



## Inside Today's Blitz

- Markets Calm Ahead of Fed Minutes with Dollar, Powell in Focus
- Pelosi to Push Forward with Vote on \$3.5T Budget Bill Despite Dem Objections
- UK Inflation Undershoots Estimates
- **TDG** is moving forward with a counterbid for Meggitt; **TMUS** confirms significant data breach; **TGT** announces \$15B buyback; **Sportradar** targeting IPO after failed SPAC efforts

## Market Outlook

Futures indicating a flat open for the day with the **Dow** down 13 bps, the **S&P** down 2 bps, and the **Nasdaq** up 18 bps. The **Russell** is up 3 bps. Energy is moving higher with **WTI** up 60 bps. **Gold** and **silver** basically unchanged overnight with the latter up 20 bps. **Copper** is down 55 bps. The **dollar** is down 3 bps. **Bonds** are down 20 bps. **VIX** is 20.20. **Etherum** and **Bitcoin** both down on the day, the former by around 4%. It's been a fairly quiet night for macro news. We got some dovish data in the UK and New Zealand, the latter delaying a planned rate hike until later in the year. China continues its regulatory crackdown with a focus now on high-net-worth individuals and redistribution of wealth, suggesting Beijing's focus goes farther than just businesses. They are also cracking down on crypto activities more in Shenzhen province. Elsewhere, the Fed Minutes today in focus with any clues towards bond tapering timeline on watch but the main event really remains Jackson Hole

next week. US vaccination rates continue to improve but the tenor around the booster shots remains negative as it suggests COVID is a long-term issue. The White House will unveil their booster shot plan today. The fallout from Afghanistan continues with President Biden taking a lot of global heat from allies like the UK.

Asian markets are mostly rebounding this morning with the Hang Seng up 47 bps, Shanghai up 1.1%, and the Nikkei up 59 bps. In Europe, the major indices are slightly lower. The DAX is down 10 bps, the CAC is down 32 bps, and the FTSE is down 34 bps. We're seeing outperformance in telecom, healthcare and utilities. **Alcon** is a top performer after a strong earnings report. **Prosus** is rallying with the **Tencent** earnings results. Danish brewer **Carlsberg** is higher after earnings as well and lifting their FY outlook. Online pharmacy chain **Zur Rose** fell 5% on disappointing first-half results. Construction company **Balfour Beatty** fell 6% despite swinging to a half-year profit.

## Calendar

**Today... Earnings After the Close:** NVDA, CSCO, SNPS, KEYS, RRGB, ZTO, SPTN, YY, ALC, BBWI, DLO; **Roadshows:** DENN, LLY, RGEN, WWD, KRA, MGY; **Conferences:** B Riley Small Cap Summit

**Tomorrow... Weekly Claims, Philly Fed; Earnings Before the Open:** M, KSS, EL, BILI, BJ, BZUN, QIWI, TPR, PAX, DESP, PFGC, WOOF; **Earnings After the Close:** AMAT, ROST, FTCH, ARCE, ATGE, LFN; **Analyst Days:** FRPT, UHAL; **Roadshows:** EA, SABR, V, EEFT, DKNG, EYE; **Other:** TSLA "AI Day"

## Overnight Markets

VIX	20.2	14.91%
Oil (WTI)	66.98	0.59%
Platinum	998.3	0.45%
Natural Gas	3.85	0.35%
Silver	23.71	0.22%
Gold	1788.9	0.06%
US Dollar	93.12	-0.03%
Bonds	164.81	-0.20%
Copper	4.183	-0.55%
Bitcoin	45293.1	-2.35%
Lumber	458	-2.75%
Ethereum	3046.64	-4.72%

## Technical View



### Key Levels to Watch

**S&P futures (ES\_F)** balancing overnight around the midpoint of Tuesday's range and above the prior close at 4432. We tested high into the early high-volume node at 4448 but unable to break the highs and have fallen back a bit. Overnight VWAP is flat around 4441. If we can move above 4445.75 there's room to 4466.50 and then 4487.25. But, a pullback further targets 4404, 4383.50 and 4362.25.

