34.9%	3.05%
BAX	1450 Nov \$100 Call Buy; 625 Sep \$90 Call Buy; Jan \$70/\$60 Bull R/R, 1000X	Higher 3 of 5	6.45%	4.87%	1.02%	-6.8%	5.01%
KDP	No Notable OI	Higher 3 of 5	7.20%	6.54%	2.14%	-8.7%	5.25%
KHC	Sep \$35/\$40 Call Spread 3800X; Size in Weekly \$32.5 and \$33 Call OI; Size in Jan Calls	Lower 5 of 7	11.90%	6.49%	1.35%	8.3%	4.99%
DD	Aug \$55/\$50 Put Ratio 5000X10,000; 9K Aug \$55 Calls; Bullish October OI	Lower 3 of 4	4.75%	4.67%	1.83%	-33.1%	3.66%
CTSH	3K Jan \$60 Calls in OI from Buyers; 1350 Jan \$65 Calls;	Higher 3 of 4	7.35%	5.24%	1.98%	39.5%	6.46%
ORLY	2K Aug \$480 Call Accumulation	Lower 3 of 5	6.65%	7.69%	1.59%	-11.6%	6.90%

Stock	Open Interest	Historical Moves	Avg. 6 Q Max Move	Implied Move	Short Float	SI Change (3mo)	IV30 Skew
YUM	600 Nov \$90 Short Puts; 1500 Oct \$90 Put Buyer; 2K Jan \$97.5 Call Buy	Lower 4 of 5	5.85%	3.94%	1.27%	1.0%	7.04%
SWK	2K Oct \$125 Short Puts; 3K Oct \$100 Call Buy; Jan \$155 and \$160 Call Buys 1500X Each	Lower Last 3	8.20%	6.44%	2.95%	0.9%	8.83%
K	Small Bullish Jan 2021 Jan 2022 Flow - No Large Trades	Higher 3 of 4	7.10%	5.43%	3.45%	16.0%	3.06%
ALXN	Sep \$115 and \$120 Calls Buys in OI; 2K Jan \$110 Calls Bought in OI	Lower 6 of 8	5.20%	5.59%	1.97%	-8.7%	0.61%
APTV	Aug \$65/\$80 Call Spreads in OI Still 2300X3000	Higher 8 of 10	7.30%	3.00%	2.47%	50.1%	9.78%
CERN	Dec \$75 Buy-Write 1000X; Dec. \$70, \$65, \$60 Opening Put Sales in OI	Higher 4 of 6	4.30%	7.38%	5.00%	9.2%	5.58%
TDOD	Aug \$220 Calls 4800X in OI; Oct Seen Call Buyer	Higher 9 of 11	13.80%	9.40%	10.54%	-13.1%	3.05%
HOLX	3K Aug \$55 Short Puts; 1500 Sep \$50 Short Puts; 1500 Sep \$55 Calls Bought	Lower 4 of 6	4.85%	5.00%	1.57%	2.4%	0.15%
IP	1K Jan 2022 \$25 Short Puts; 5K Jan \$25 Short Puts; 3K Jan 2022 \$35 Call Buys	Higher 5 of 7, Lower Last 2	4.85%	3.93%	2.96%	25.4%	6.56%
MAS	No Notable OI	Lower 3 of 5	6.80%	7.78%	1.54%	-39.9%	7.42%
QRVO	1500 Aug \$110 Calls Bought in OI	Higher 7 of 10	9.75%	7.50%	1.90%	-35.6%	7.72%
TW	1K Aug \$50 Calls Bought in OI	Higher 5 of 6	5.10%	9.65%	8.07%	688.2%	4.85%
URI	Mixed Near-Term, Bullish Jan 2021 Deltas	Higher 4 of 6	8.16%	6.90%	8.96%	-12.2%	6.09%
FICO	345 Oct \$350 Calls Ledt in OI from Buyer	Lower 3 of 5	6.36%	8.51%	2.64%	24.9%	6.98%
GNRC	Only 400 Oct \$100 Calls Remain in OI; 500 Dec 100 and 105 Calls	Higher 7 of 9	5.76%	11.10%	3.32%	-48.0%	1.11%
TAP	1300 Sep \$30 Calls Opened 7/23 ITM; Oct \$40, \$2.5, \$45 Call OI Buys	Lower Last 6	8.40%	8.44%	6.10%	-1.9%	9.23%
CF	Recent Write-Up on Call Buys, Put Sales	Higher 5 of 8	7.44%	4.07%	2.55%	-4.1%	5.36%
DNKN	1845 Sep \$60 Calls and 3K Sep \$75 Calls in OI from Buys	Lower 4 of 6	5.26%	3.60%	3.99%	-2.1%	4.33%
BC	Recent Write-Up on Call Buys in August	Lower 7 of 8	5.03%	11.49%	2.37%	-50.5%	10.69%

Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
ACCO	ACCO Brands	\$0.12	\$0.00	\$367.00	\$351.90	-29.30%	FY In Line
AMD	Advanced Micro	\$0.18	\$0.17	\$1,930.00	\$1,855.97	26.10%	Raising Guide
AFL	Aflac	\$1.28	\$1.05	\$5,407.00	\$5,487.26	-1.90%	
AKAM	Akamai Tech	\$1.38	\$1.21	\$794.72	\$767.38	12.70%	
AMED	Amedisys	\$1.34	\$0.81	\$485.06	\$468.38	-1.60%	Raising Guide

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AMGN	Amgen	\$4.25	\$3.77	\$6,206.00	\$6,188.46	5.70%	FY Affirmed
ATRC	AtriCure	-\$0.38	-\$0.54	\$40.82	\$36.07	-30.70%	
BYD	Boyd Gaming	-\$0.98	-\$1.50	\$209.90	\$199.61	-75.20%	
CHRW	C.H. Robinson	\$1.06	\$0.61	\$3,627.85	\$3,462.05	-7.20%	
CE	Celanese	\$1.30	\$1.05	\$1,193.00	\$1,082.36	-25.10%	
CB	Chubb	-\$0.56	-\$0.39	\$7,736.00	\$7,801.67	-0.40%	
CYH	Community Health	\$0.85	-\$0.83	\$2,519.00	\$2,494.95	-23.70%	
CSGP	CoStar Group	\$2.53	\$2.00	\$392.00	\$390.18	14.00%	FY Affirm
DENN	Denny's	-\$0.25	-\$0.18	\$40.16	\$43.70	-73.60%	
DXCM	Dexcom	\$0.79	\$0.26	\$451.80	\$415.21	34.30%	Raising Guide
EGP	EastGroup	\$1.33	\$1.28	\$89.72	\$88.63	9.30%	
EBAY	eBay	\$1.08	\$1.06	\$2,865.00	\$2,797.00	18.20%	
EIX	Edison	\$1.00	\$1.00	\$2,987.00	\$3,085.97	6.00%	
ENVA	Enova International	\$1.68	\$0.92	\$253.06	\$262.94	-2.50%	
EQR	Equity Residential	\$0.86	\$0.84	\$653.53	\$661.89	-2.40%	
FEYE	FireEye	\$0.09	-\$0.02	\$230.00	\$214.77	5.50%	FY Above
FTV	Fortive	\$0.68	\$0.58	\$1,571.20	\$1,492.53	-15.70%	FY In Line
HP	Helmerich & Payne	-\$0.34	-\$0.65	\$317.36	\$322.38	-53.90%	
HLI	Houlihan Lokey	\$0.56	\$0.57	\$211.14	\$230.98	-15.70%	
IMAX	IMAX	-\$0.44	-\$0.52	\$8.90	\$9.22	-91.50%	
JNPR	Juniper Networks	\$0.35	\$0.34	\$1,086.30	\$1,050.38	-1.50%	FY In Line
LSCC	Lattice Semi	\$0.17	\$0.15	\$100.60	\$100.02	-1.40%	FY In Line
MASI	Masimo	\$0.85	\$0.79	\$301.00	\$290.09	30.90%	
MTDR	Matador Resources	-\$0.03	-\$0.15	\$118.80	\$171.79	-50.80%	
MXIM	Maxim Integrated	\$0.58	\$0.56	\$545.37	\$542.66	-2.00%	
MDLZ	Mondelez Int'l	\$0.63	\$0.56	\$5,911.00	\$5,916.39	-2.50%	
MPWR	Monolithic Power	\$1.08	\$1.00	\$186.21	\$169.79	23.30%	
MRC	MRC Global	-\$0.10	-\$0.23	\$602.00	\$587.81	-38.80%	
NCR	NCR Corp	\$0.27	\$0.24	\$1,484.00	\$1,426.29	-13.20%	
OMCL	Omnicell	\$0.37	\$0.23	\$199.62	\$182.16	-8.20%	
OKE	ONEOK	\$0.32	\$0.51	\$1,660.73	\$2,315.80	-32.40%	
PEGA	Pegasystems	-\$0.28	-\$0.22	\$227.38	\$225.77	10.60%	
PKI	PerkinElmer	\$1.57	\$0.83	\$811.91	\$703.32	12.30%	Strong Guide
PLT	Plantronics	\$0.33	\$0.02	\$365.00	\$353.03	-18.50%	FY Affirmed
RXN	Rexnord	\$0.36	\$0.38	\$449.10	\$427.35	-11.60%	

