



## Inside Today's Blitz

- China's Xiamen Province Announced New Lockdowns as Delta Spreads
- Oil Demand Set to Surge in October, says IEA
- Hurricane Nicholas Makes Landfall in Texas
- **INTU** is buying **Mailchimp** for \$12B+ in cash and stock; **HLF** cuts their outlook; **VNE** confirms new offer from **QCOM**, remains committed to **MGA**; **RDWR** in talks to be sold, per reports

## Market Outlook

Futures indicating a muted open for the day with the **Dow** up 15 bps, the **S&P** up 14 bps, and the **Nasdaq** up 6 bps. The **Russell** is up 17 bps. Energy is higher today with **WTI** up 72 bps and **Natural Gas** up 1.05%. **Gold** and **silver** both modestly lower with the latter down 90 bps. **Copper** is down 1%. The **dollar** is down 5 bps. **Bonds** are down 20 bps. **VIX** is 19.25. **Ethereum** is up 35 bps while **Bitcoin** is up 1.15%. It has been a mixed morning for global stocks – although Japan outperforming again given some political optimism on their new potential PM. The most notable news on an otherwise quiet morning has been the new lockdowns in China due to COVID. A city of more than 4.5M has been shut down due to a new surge in Delta and this comes right before two big Fall festivals in the country. We saw some weakness in luxury goods names in response in Europe. Elsewhere, iron ore fell for a fifth

day as curbs in China are weighing on demand. WTI is getting a boost today as another hurricane makes its way towards the Gulf Coast. Democrats say their tax plan aims to raise \$2.9T as they continue to see pushback to their massive spending bill. The Apple event in focus today with new iPhones and potentially other products on deck. Goldman speculating last night that we may also see an announcement around no-interest installment payment options through Apple Pay.

Asian markets are mostly mixed this morning with the Hang Seng down 1.21%, Shanghai down 1.4%, and the Nikkei up 73 bps. In Europe, the major indices are mixed as well. The DAX is up 10 bps, the CAC is down 39 bps, and the FTSE is down 25 bps. We're seeing outperformance in energy while luxury goods were weak due to new COVID restrictions in some China provinces. **Burberry**, **LVMH**, **Kering** and **Richemont** lost around 2-3%. **Deutz AG** rose 6% after the internal combustion engine manufacturer raised its fiscal year 2021 forecast for a second time in 2021. The world's largest jewelry maker **Pandora** rose 5% after announcing new financial targets. **JD Sports Fashion** surged 8% after the athleisure company posted a record first half profit. Dutch specialty chemicals maker **DSM** rose 3.5% after it unveiled plans to sell its materials division.

## Calendar

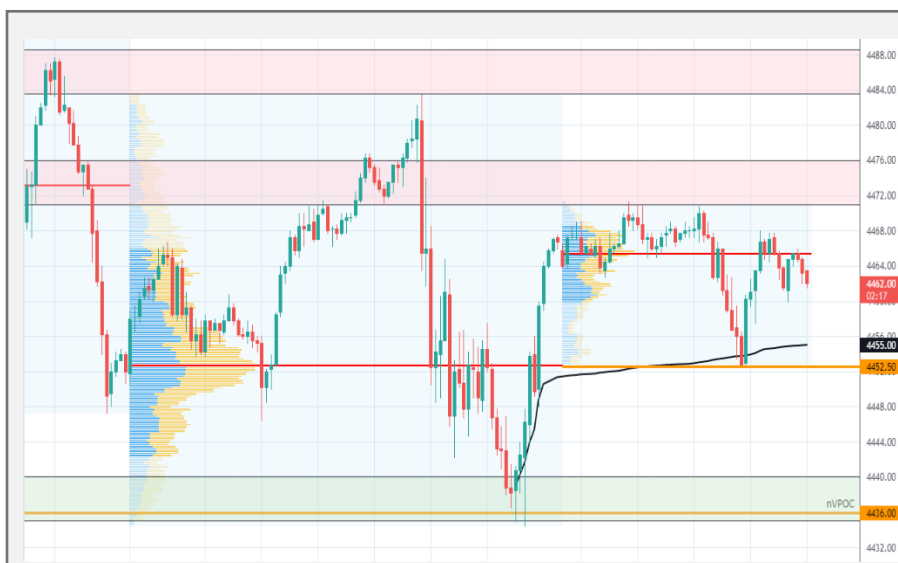
**Today...** Small Business Optimism, Inflation Rate, API Crude;  
**Earnings After the Close:** SKIL; **Analyst/Roadshows:** JCOM, GDDY, TTD, ABNB, APPS, CDNS, AJG, MKTX, RWT, TILE, MHK, PTON, FL, CPNG, CWH, CROX, HLF, TDOC, FTDR, IP, ECL, ASGN, CVX; **Other:** Apple (AAPL) iPhone Event