## Economic Data

- **UK** CPI was 2% in July vs 2.3% est.
- **Japan** exports rose 37% vs 39.4% est.; imports rose 28.5% vs 35.3%
- **New Zealand** has delayed a planned rate hike due to the recent COVID outbreak but still plans to tighten in 2021
- **US** MBA mortgage applications -3.9% vs 2.8% prior

## Macro News

- **China's** Xi called for wealth redistribution and clampdown on high incomes, per FT, in a sign that the regulatory issues in the country are broadening into more social objectives
- **China** port congestion is worsening as the Ningbo closure continues for its eighth day, per Bloomberg
- **China** is accelerating its crackdown on crypto-related activities, per Bloomberg, as they target nearly a dozen companies in Shenzhen
- **The White House** has reiterated its commitment to **Taiwan** in the wake of the Afghanistan withdrawal, per Bloomberg
- **Pelosi** is pushing forward with plans for a vote on the Senate's \$3.5T **budget bill** next week despite calls from her own party to focus on the bipartisan infrastructure bill first, per WSJ
- **Biden** approval rate fell to its lowest in his Presidency, per Reuters
- **Fed's Rosengren** says QE is inappropriate for an economy suffering from supply constraints and he is pushing for tapering this fall, per FT

### Movers

**Gainers:** ALC 10%, ZIM 6.5%, JKS 6%, TLRY 6%, GRUB 5%, LOW 4%, ALF 3.5%, TAL 3%

**Losers:** BHP -5%, CREE -4.5%, RIO -2.5%, TGT -2%

### Insider Buying

RILY, MIMO, NVRO, BLL, DDD

### IPO Calendar

Nothing scheduled currently

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## Stock-Specific News

### Consumer/ Business Services

- **TLRY** has acquired the majority of outstanding senior notes of MedMen, one of the most recognized brands in the \$80B U.S. cannabis market
- **DIDI** is seeing rifts form on their board after the latest troubles with Chinese regulators, per WSJ. Some of the major issues include the recent \$4.4B public offering
- **DNUT** will pay an initial dividend of \$0.035/share
- **TGT** announces \$15B buyback plan
- **GOOS** launches buyback program for ~10% of subordinate voting shares
- **Sportradar** has filed for an IPO, per Bloomberg, after the sports data provider failed to find a SPAC partner. Sportradar had revenue of \$318M in the 1H of 2021
- **Politico** believes they can fetch as much as \$1B in sale, says NYT

### Hawk Database

**TLRY** buyers yesterday in the June 2022 \$13 calls, over 2500X, and the March \$15 and \$25 calls both with buyers in late July

### Financials

- Zell's new takeover terms for **MNR** have been opposed by Blackwells, says Bloomberg. The investor says the offer still undervalues the firm
- **Manhattan Mini Storage** is exploring a sale, says Bloomberg, and the self-storage facility could fetch \$3B.
- **TFC** announced a new CEO succession plan
- US banks, brokers are setting the stage for shift to **one-day equities settlement**, says FT
- Ratings agencies are warning about the risks associated with a recent boom in **high-yield bond issuance**, per FT

### Healthcare

- **MRNS** says topline Phase 2 results for ganaxolone; study met primary endpoint but 17% of patients discontinued due to adverse events
- **AGIO** NDA for mitapivat accepted by the FDA for pyruvate kinsase deficiency treatment
- **MRNA** co-founder sees potential for annual COVID booster shots, per Bloomberg, and believes it could become as normalized as the flu
- **GSK** says FDA has granted accelerated approval for Jemperli
- **Lundbeck** shares are lower in Europe this morning after earnings, per Reuters, as the drugmaker cut their sales outlook as generic competition weighs on sentiment

### On the Chart

**MRNA** nice bounce back yesterday off of the 21-EMA after its parabolic move up to \$500 recently, room to rebound further above \$416

## Industrials

- **TransDigm (TDG)** is moving forward with a bid for **Meggitt**, says FT. The firm signaled readiness for a counter to **Parker Hannifin (PH)** bid and has until Sept. 14 to present a formal offer
- **LSTR** positive pre-announcement for Q3 as they see \$1.7B in revenues vs \$1.56B consensus. Volumes are tracking up 1-3% Q/Q with pricing up 5%.
- **CNI** with an early warning last night as the recent wildfires could weigh on revenue performance in Q3, per Reuters
- **XPEV** is looking to expand production capacity in Zhaoqing from 100K to 200K cars, per CNBC
- **RBC, RXN** receive private letter ruling from IRS as they move forward with combining business units
- **MRTN** declares special dividend of \$0.50/share

## Energy & Materials

- **BHP** warned last night that China steel production cuts could weigh on iron ore prices, per Bloomberg
- **JKS** has signed a long-term polysilicon supply agreement with Wacker
- **LIN** has signed a long-term agreement with Infineon for production of green hydrogen