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STX	Seagate Tech	\$1.20	\$1.23	\$2,517.00	\$2,620.33	6.20%	Q1 Below
SSNC	SS&C Techs	\$1.04	\$0.90	\$1,140.80	\$1,107.05	-1.30%	
STAG	STAG Industrial	\$0.47	\$0.46	\$117.60	\$116.83	21.70%	
SBUX	Starbucks	-\$0.46	-\$0.57	\$4,222.10	\$4,138.18	-38.10%	
TENB	Tenable	\$0.04	-\$0.05	\$107.21	\$102.23	25.60%	
UDR	UDR	\$0.47	\$0.53	\$307.26	\$314.90	9.20%	
UNM	Unum Group	\$1.23	\$1.21	\$2,987.40	\$2,949.81	-1.20%	
V	Visa	\$1.07	\$1.04	\$4,837.00	\$4,847.30	-18.60%	
WH	Wyndham Hotels	\$0.10	-\$0.06	\$258.00	\$255.70	-51.60%	

Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
AAN	Aaron's	\$1.18	\$0.82	\$1,030.90	\$991.07	6.50%	FY In Line
AER	AerCap	\$1.92	\$1.40	\$1,197.00	\$1,123.77	-6.60%	
ALKS	Alkermes	\$0.06	\$0.00	\$247.53	\$232.70	-11.60%	FY In Line
ANTM	Anthem	\$9.20	\$5.79	\$29,200.00	\$29,374.00	15.90%	
ADP	Automatic Data	\$1.14	\$0.96	\$3,400.00	\$3,321.45	-2.80%	Q3 Light
AXTA	Axalta Coating Systems	-\$0.15	-\$0.11	\$652.70	\$625.17	-43.60%	FY In Line
BDC	Belden	\$0.46	\$0.27	\$424.80	\$410.19	-33.40%	
BA	Boeing		-\$2.63		\$12,945.91		
BSX	Boston Scientific	\$0.08	-\$0.02	\$2,003.00	\$1,679.77	-23.90%	
BCO	Brinks	\$0.67	-\$0.12	\$826.00	\$724.88	-9.60%	
BG	Bunge	\$3.88	\$1.31	\$9,462.00	\$9,687.02	-6.30%	
CCJ	Cameco	-\$0.16	-\$0.05	\$525.00	\$414.76	35.30%	
CHEF	Chefs' Warehouse	-\$0.52	-\$0.48	\$200.50	\$213.72	-51.30%	
CME	CME Group	\$1.63	\$1.64	\$1,182.30	\$1,196.41	-7.10%	
CRTO	Criteo	\$0.27	-\$0.04	\$179.90	\$174.68	-19.70%	
DIN	Dine Brands		-\$0.93		\$99.66		
DT	Dynatrace	\$0.13	\$0.10	\$155.51	\$149.63	26.90%	FY In Line
ETN	Eaton	\$0.70	\$0.53	\$3,900.00	\$3,648.16	-29.50%	
EEFT	Euronet	\$0.04	-\$0.37	\$527.80	\$482.81	-23.70%	
GRMN	Garmin	\$0.91	\$0.41	\$870.00	\$666.68	-8.90%	
GD	General Dynamics	\$2.18	\$2.17	\$9,264.00	\$9,031.45	-3.00%	
GE	General Electric	-\$0.15	-\$0.09	\$17,750.00	\$17,268.74	-38.40%	