**Tomorrow...** Mortgage Applications, Import/Export Prices, NY Empire Manufacturing, Industrial Production, EIA Data; **Earnings Before the Open:** JKS, CAN, WEBR; **Analyst/Roadshows:** FRPH, APP, MTCG, Z, TRIP, CSCO, MGNI, OSTK, LRN, CVNA, CWH, WSC, NEE

## Overnight Markets

Natural Gas	5.291	1.15%
Bitcoin	45267.7	1.12%
Oil (WTI)	70.95	0.70%
Ethereum	3296.38	0.36%
VIX	19.3	0.01%
US Dollar	92.59	-0.06%
Bonds	162.81	-0.20%
Gold	1787.9	-0.35%
Silver	23.59	-0.90%
Copper	4.3215	-1.05%

## Technical View



### Key Levels to Watch

**S&P futures (ES\_F)** with a quiet night, overall, as we balance within Monday's range. We rallied late yesterday off the 4436 VPOC and unable to break past the key resistance zone at 4471-4476 which remains in focus. A break and hold above would be bullish and we can go test that higher zone at 4485-4488 and then 4497.75. Overnight VWAP is down near 4455. Under 4436 continues to have a big gap back to 4393.50.

## Economic Data

- **US** NFIB small business optimism was 100.1 vs 99.7 prior
- **Spanish** CPI was 0.5% vs 0.4% est.
- **UK** employment change was +183K vs +178K est.
- **Japan** industrial production was -1.5%, in line with est.

## Macro News

- **China** announced a new lockdown in another province today due to COVID with Xiamen citing new infections, per SCMP
- **China** will look to slow down overseas travel during the upcoming Fall festivals due to COVID, per Bloomberg
- **Australia's** RBA warned this morning that new COVID lockdowns could lead to a sharp contraction in economic activity, per Reuters, but they are confident in a rebound
- **Iran** expects to resume nuclear talks sometime in the near- future with the US, says Reuters
- **Oil Demand** is forecast to rise in Oct. as COVID cases ease and Hurricane Ida offsets production hikes from OPEC, per Bloomberg
- **Holiday spending** is forecast to rise 7.4% Y/Y, says WSJ
- **Powell** should be renominated for a second term as Fed Chief, writes Sen. Dodd and Sen. Frank

### Movers

**Gainers:** KPLT 9%, LIFE 8.5%, SDC 5%, ROOT 3.5%, ANGI 3%

**Losers:** HLF -8%, OPEN -4.5%, LSI -4%, MP -3%, REE -2.5%

### Insider Buying

OPNT, CRDF, IMNM, SLQT

### IPO Calendar

**Definitive Healthcare (DF)** to IPO 15.555M shares at \$21-\$24

**DICE Therapeutics (DICE)** to IPO 10M shares at \$15-\$17

**Dutch Bros (BROS)** to IPO 21.05M shares at \$18-\$20

**ForgeRock (FORG)** to IPO 11M shares at \$21-\$24

**On Holding (ONON)** to IPO 31.1M shares at \$18-\$20

**Sport Radar (SRAD)** to IPO 19M shares at \$25-\$28

**Thoughtworks (TWKS)** to IPO 36.8M shares at \$18-\$20

## Stock-Specific News

### Consumer/ Business Services

- **HLF** cuts FY revenue outlook; sees EBITDA outlook to \$860M-\$910M from \$875M-\$935M; “uncertainty in global markets, fueled by the extended period of the pandemic, has brought about unique challenges in predicting behavior in the channel”
- **KR** is planning to introduce 30-minute grocery delivery through a partnership with **Instacart**, says WSJ
- **BC** reported a ‘record showing’ at the Cannes Boat Show
- **Morrison’s** says that CD&R has reached a deal with their pension trustees over a potential bid for the company, per Reuters
- **Grab** reported a mixed Q2, per Bloomberg, with FY guidance cut slightly due to ongoing COVID-lockdown related issues
- **JD Sports** shares surged in Europe after earnings, per Reuters, as lockdowns eased and foot traffic improved
- **Pandora A/S** shares are higher this morning in Europe after the jewelry maker set new mid-term targets. The company is aiming to attract younger customers and boost sales in the US and Asia