## Tech/Telecom

- **BOX** – Starboard disclosed a new letter pushing the company to pursue alternatives and slamming the board for their lack of progress
- **BB** software flaw could impact cars, medical devices, per Reuters. The software is used by automakers including Volkswagen, BMW and Ford
- **TMUS** has confirmed that 7.8M postpaid and 850K prepaid customers were compromised during a recent cyberattack, per Reuters
- **GOOG** – Waymo employees are growing frustrated with the pace of progress, says Bloomberg, as well as recent executive departures
- **ALF** shares jumped after-hours after the company announced an update on the rollout of its AI-enabled tablets to rideshare drivers
- **INTC** is winding down its RealSense camera business, per CRN
- **CREE, STM** expand silicon carbide wafer supply pact
- **EPAY** announced a \$50M buyback
- **Tencent** reported results for Q2 in line with estimates, EPS of CNY3.50 and revenue of CNY138.2B, +20% Y/Y. The combined MAU of Weixin and WeChat rose 3.8% Y/Y
- **Softbank** has sold over \$14B in listed stocks, invested \$15B in startups last quarter, per Bloomberg, as they look to boost the pace of their investments in smaller, emerging companies

### On the Chart

**LSTR** basing nicely after pulling back from 52-week highs in May and above \$162.50 can make a run

### Sympathy Movers

**RIO** on watch today with the cautious comments from BHP on iron ore

### On the Chart

**LIN** small bull flag forming above its 8-EMA and room to move to \$320 short-term

### Hawk Database

**BOX** with over 6,900 Sept. \$24 calls in OI from buyers while the \$30 calls also with over 2000X in OI

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## Analyst Notes

### Upgrades

- **ANDE** raised to Buy at Seaport, views the sale of the company's rail assets as a game-changer, saying the deal highlights the underlying value of its remaining businesses. Andersons' long-term leverage ratio declines to 2.2 times, thereby allowing the company to accelerate its growth rate
- **WEN** raised to Outperform at OpCo, firm believes the company has discovered powerful tools to unlock unit growth starting in 2022, which appears underestimated by consensus and underappreciated by the stock's 18% valuation discount to peers. They also see fundamental upside as breakfast strengthens and digital gains ramp
- **SPLK** raised to Outperform at OpCo
- **ACVA** upgraded to Overweight at Piper
- **VIAC** raised to Overweight at Wells Fargo

### Downgrades

- **AMCR** cut to Sell at Goldman; outlook for low single digit organic volume/mix growth and low-to-mid single digit EBITDA growth, see more compelling valuation risk/reward in plastic packaging peers **BERY** and **SEE**
- **NPCE** started Outperform at Baird

### Initiations

- **OB** started Overweight at Barclays, Not only is the digital ad market enormous, but there is also a subtle shift towards contextual platforms underway following Apple's recent changes to Identifier for Advertisers. The analyst likes Outbrain's 27% take rate versus the rest of ad tech's 50%-70%, owing from its end-to-end network.
- **OM** started Outperform at Cowen, the analyst says its Tablo can service both the home and hospital dialysis markets and noted a home-focused competitor was acquired in 2019 for \$2B. He said Outset Medical has a lower EV but arguably better growth potential and in in-motion hospital opportunity that he believes has been overlooked
- **MQ** started Buy at Truist, positive on the company's next-gen vCard solutions, which offer faster and more flexible issuing and processing to emerging growth names like **Square (SQ)**, **DoorDash (DASH)** and **Affirm (AFRM)**

#### Hawk Database

**SPLK** recently with 2000 September \$150 calls bought and has seen large Jan. 2023 upside call spreads opened. **SPLK** put in a nice reversal candle off the 34-MA yesterday.

## OptionsHawk Market Blitz

- **CNM** started Buy at Citi
- **GXO** started Buy at Loop Capital

### Other Notes

- **CVNA** target raised to \$405 from \$375 at Citi, estimates move higher on better than expected results and expectations of improving production capacity and access to inventory
- **CRM** positive into earnings at Goldman, raises target to \$335
- **PLD** target raised to \$150 from \$126 at Deutsche Bank
- **DKNG** positive note at SIG
- **MNDY** target to \$330 from \$275 at Canaccord
- **RBLX** positive at MSCO, raises target to \$88

### On the Chart

**CVNA** continues to hold strong after its major breakout in May, riding the 21-day MA higher. A move above \$364 can start a leg to new highs around \$390.

## Trade Ideas

**Atlassian (TEAM)** narrowing range after the gap higher in late July on earnings and now being pressured by the rising 8-EMA as well, setting up for a breakout and run above \$341.50. A move higher targets \$350 and then a measured move to \$385. TEAM is coming off a strong quarter with customer adds and accelerating cloud migrations driving upside. TEAM has size in the September \$35 calls while the December \$290 and \$390 calls with buyers recently too.