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GM	General Motors	-\$0.50	-\$1.76	\$16,800.00	\$16,927.10	-53.40%	
GSK	GlaxoSmithKline	\$0.19	\$0.20	\$7,624.00	\$7,768.93	-2.40%	
HES	Hess		-\$1.12		\$996.22		
IPG	Interpublic	\$0.23	\$0.20	\$1,853.40	\$1,851.31	-12.80%	
JHG	Janus Henderson Group	\$0.67	\$0.52	\$518.00	\$493.31	-3.30%	
LIVN	LivaNova	-\$0.15	-\$0.30	\$182.20	\$169.74	-34.30%	FY In Line
MHO	M/I Homes		\$0.89		\$597.88		
MGLN	Magellan Health	\$1.86	\$0.82	\$1,100.10	\$1,029.09	-4.70%	
MTOR	Meritor	-\$0.47	-\$0.46	\$514.00	\$459.25	-55.90%	
MNRO	Monro Muffler		-\$0.22		\$246.86		
NSC	Norfolk Southern		\$1.36		\$2,060.10		
OC	Owens Corning	\$0.88	\$0.28	\$1,625.00	\$1,534.93	-15.30%	
PAG	Penske Auto	\$0.56	\$0.54	\$3,651.10	\$4,060.65	-36.60%	
RDWR	Radware	\$0.13	\$0.12	\$58.40	\$57.99	-3.50%	
R	Ryder System		-\$1.31		\$1,972.91		
SAIA	Saia	\$1.07	\$0.90	\$418.11	\$414.68	-9.90%	
SNY	Sanofi	\$1.28	\$1.22	\$8,207.00	\$8,263.56	-4.90%	FY Above
SC	Santander Consumer	-\$0.30	\$0.04		\$1,061.38		
SMG	Scotts Miracle-Gro	\$3.80	\$3.43	\$1,492.70	\$1,326.90	27.50%	FY Above
SHOP	Shopify	\$1.05	\$0.01	\$714.34	\$511.56	97.30%	
SLAB	Silicon Labs	\$0.74	\$0.57	\$207.53	\$199.52	0.40%	FY Above
SITE	SiteOne Landscape	\$1.83	\$1.51	\$817.70	\$748.74	8.70%	
SIX	Six Flags	-\$1.62	-\$0.99	\$19.14	\$52.29	-96.00%	
SPOT	Spotify	-\$1.91	-\$0.46	\$1,889.00	\$1,927.10	13.30%	
FLOW	SPX FLOW	\$0.22	\$0.07	\$308.10	\$290.38	-20.10%	
SHOO	Steven Madden	-\$0.19	-\$0.27	\$142.80	\$181.48	-67.90%	
SF	Stifel Financial	\$1.55	\$1.05	\$895.80	\$817.50	11.80%	
STRA	Strategic Education	\$2.06	\$1.69	\$255.80	\$246.54	4.40%	
TROW	T. Rowe Price		\$2.03		\$1,414.61		
TEL	TE Connectivity	\$0.59	\$0.41	\$2,548.00	\$2,398.21	-24.80%	FY Light
TT	Trane	\$1.27	\$0.76	\$3,100.00	\$2,765.86	-14.30%	
TUP	Tupperware	\$0.84	\$0.24	\$397.40	\$312.55	-16.40%	
UMC	United Micro	\$0.55	\$0.36	\$44,386.00	\$43,627.79	23.20%	
UTHR	United Therapeutics	\$3.68	\$3.28	\$362.00	\$339.97	-3.10%	
WNC	Wabash Natl	\$0.00	-\$0.20	\$339.15	\$303.28	-45.80%	

WING	Wingstop	\$0.39	\$0.29	\$66.10	\$62.46	36.00%
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FEYE – Beat on Revs and EPS, Raising Guide - The steps we have taken to accelerate our transformation to a security-as-a-service company resulted in record second quarter revenue and our highest ever non-GAAP profitability," said Kevin Mandia, FireEye CEO. "Growing adoption of our validation platform, cloud-based security products and intelligence solutions, combined with improved net retention in our appliance-based security controls business, drove annualized recurring revenue to record levels. Cyber security remains a top spending priority for organizations worldwide, and the uncertainty of the current environment is creating opportunities for solutions that allow customers to purchase exactly what they need, when they need it. We know more about cyber threats and threat actors than any other company in our industry, and we continue to invest in solutions that make our knowledge and expertise available on demand and immediately actionable for our customers."

SBUX – Beat on EPS and Revs - Global comparable store sales declined 40%, driven by a 51% decrease in comparable transactions, partially offset by a 23% increase in average ticket. U.S. comparable store sales were down 40%. China comparable store sales were down 19%. Rewards loyalty program 90-day active members in the U.S. declined to 16.3M, down 5% year-over-year due to reduced customer frequency primarily attributable to temporary store closures and other impacts related to the COVID-19 outbreak.

MDLZ – Beat on EPS with Revs In Line - I am pleased with our second quarter performance given the challenging environment, with top-line performance driven by Developed Markets and strong share gains in all key markets. Our Emerging Markets performance improved throughout the quarter as store closures eased and consumers in many markets were increasingly able to access our products. Net revenues decreased 2.5 percent driven by unfavorable currency and the impact of a prior year divestiture, with underlying Organic Net Revenue growth of 0.7 percent and the positive impact of acquisitions.

V – Beat on EPS and Revs In Line - Q3 cross-border volume down 37%. Q3 processed transactions down 13%. We continue to focus on managing our business for the medium and long-term despite the challenges of the global pandemic. In the quarter, we were pleased to see strong growth in areas that are strategically important, including eCommerce, tap to pay, new flows and value-added services. We remain committed to our strategy and are thoughtfully investing to fuel Visa's future performance.

EBAY – Beat on EPS and Revs, Q3 In Line, FY Above - Q2 GMV \$27.1B, up 26% with growth accelerating sequentially since Q1, and up 26% on an as-reported basis and up 29% on a FX-Neutral basis. Annual active buyers grew by 5%, adding approximately 8 million buyers in the quarter, for a total of 182 million global active buyers.