### Technical Scans

**Inside Days:** CHWY, TEAM, TTD, CTAS, ROP, ALLE, CHE, TMUS, YUM, NOMD, ADBE, DDOG, SPGI, BL, AMZN, PAYC, SQ, SNAP, PH

**Bull Reversal Days:** OLED, CHGG, TWST, CSGP, LITE, SAM, ACAD, IOVA, MRTX, EBS, VRTX, TXG, GH, ZI

**Ready to Run:** TROX, AMT, VZ, SFM, MASI, ROP, EQIX, UNH, CCI, THC

### Small Cap Unusual Options Flow

**Ferroglobe (GSM)** with one of the more unusual trades on 8/17 as 2000 March \$6 calls bought to open up to \$1.35 and a name that has 3,650 of the \$7 calls in open interest from late July that were sold to open. GSM also had 3500 September \$6 calls bought to open on 6/24 that remain in OI as well as 2500 December \$5 calls bought on 6/8 and 2000 December \$5 puts sold to open on 4/26. GSM shares have rallied 250% YTD and currently setting up with a consolidation below \$6.35 resistance. GSM will report on 8-23.

## *OptionsHawk Market Blitz*

Ferroglobe is one of the world's largest producers of silicon metal, silicon-based alloys and manganese-based alloys. Additionally, Ferroglobe currently has quartz mining activities in Spain, the United States, Canada, South Africa and Mauritania, low-ash metallurgical quality coal mining activities in the United States, and interests in hydroelectric power in France. Its products are used in end products spanning a broad range of industries, including solar, personal care and healthcare products, automobile parts, carbon and stainless steel, water pipe, solar, semiconductor, oil and gas, infrastructure and construction. Silicon metal is used by primary and secondary aluminum producers, who require silicon metal with certain requirements to produce aluminum alloys. In addition, silicon metal is the core material needed for the production of polysilicon, which is most widely used to manufacture solar cells and semiconductors. Silicomanganese is used as deoxidizing agent in the steel manufacturing process. Ferrosilicon products are used to produce stainless steel, carbon steel, and various other steel alloys and to manufacture electrodes.

GSM currently has a market cap of \$1.1B and trades 9X FY22 EBITDA. GSM should benefit from a recent ITC ruling on Malaysian imports of silicon, it issued a formal antidumping duty order covering all imports from Malaysia for at least five years.

### **Biotech Event Watch**

**IVERIC Bio (ISEE)** continues to see unusual bullish options trading the past six weeks with 2000 October \$12.50 calls bought up to \$2 on 8/17 which follows recent buys of 2000 December \$15 calls with 4000 October \$7.50 puts sold to open and buys of 2000 September \$10 calls, 1500 October \$12.50 calls and 1350 December \$12.50 calls. ISEE currently has call open interest 2.5X that of put open interest and IV30 is at 200%. ISEE shares have rallied more than 80% since late June and flagging the last few weeks. ISEE has 13% of its float short with short interest rising 98.5% the past three months. The ISEE positioning is likely targeting a major Q3 readout from **Apellis (APLS)**, the DERBY/OAKS trial, a Phase 3 readout for their targeted C3 therapy pegcetacoplan in patients with geographic atrophy secondary to age-related macular degeneration. ISEE notes its patient population is quite different than the APLS one and sees inhibiting at C5 will preserve as much of the complement pathway as possible. **APLS** positioning has been mainly bullish with 10,000 October \$80 calls bought in OI that were spread versus the August \$85 calls and short August puts.

IVERIC is focused on the discovery and development of novel treatment options for retinal diseases with significant unmet medical needs and is currently developing both therapeutic product candidates for age-related retinal diseases and gene therapy product candidates for orphan inherited retinal diseases. Its therapeutics portfolio consists of our clinical stage product candidate Zimura® (avacincaptad pegol), a complement C5 inhibitor, and our preclinical product candidate IC-500, a High temperature requirement A serine peptidase 1 protein, or HtrA1, inhibitor.

In early July ISEE announced it received a written agreement from the FDA under a special protocol assessment, or SPA, for the overall design of GATHER2, its second pivotal clinical trial of Zimura in the development for the treatment of geographic atrophy, GA, secondary to age-related macular degeneration, or AMD. In late July it announced full enrollment in GATHER2; 4 months ahead of schedule. It expects to submit an IND to the FDA for IC-500 in GA secondary to AMD in the second half of 2022 with the potential to be the best-in-class as it inhibits HtrA1, both intra- and extracellularly.

ISEE has a market cap of \$970M with expected year-end 2021 cash of \$215-\$225M. CSFB raised its target to \$16 in July expecting a positive outcome for GATHER2 and eventual approval.



## Insider Profile

**Focus Financial (FOCS)** a high-quality name back at an attractive spot and seeing a rare, sizable open market buy last week from director Kristine Mashinsky of 20,000 shares at \$49.85, a nearly \$1M investment. Shares are consolidating in a multi-week bull wedge under \$52 and recent 52-week highs up near \$56.50. A move higher targets \$67-\$68. The \$3.56B company trades 11.3X earnings, 2.33X sales, and 25X cash with double-digit growth. FOCS provides wealth management services to primarily ultra-high and high net worth individuals. Their services include everything from investment advice to tax planning and services. The company is coming off a strong quarter with record new adds, especially among wealth managers, which is expanding their services revenue. They continue to see a lot of opportunity to consolidate the highly-fragmented RIA industry which is continually seeing older advisers retire and establishing next-gen succession plans. FOCS expects to continue deploying capital with their M&A pipeline at record levels and building, as they noted in August:

*"The strong secular tailwinds drive growth and consolidation in the wealth management industry haven't changed irrespective of the short-term dislocations such as COVID or the potential change to the capital gains tax rate. The fiduciary model increasingly resonates as the broader shift to fee-based services and the demand for greater transparency continues. This is especially true among ultra-high net worth and high net worth clients who are sophisticated consumers and value having an adviser who can provide highly personalized, integrated advice delivered via open architecture. According to a recent Echelon Partner study, many firms are currently experiencing the highest level of organic growth and market appreciation in their history. The great migration of client asset flows into this industry will continue for years to come, creating an almost infinite runway of opportunity for us, both in the U.S. and internationally."*

Analysts have an average target for shares of \$59 and a Street High \$65. KBW raising their PT to \$61 earlier this year citing a strong outlook for organic revenue growth. Hedge fund ownership fell 20% last quarter. Azora Capital a top buyer.





## Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
MSFT	19 NOV 21 315 CALL	6,240	27,204	335.96%
ESI	18 FEB 22 20 CALL	1,186	4,490	278.58%
AAPL	(Weeklys) 3 SEP 21 149	2,436	8,164	235.14%
GT	21 JAN 22 18 CALL	5,179	17,337	234.76%
K	21 JAN 22 67.5 CALL	1,890	5,655	199.21%
BABA	17 SEP 21 185 CALL	1,804	4,702	160.64%
AMD	15 OCT 21 110 PUT	8,239	18,166	120.49%
EBAY	21 JAN 22 65 PUT	2,394	4,768	99.16%
HON	17 DEC 21 230 CALL	755	1,477	95.63%
LMND	17 SEP 21 70 PUT	1,945	3,739	92.24%
MU	15 OCT 21 75 CALL	10,201	19,226	88.47%
PAGS	20 JAN 23 70 CALL	5,590	10,496	87.76%
COOK	17 SEP 21 25 PUT	1,148	2,128	85.37%
DBX	15 OCT 21 30 CALL	3,601	6,636	84.28%
NIO	15 OCT 21 40 CALL	6,575	12,041	83.13%
AXP	17 SEP 21 160 PUT	1,746	3,162	81.10%
ADI	17 SEP 21 170 CALL	3,169	5,675	79.08%
AMD	17 JUN 22 110 CALL	5,419	9,248	70.66%
STZ	17 SEP 21 220 CALL	943	1,593	68.93%
UAL	17 JUN 22 40 PUT	2,116	3,556	68.05%
TMUS	19 NOV 21 135 PUT	1,641	2,739	66.91%
NEE	17 DEC 21 90 CALL	2,268	3,736	64.73%
BILL	17 SEP 21 200 CALL	1,743	2,861	64.14%
BHP	17 SEP 21 70 PUT	2,131	3,494	63.96%
TSM	17 DEC 21 105 PUT	1,494	2,386	59.71%
DRI	17 SEP 21 135 PUT	5,056	8,005	58.33%
DISCA	20 JAN 23 45 CALL	27,371	43,135	57.59%
BMV	17 SEP 21 67.5 CALL	7,412	11,547	55.79%
KR	17 SEP 21 42 CALL	1,011	1,513	49.65%
GSK	17 JUN 22 42 CALL	1,198	1,741	45.33%
CARA	17 SEP 21 15 CALL	3,192	4,537	42.14%
ENPH	17 SEP 21 180 CALL	782	1,095	40.03%
MT	18 MAR 22 40 CALL	2,147	2,686	25.10%
COIN	17 SEP 21 270 CALL	963	1,153	19.73%
ROKU	17 SEP 21 400 CALL	2,757	3,237	17.41%
CAL	19 NOV 21 25 CALL	1,284	1,234	-3.89%
AA	15 OCT 21 45 CALL	2,270	1,866	-17.80%
LMND	17 SEP 21 75 CALL	1,709	1,324	-22.53%
CPNG	21 JAN 22 45 CALL	6,246	4,521	-27.62%
MDLZ	17 DEC 21 65 CALL	2,343	1,626	-30.60%
CRWD	20 JAN 23 310 CALL	1,148	772	-32.75%
AAPL	(Weeklys) 10 SEP 21 14	3,613	1,502	-58.43%

## Extras

**Lending Club (LC)** the November \$26 calls bought 2,500X for \$3.55, adjusting some deep ITM October calls

**Expedia (EXPE)** with 12,000 November \$150 calls being bought for over \$10M this afternoon as October \$150 adjust. **EXPE** 1000 Jan \$165 calls bought \$6.70 now