AMD – Beat on EPS and Revs, Raising FY - "We delivered strong second quarter results, led by record notebook and server processor sales as Ryzen and EPYC revenue more than doubled from a year ago," said AMD CEO Lisa Su. "Despite some macroeconomic uncertainty, we are raising our full-year revenue outlook as we enter our next phase of growth driven by the acceleration of our business in multiple markets." The year-over-year and sequential increases in both revenue and gross margins are expected to be primarily driven by Ryzen and EPYC processor sales and next generation semi-custom products.

JNPR – Beat on EPS and Revs, Q3 In Line - At the mid-point of our Q3 guidance we expect to see sequential revenue and earnings growth. Confidence in our forecast is driven by strong backlog and strength within our

Sympathy Movers

INTC – on AMD

JBHT, KNX, R – on CHRW

PODD, TNDM – on DXCM

CHKP, PFPT, PANW, QLYS – on FEYE

CIEN – on JNPR

PEP, HSY, HAIN – on MDLZ

WAT, ILMN, TMO, A – on PKI

NTAP – on STX

DNKN – on SBUX

MA, COF, DFS – on V

MAR, HLT, H – on WH

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Service Provider and Cloud verticals. We believe these factors should help offset continued uncertainty in parts of the Enterprise market. We expect to see sequential volume-driven improvements in non-GAAP gross margin and a more favorable customer mix during the September quarter. We expect logistics and other supply chain-related costs to remain elevated, consistent with Q2 levels, due to the effects of the ongoing pandemic.

WH – Beat on EPS and Revs – System-wide room was flat Y/Y. Global RevPAR comps down 54%. "We generated positive adjusted EBITDA in the second quarter, driven by our drive-to and leisure-oriented franchise business model, along with our immediate and concerted cost savings initiatives," said Geoffrey A. Ballotti, president and CEO. "We were pleased to see a steady improvement in Average Daily Rate, Occupancy and RevPAR over the past three months. Our select-service, small business owners are uniquely positioned to both remain open and capture emerging travel demand, whatever the shape of the recovery may be. Approximately 85% of our hotels have remained open globally throughout the pandemic, and over 99% of our domestic hotels are open today. Importantly, our economy and midscale brands continue to outperform versus their local markets.

AFL – Beat on EPS and Missed on Revs - The environment created by COVID-19, which has included sheltering in place and social distancing, continues to impact our sales results both in the United States and Japan. We expect full-year sales results in both countries to be significantly affected, but we also see potential for a modest sales recovery in the second half of the year, contingent upon the pace of economic recovery. At the same time, we are seeing a temporary decline in the benefit ratio in the U.S. as consumers defer treatment, which led to favorable results in this quarter. However, economic conditions and claims activity within this environment remain uncertain in both the Japan and the U.S. as both countries address the pandemic.

STX – Missed on EPS and Revs, Guiding Below - "The June quarter was led by robust cloud and data center demand, which drove record exabyte shipments for our nearline mass capacity drives and strongly contributed to the Company's overall revenue and solid free cash flow generation. However, continued economic uncertainty and COVID-19 related disruptions impacted demand in other key end markets including video and image applications, mission critical and consumer markets and also impacted profitability as we incurred higher logistics and labor costs which together weighed on our fourth quarter results," said Dave Mosley, Seagate's chief executive officer.

SPOT – Misses EPS and Revenues (+13.3%), Guides In-Line – Total MAUs grew 29% Y/Y to 299 million, which is at the top of our guidance range. Growth in North America exceeded our expectations, accelerating more than 200 bps this quarter relative to growth in Q2 last year. We saw retention continue to improve in Q2. This is on top of the gains we saw in North America throughout 2019. India also outperformed our forecast this quarter thanks to strong performance from marketing campaigns in the region. Latin America and Rest of World continue to see the fastest growth, with those regions growing 33% and 58% Y/Y, respectively. At the end of Q2'20 we had 138 million Premium Subscribers globally, up 27% Y/Y, which is at the top end of our guidance. Family Plan continues to be a significant driver of our outperformance. This quarter we expanded the availability of both Family Plan and our new Duo offering to new geographies. Churn improved approximately 46 bps Y/Y, but ticked up approximately 8 bps sequentially. Our Y/Y churn improvement continues to be driven by the adoption of our higher retention offerings like Family & Student in addition to the overall maturity of our total subscriber base. Within Premium, average revenue per user ("ARPU") of €4.41 in Q2 was down 9% Y/Y (down 7% excluding the impact from FX rates). The reduction in revenue resulting from the change in prior period estimates mentioned above accounted for another 1% drag. Product mix was the dominant driver accounting for most of this decline. While Ad-Supported revenue of €131 million was down both Y/Y and sequentially, we outperformed our forecast. Last quarter we noted a marked deceleration in sales brought on by the global health crisis where the last 3 weeks in March were down more than 20% relative to our forecast. Performance continued to lag our expectations through April and May, but we significantly outperformed expectations in the month of June.