## *OptionsHawk Market Blitz*

**Six Flags (SIX)** late day buy 2000 January \$42.50 calls \$4.42 with shares right near its 200-MA

**Victoria Secret (VSCO)** into 8-18 earnings seeing some adjustments and Aug 70/.80 call spreads are bought 4000X

**I-Robot (IRBT)** with 1475 November \$90 puts opening ITM \$10.83 for over \$1.5M

**Marqeta (MQ)** IV surged into the close with 5000 September \$30 calls bought \$0.45 to \$0.55

**Beyond Meat (BYND)** buyer 1500 September \$120 calls for \$5 spread vs. \$125 which look to be adjusting

**Walmart (WMT)** late in the session with 6000 November \$155 calls bought \$4.10 as October \$150 calls adjusted out and up

**EPAM Systems (EPAM)** buyer of 100 November 2022 \$700 calls for \$64 in an unusual trade

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## What They're Saying

**Roblox (RBLX)** earnings call on building out its platform... "We have a very big vision around education on the Roblox platform. And it goes, as you -- I think, Mike hint at, way beyond learning computer science. It goes into learning all topics that goes on to learning about history immersively, all the way to learning about physics by jumping into a physics experiment. So we are hard at work kind of an educational vertical segment, and more to come on that within Roblox. Really, when we think about the metaverse and what Roblox is, we do think of it as a utility, where there's going to be a lot of use cases that we can't even imagine right now. The Gucci Garden's experience, really, for us, was really interesting. It's not really a concert. It's not really a game. It's almost like going to MoMA and going to an art installation. It's really the first Roblox experience my father really liked, and just the ability to go around and see what's going on there. And that couples with Netflix as Stranger Things experience on Roblox, which is much more around letting fans participate in an experience immersively rather than watching it. So we're very optimistic about the future, where musicians can use immersive 3D with live participation that feels very different than watching video. It's with other people. We're very optimistic as it's the third monetization area for musicians to interact with their fans."

**Instructure (INST)** on its massive opportunities and differentiators.... "We continue to successfully sell into established institutions with massive opportunities remaining both domestically and internationally. The past year has been highly transformative for our business, both from an operational and from an industry perspective. We have reentered the public market as a fit-for-purpose learning platform leader, focused exclusively on the immense education opportunity and well positioned for long-term durable growth. We believe the change is here to stay. Technology-enhanced models are now a standard in education as video conferencing is in business communication. Industry research and direct engagement with customers indicate that K-12 districts will maintain their LMS subscriptions post COVID. In fact, according to a third-party study, more than 80% of K-12 educators view the LMS as the main platform for instruction and expect usage to remain at elevated levels. The education technology market that we address is large and rapidly growing. Global expenditures on educational technology have accelerated and are expected to grow to \$404 billion in 2025 and according to Holden IQ. We estimate our total market opportunity is approximately \$30 billion, comprised of an LMS market opportunity of approximately \$5 billion; a market opportunity for our non-LMS products of approximately \$10 billion; and new market expansion opportunities approximately \$15 billion. Our key differentiators, usability, reliability and scalability and our broad open platform give us confidence in our ability to continue winning."

## OptionsHawk Market Blitz

**Cree (CREE)** earnings call on market opportunity in automotive... “The demand is definitely there and the appetite for silicon carbide just continues to grow. Neil and I were just in Europe a month ago or so, for a couple of weeks visiting with OEMs and with Tier 1s and so forth. And all of the indications we got from pretty much all the customers we saw is what they thought was going to demand, it's now higher than what they originally thought and faster than they originally thought across multiple different end equipment’s and certainly, automotive being a pretty key part of that. So I think the demand is definitely rapidly expanding, and that's obviously a good thing.... the automotive market certainly has said goodbye to the internal combustion engine. I mean, the number of companies that just are no longer developing any plans for internal combustion engine cars by 2030, 2035 and so forth has grown. And now we're seeing industrial customers. We talked about vertical takeoff and landing, cargo, transport, electric tractors, motor drives, compressors. We're just seeing a lot of industrial customers jumping on this silicon carbide bandwagon. And when you see the benefit of 10x the electron mobility or 10x the performance from an electron mobility perspective, the lower energy costs and so forth are operating these equipment, the transition is pretty solid.”