DT – Beats EPS and Revenues (+27%), FY21 Above Street – "We continued to see digital transformation projects accelerate as customers drive to do much more with less time, resource and cost. Our essential role in providing intelligent observability into the dynamic multicloud ecosystems underpinning these transformations differentiates us

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from our competitors and positions us well for continued growth and success moving forward.” Total ARR of \$601.4 million, an increase of 37% as reported, and 39% on a constant currency basis.

GE – Misses EPS, Beats Revenues (-38%) – Total orders \$13.8B, (38)%; organic orders (35)%. **Power:** Orders of \$2.9 billion were down 42% reported and 41% organically, with equipment orders down significantly. Gas Power orders were down 43% organically and included orders for six gas turbines, including four aeroderivative units, and Power Portfolio orders were down 35% organically. Revenues of \$4.2 billion were down 11% reported and 9% organically*, with Gas Power down 5% organically and Power Portfolio down 19% organically*. **Renewable:** Orders of \$3.0 billion were down 19% reported and 17% organically, primarily driven by U.S. Onshore and Grid orders that pushed out of the first half of the year due to COVID-19. Revenues of \$3.5 billion were down 3% reported and up 1% organically*, mainly driven by Onshore Wind, with new unit turbine deliveries of 830 and repower kit deliveries of 357. **Aviation:** Orders of \$3.7 billion were down 56% reported and organically with equipment down 41% reported and services down 67% reported. Revenues of \$4.4 billion were down 44% reported and organically* with equipment down 33% reported— driven by sales of 178 LEAP-1A and -1B units, down 259 from last year, and sales of CFM56 units down 74 from last year— and services down 51% reported, primarily on lower volume and adjustments to LTSAs related to the impact of COVID-19. **Healthcare:** Orders of \$4.2 billion were down 18% reported and down 1% organically, driven by lower demand for products less correlated with COVID-19 and lower volume in Pharmaceutical Diagnostics, partially offset by elevated demand for COVID-19-related products. Revenues of \$3.9 billion were down 21% reported and 4% organically*, with Healthcare Systems flat organically* and Pharmaceutical Diagnostics down 28% organically*

ETN – Beats EPS and Revenues (-29.5%) – Sales in the second quarter of 2020 were \$3.9 billion, down 30 percent from the second quarter of 2019. Organic sales were down 22 percent. Acquisitions added 2 percent to sales, which was more than offset by 8 percent from the divestitures of the Lighting and Automotive Fluid Conveyance businesses and 2 percent from negative currency translation. “We anticipate that several of our markets will take some time to recover, and so we have decided to implement a multi-year restructuring program to deal with that weakness,” said Arnold. “The cost of the program is estimated to be \$280 million, including the \$187 million charge we took in the second quarter. The principal end markets affected are commercial aerospace, oil and gas, NAFTA Class 8 trucks, and North American/European light vehicles. These actions are targeted at structural costs that will enable Eaton to deliver even stronger results when the markets recover. We expect the restructuring program to deliver mature year benefits of \$200 million when fully implemented in 2023.”

SHOP – Beats EPS and Revenues (+97%) by Wide Margin – New stores created on the Shopify platform grew 71% in Q2 2020 compared with Q1 2020, driven by the shift of commerce to online as well as by the extension of the free trial period on standard plans from 14 days to 90 days. Q2 2020 GMV grew 119% compared to Q2 2019 with year-on-year GMV growth accelerating in April and May and decelerating in June and thus far in July. Retail merchants continued to adapt to socially distanced selling through Q2 2020, as 39% of our brick-and-mortar merchants in English-speaking geographies are now using some form of local in-store/curbside pickup and delivery solution, up from 26% in early May 2020 and 2% at the end of February 2020. Additionally, Retail merchants grew online store GMV by 73% in Q2 2020 over Q1 2020. The migration to Shopify Plus of larger sellers continued in Q2 2020, resulting in a record quarter for new merchant adds to Shopify Plus. A large number of merchant upgrades to Shopify Plus in Q2 2020 outpaced the number of downgrades, which peaked in April before returning to pre-COVID levels by quarter end. Merchant Solutions revenue growth accelerated for the third consecutive quarter, up 148%, to \$517.9 million, driven primarily by the growth of GMV. With the rapid shift to online commerce, massive disruption to conventional employment, and growing conviction that opportunity needs to be more evenly distributed, entrepreneurship has never been more important. With all of these changes, our core principles remain the same: everything we ship is designed to lower barriers to entrepreneurship and reduce friction wherever we can.

TT – Beats EPS and Revenues (-14.3%) – Reported bookings of \$3.3 billion, reported and organic bookings down 7 percent; We continue to serve customer needs with the latest technologies for indoor air quality, energy management and precision temperature control for safe movement of food, medicines and vaccines. Looking forward, we remain in an exceptionally strong financial position, which enables us to continue to play offense through the downturn by investing heavily in our people and in accretive investment opportunities. This will further strengthen Trane

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Technologies and our ability to compete, to win and to thrive both today and as business conditions improve and new market opportunities arise.

GD – Beats EPS and Revenues (-3%) – The company delivered 32 aircraft during the quarter, up from 23 last quarter, despite continued pandemic-related challenges to making international deliveries. Total backlog at the end of second-quarter 2020 was \$82.7 billion, 22% higher than the year-ago quarter. Estimated potential contract value, representing management's estimate of value in unfunded indefinite delivery, indefinite quantity (IDIQ) contracts and unexercised options, was \$49.6 billion.

GRMN – Beats EPS and Revenues (-8.9%) – Total revenue of \$870 million, a 9% year-over-year decrease, as strength in fitness and marine partially offset declines in outdoor, aviation, and automotive. Business conditions rapidly improved from April lows driven by popular fitness, marine, and outdoor products. We believe these results affirm the resilient nature of our business and the strong utility of our products. Revenue from the fitness segment grew 17% in the second quarter driven by strong demand for our advanced wearables and cycling products. Revenue from the marine segment grew 4% in the second quarter across multiple categories led by chartplotters and Panoptix™ sonar technology. Revenue from the outdoor segment decreased 2% in the second quarter as declines in handhelds were mostly offset by strong demand of adventure watches. Revenue from the aviation segment declined 31% in the second quarter, as the pandemic negatively impacted OEM and aftermarket product categories, and the ADS-B market rapidly matured. Revenue from the auto segment declined 46% during the second quarter, as the pandemic significantly impacted driving activity and production of new vehicles.

SMG – Beats EPS and Revenues (+27.5%), Raises View - For the period ended June 27, 2020, company-wide sales increased 28 percent to \$1.49 billion. U.S. Consumer increased 21 percent to \$1.08 billion from \$889.1 million. Hawthorne sales increased 72 percent to \$302.9 million compared with \$176.3 million. Segment income increased 14 percent for U.S. Consumer to \$310.5 million and 145 percent for Hawthorne to \$41.1 million. Consumer purchases entering August are up 23 percent at our largest four retail partners and we've seen increases in every product category. We especially have benefitted from a more than 40 percent increase in branded soils and even higher gains in consumer purchases for most of our Ortho insect control business.

WING – Beats EPS and Revenues (+36%), Raises Dividend - Domestic same store sales increased 31.9%. Adjusted EBITDA*, a non-GAAP measure, increased 54.2% to \$20.9 million. Despite the unprecedented circumstances, we opened 23 net new restaurants which highlights the excitement of our brand partners to grow with Wingstop and the strength of the unit level economics. We believe we are well positioned to continue making progress towards our vision of becoming a top 10 global restaurant brand

Trade Ideas



XP (XP) shares consolidating in a bull flag and set to breakout to new highs above \$50. The measured move runs out to \$57.50 and with shares consolidating in a flag above the Jan/Feb all-time high, potential for further expansion. On the daily, MACD is setting up for a bull cross while RSI is just back above 60 with plenty of room for expansion.

Earnings Strategy

Croc's (CROX) shares setting up with a flag just below key resistance and a name that could surprise on results, expectations for 30% decline in sales Y/Y, but Footwear has held up rather well and with the push towards outdoor recreation it should have solid consumer demand. CROX shares have closed 16% lower the last two reports. CROX is seeing strong traffic on e-commerce and via e-tailers like Amazon and Zalando and sees its largest growth opportunity in Asia. Pivotal raised its target to \$41 this week noting strong Google Trends data showing it as a standout brand. SIG's Sam Poser raised his target to \$50 noting the company's standing has improved during the pandemic and product demand is exceptionally high. The August \$36/\$42 call spread for \$1.85 looks to be a nice reward/risk strategy.

What They're Saying

Sherwin Williams (SHW) CEO John Morikis on fighting 'DIY fatigue'... We don't support that attitude by any customer, by the way. The reality is that we find that the more customers are home more and different customers are coming in. And in our stores, it's often referred to as it's a COVID project, where people have been in their home for some time and they might have a bedroom that they've never really considered repainting and they realize that it's very affordable and highly impactful project, and they tackle it. The beauty of it is, is that what we're finding is very little overlap from customers coming in and, while I'm sure there are some, but it seems to be very little where customers are talking about this was a project that I was going to have a contractor do, and I'm going to tackle it myself. These are what we're getting from our customers in our stores, our customers that are looking at a wall that's probably