## Earnings Grid

### 8/18 AMC and 8/19 BMO Reports

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)
NVDA	8/18/2021	AMC	\$108.33M (51%), Vol: \$58.67M (28%), Bear: \$42.63M (20%), Stock: \$3.26M	Higher 5 of 8, Lower last 2	4.52%	5.05%	0.06%	5.02%	1.02	-16.13%	87.41%	1.20%	350.38%
CSCO	8/18/2021	AMC	\$11.41M (46%), Vol: \$5.24M (21%), Stock: \$4.8M (19%), Bear: \$3.34M (13%)	Lower 5 of 8	3.13%	7.42%	-3.91%	-22.69%	3.83	-28.31%	35.25%	0.81%	-22.72%
SNPS	8/18/2021	AMC	Vol: \$1.45M (65%), Bull: \$0.79M (35%)	Higher 5 of 8	3.77%	5.71%	2.46%	9.68%	3.54	-19.91%	94.72%	0.93%	6.82%
KEYS	8/18/2021	AMC	Bull: \$4.72M (100%)	Higher 5 of 8	3.68%	6.48%	2.13%	10.04%	3.69	-23.96%	19.36%	2.98%	-15.22%
ZTO	8/18/2021	AMC	Bull: \$1.15M (51%), Stock: \$0.8M (35%), Bear: \$0.3M (13%)	Lower 6 of 8	4.70%	8.93%	-6.15%	-35.85%	1.28	-18.04%	85.60%	2.48%	-3.34%
YY	8/18/2021	AMC	Bear: \$5.71M (55%), Bull: \$3.17M (31%), Stock: \$1.48M (14%)	Lower 5 of 8, Lower last 2	8.58%	10.54%	-1.97%	-4.06%	-4.51	-13.86%	9.93%	10.61%	-24.40%
HTHT	8/18/2021	None	Vol: \$1.8M (73%), Bear: \$0.46M (19%), Bull: \$0.2M (8%)	Lower 6 of 7, Lower last 5	4.88%	6.31%	-4.41%	-25.43%	8.44	-12.77%	66.61%	4.46%	-4.89%
COHR	8/18/2021	None	Bull: \$0.71M (63%), Bear: \$0.42M (37%)	Lower 5 of 8, Higher last 2	1.96%	6.36%	-1.71%	-18.50%	3.71	-15.18%	83.59%		
EL	8/19/2021	BMO	Bear: \$1.24M (58%), Bull: \$0.91M (42%)	Even of 8	3.91%	6.60%	-0.88%	-5.22%	4.67	-21.63%	20.51%	0.82%	6.21%
BLI	8/19/2021	BMO	\$14.94M (51%), Bear: \$8.07M (27%), Stock: \$4.11M (14%), Vol: \$2.44M (16%)	Lower 5 of 8	9.75%	12.62%	-3.98%	-5.35%	2.75	-18.75%	41.11%	5.31%	-8.75%
KSS	8/19/2021	BMO	Bull: \$2.37M (46%), Bear: \$1.97M (38%), Stock: \$0.85M (16%)	Lower 6 of 8	6.74%	10.94%	-7.28%	-49.31%	4.83	-17.58%	73.77%	9.20%	46.60%
BJ	8/19/2021	BMO	Bull: \$0.27M (100%)	Higher 5 of 8, Lower last 2	6.40%	10.68%	3.02%	36.90%	3.19	-28.14%	92.59%	8.26%	-27.50%
PGC	8/19/2021	BMO	Bull: \$5.15M (90%), Vol: \$0.3M (5%), Bear: \$0.28M (5%)	Higher 5 of 8	3.96%	6.26%	0.40%	6.32%	10.27	-22.36%	60.62%	4.93%	91.89%
M	8/19/2021	BMO	Bull: \$11.25M (70%), Bear: \$4.83M (30%)	Lower 4 of 7	7.95%	8.86%	-0.37%	-9.79%	1.35	-20.39%	4.70%	13.68%	-1.35%
WOOF	8/19/2021	BMO	Bull: \$1.4M (75%), Bear: \$0.47M (25%)	Higher 6 of 8	6.21%	4.12%	0.06%	2.67%	-9.26	-10.35%	24.20%		
MNSO	8/19/2021	BMO	No Trades Since Last Report	Even of 2	11.60%	7.61%	-0.13%	-0.26%	3.76	-9.83%	62.58%	0.68%	-49.76%
BZUN	8/19/2021	BMO	Bull: \$0.3M (100%)	Lower 5 of 8	9.79%	12.60%	-5.86%	-30.94%	5.22	-20.48%	69.68%	5.39%	-23.02%

## Earnings Review

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
A	Agilent	\$1.10	\$0.99	\$1,586.00	\$1,541.83	25.80%	FY Above
ALC	Alcon	\$0.56	\$0.45	\$2,110.00	\$1,958.03	73.80%	FY Above
CDK	CDK Global	\$0.66	\$0.67	\$420.10	\$428.10	-6.60%	
CREE	Cree	-\$0.23	-\$0.24	\$145.80	\$144.81	34.50%	FY In Line
JKHY	Jack Henry	\$1.04	\$0.92	\$450.29	\$445.08	9.70%	FY In Line
DNUT	Krispy Kreme, Inc.	\$0.13	\$0.14	\$341.22	\$333.29	44.20%	FY Above
LZB	La-Z-Boy	\$0.55	\$0.56	\$524.78	\$485.94	83.80%	