Daily Technical Scans

"Ready to Run": XP, BILL, LSI, AMT, JBGS, TARO, INSG, UAL, ALTR, VFC, PDD, CSGP, MELI

Inside Weeks Developing: BUD, CCI, BAC, BAH, BLKB, BJ, COUP, ANTM, CHTR, CLX, COST, BAX, CDAY, AXTA, AAP, COLM, AVAV, ASML

Reversal Candles: BA, UNH, AIG, ALK, SRE, T, CI, DAL, PGR, AJG, T, CNDT, GLPI, HEI, JBLU, PK, RNR

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not been painted, likely wouldn't have been painted, and they're painting them. And so through our stores, it's a relatively small percentage. There's a nice gain. It's only 10% sales through our stores. But through our retail partners, we're doing everything we can to make that an easy experience. So that it's not just one project. We want it to be easy. Your question is, do they have fatigue. We want to make it a wonderful experience. So it's an easy, impactful experience that they went through seamlessly and they want to do more. And we're working with our retail customers to capture those customers and make them repeat customers going forward.

Otis (OTIS) CEO on the enhanced capabilities of IoT solutions... Despite the challenges introduced by the pandemic, we continue to deploy units in U.S., Europe and China in the first half and expect to place -- the pace of IoT deployment to increase substantially in the second half, and we've driven both service and material productivity through our continued IoT technology, our suite of mobility tools via iPhone apps for our field professionals and our global supply chain activities this quarter. These are just a handful of examples that led to 90 basis points of New Equipment share gains during the first half.

Masimo (MASI) CEO on hospital demand for its products helping to fight COVID... We're also seeing strong demand for hospitals deploying Root with wearable Radius PPG sensors to monitor COVID and other patients, arterial oxygen saturation, pulse rate and respiration rate remotely. Using our Radius PPG wireless sensors, hospitals are able to move patient monitoring equipment outside of the patient's room to ensure continuous monitoring from a distance, thereby reducing transmission risks and increasing both clinician and patient safety. The reception to date from Masimo SafetyNet, our cloud-based remote patient management solution, which includes Radius PPG, a smartphone app and a central command console, has been overwhelmingly positive, as many hospitals strive to expand their capacity by taking patients outside of the hospital and into the home. Using our Masimo SafetyNet system for remote settings, hospitals are now able to monitor patients, not just at home, but many other places, keeping hospital beds open for more severely-ill patients.

Martin Marietta (MLM) on project plans... The Dodge Momentum Index, or DMI, a monthly measure of the first report for nonresidential building projects in planning which has historically led construction spending for nonresidential building by a full year, is down 20% from its most recent peak in July 2018. However, to contextualize the June reading, the Great Recession's peak-to-trough DMI decline was 62%. And importantly, since the Great Recession, Martin Marietta has purposefully shifted our nonresidential exposure to be more heavy industrial-focused as we've expanded our geographic footprint along major commerce corridors. Aggregates-intensive warehouses, distribution centers and data centers are expected to lead nonresidential activity as businesses increase capacity for e-commerce activity, secure regional supply chains and become more reliant on cloud and network services.

Open Interest Checks

Ticker	Contract	OI Checks		
		Prior OI	New OI	OI Change
VOD	January \$16 Calls	14,224	28,269	98.74%
BABA	October \$260 Calls	3,498	6,730	92.40%
WMB	January 2022 \$25 Calls	12,630	18,755	48.50%
PTON	Aug. 14th (W) \$70 Calls	2,641	3,389	28.32%
TSLA	January \$2000 Calls	1,471	1,646	11.90%
ETSY	September \$105 Calls	5,931	3,441	-41.98%

Extras

Dillard's (DDS) with 2000 September \$30 synthetic short positions opening

Toll Brothers (TOL) with 1,500 January 2022 \$25 puts sold to open today for \$3.40

Kohl's (KSS) opening sale 3000 January \$20 puts \$3.95 bid

Kraft (KHC) with 2700 January 2022 \$37.50 straddles bought to open

Morgan Stanley (MS) afternoon buyer 1200 January \$44 ITM calls \$8.65 offer

Wendy's (WEN) weak into the close with 2350 August \$22 puts bought \$0.60 to \$0.70, earnings 8-5

Axsome (AXSM) buyer 500 September \$90 calls for \$5.10

Medtronic (MDT) opening sale 600 September \$100 straddles for \$8.20 which leans bullish with shares near \$96

LCI Industries (LCII) buyer 200 November \$120 calls to open \$13.20 to \$13.50

Visa (V) afternoon buyer 2000 Aug. \$202.50 calls \$3.15 to \$3.25 offers

Carnival (CCL) with 7,350 August \$14.50 puts sold to open \$1.33, also bought 7,350 of the \$19 calls for \$0.20

Astra-Zeneca (AZN) opening sale of 1000 January 2022 \$47.5 puts for \$5.60

Disclosures

Not Investment Advice or Recommendation

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