## Earnings Before the Open

Ticker	Stock	EPS Actual	EPS Est.	Revs Actual	Revs Est.	Y/Y Change	Notes
EAT	Brinker	\$1.68	\$1.72	\$1,008.60	\$1,003.85	79.10%	
LOW	Lowe's	\$4.25	\$4.01	\$27,570.00	\$26,758.57	1.00%	FY Above
LITE	Lumentum	\$1.15	\$1.05	\$392.1	\$382.17	6.5%	
OSIS	OSI Systems		\$1.48		\$317.41		
SFL	Ship Finance Intl	\$0.16	\$0.19	\$116.80	\$112.69	-1.40%	
TGT	Target	\$3.64	\$3.53	\$24,826.00	\$25,032.12	8.10%	
PLCE	The Children's Place	\$1.71	\$0.48	\$413.90	\$442.55	12.20%	
TJX	TJX	\$0.64	\$0.57	\$12,077.0	\$10,976.96	81.1%	
VIPS	Vipshop	\$2.10	\$2.36	\$29,607.70	\$29,641.78	22.80%	FY Below
WB	Weibo	\$0.79	\$0.63	\$574.50	\$525.88	48.30%	FY Above
ADI	Analog Devices	\$1.72	\$1.61	\$1,759.00	\$1,711.13	20.80%	FY In Line

**A** – Beat on EPS and Revs – "The positive momentum in Agilent's business continued in the third quarter across all markets and regions as our performance exceeded our expectations," said Mike McMullen, CEO. "Our focus on high-growth businesses and strong execution has again led to another quarter of excellent results and we expect this momentum to continue as we close out our fiscal year."

**CREE** – Beat on EPS and Revs – "We delivered strong revenue during the quarter, as customers are ramping up production earlier and steeper than originally anticipated. We continued to grow and convert opportunities in our device pipeline, further establishing our industry leadership position in silicon carbide," said Chief Executive Officer, Gregg Lowe. "We are on track to bring the world's largest silicon carbide fab online in early calendar 2022, which uniquely positions us to capitalize on what we believe to be a multi-decade growth opportunity ahead."

**DNUT** – Missed on EPS and Beat on Revs – "These results show the ongoing success from the implementation of our growth strategy," said Mike Tattersfield, CEO of Krispy Kreme. "Our continued delivery of organic revenue growth and Adjusted EBITDA ahead of our expectations demonstrates that our omni-channel approach is working. The second quarter saw great continued momentum in the U.S. and Canada, enhanced by strong ongoing recovery in International. As a result, we are confident in our short and long-term growth targets as we continue to execute on our strategy, providing awesome fresh doughnuts as we become the most loved sweet treat brand in the world."

**LOW** – Beats EPS and Revenues (+1%), Raises FY22, Comps -1.6% - Our strong results this quarter demonstrate that our Total Home strategy is working, with U.S. sales comps up 32% on a two-year basis. In the quarter, we drove 21% growth in Pro, 10% growth in Installation Services and strong comps across Décor product categories. On Lowes.com, sales grew 7% on top of 135% growth last year. We also delivered significant operating margin expansion through our disciplined focus on driving productivity across the company. Looking forward, I am confident in the positive outlook for our industry, and our ability to drive operating margin expansion and market share gains

**TGT** – Beats EPS, Revenues Miss - Comparable sales grew 8.9 percent in the second quarter, reflecting comparable store sales growth of 8.7 percent and comparable digital sales growth of 10 percent. Second quarter operating income margin rate was 9.8 percent in 2021 compared with 10.0 percent in 2020. This year's gross

margin rate reflected pressure from higher merchandise and freight costs and the comparison over last year's change in the sales return reserve estimate.

**ADI – Beats EPS and Revenues (+20.8%)** - ADI delivered record revenue and earnings for the second consecutive quarter with continued gross and operating margin expansion. All markets increased sequentially with our Industrial and Automotive segments once again achieving records. Robust bookings across all end markets, combined with lean inventories and ongoing capacity additions will enable us to close this year on a high note and continue to grow into fiscal 2022. The economic recovery continues to take shape with demand still far exceeding supply, underscoring the importance of semiconductors across all industries. We continue to execute soundly, and I have never been more confident about the future of ADI's franchise as our solutions become more vital in the modern digital age. Our ethos of innovation, deep customer engagements, and alignment with favorable secular growth drivers position us to deliver strong returns in the years to come.

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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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