#### Sympathy Movers

**USNA, NUS** could see some pressure today with the warning from Herbalife

### Financials

- **OPEN** announces offering of 28M shares priced at \$16.90-\$17.25; Softbank continues reducing their stake from 12.4% to 7.7%
- **IVZ** says Aug. AUM rose 2.2% M/M
- **REXR** acquires four industrial properties for \$250.5M
- **LSI** announces 2.5M share offering priced \$122.30-\$124.80
- **Investment banks** are looking to increase spending on automation, says FT, especially around certain functions of lower-level employees like valuation analysis and generating models

#### On the Chart

**IVZ** a quiet name but nice setup and through monthly value at \$25.50 can make a run back towards \$28

### Healthcare

- **MDT** won three patent challenges over **AXNX** related to implant recharging and temperature control
- **PFE** booster shots are being recommended for people over 50-years-old in the UK, says Reuters, while **MRNA** patients should receive a half-shot
- **Mesa Labs (MLAB)** to acquire Agena Bio for \$300M, a leading molecular diagnostics tools company that develops, manufactures, and supplies highly sensitive, low-cost, high-throughput, genetic analysis solutions to clinical labs and development partners globally
- **KALV** says FDA lifts clinical hold on Phase 2 clinical trial of KVD824
- **IQV** to partner with NRx Pharmaceuticals on novel COVID treatment
- **AXSM** AXS-07 accepted NDA by FDA, PDUFA 4-30-2022

#### On the Chart

**MDT** a high-quality name that pulled back and bounced at monthly VPOC yesterday, a nice level to watch for a turn back towards \$135

## Industrials

- **Boeing (BA)** is raising their 2030 aerospace, defense industry outlook by 6%; the company is also trimming forecasts for freighter deliveries; Boeing sees domestic travel returning to pre-crisis levels in 2022
- **VNE** confirms offer from Qualcomm for \$37/share but they continue to remain in pact with Magna
- Australia's **Brambles** fell over 8% on earnings this morning after cutting their FY view, per Sydney Morning Post. The company supplies shipping containers and pallets
- **Hapag-Lloyd** has halted spot rate hikes for Asia and the US, says Bloomberg, as shipping lines think rates have peaked
- **SPIR** is buying **ExactEarth** for \$161.2M, expanding their scale to provide space-based data, analytics and space services to the maritime industry

## Energy & Materials

- **FMC** has won a court ruling against Rainbow including a permanent injunction ordering Rainbow to immediately stop selling and using chlorantraniliprole
- **NEM** warned yesterday that costs are rising due to tighter labor markets and other supply chain issues, per Bloomberg
- **HAL** selected by Energen for three to five well drilling and completions offshore Israel
- Dutch speciality chemicals maker **DSM** plans to sell their materials business, per Reuters, and could fetch \$5.7B
- Elliott is pushing for British energy firm **SSE** to break up, per Bloomberg. The fund thinks they can extract value by separating the renewable assets from the more regulated business
- **MP** announces 4M share secondary priced \$34.95-\$35.25
- **IBP** acquires Five Star Building Products, MT Insulation

## Tech/Telecom

- **INTU** is buying **Mailchimp** for \$12B in cash and stock. It is their largest deal ever and positions INTU to offer more services to small businesses such as marketing and CRM
- **Vonage (VG)** is working with advisors on a strategic review, says Bloomberg. The review could lead to a sale of the company
- **RDWR** is in talks to be acquired by Siris Capital, says CNBC, in the latest potential private equity deal in the cyber space
- **BABA, TCEHY** will comply with a government mandate to open their networks to rival firms, says FT
- **BABA** is investing \$300M in self-driving firm DeepRoute AI, says CNBC

### On the Chart

**NEM** a weak trend and back near support at \$56.15 where we likely see a strong reaction in either direction

### Hawk Database

**HAL** large buyers recently in the June \$20 calls and November \$21 calls

### On the Chart

**INTU** a strong chart and pulled back to hold recent support and the 21-EMA yesterday; a move back \$570 can start a new leg higher

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- **AAPL** issued an emergency security update to fix a spyware flaw in IOS, says NYT, after researchers at Citizen Lab found that NSO Group had infected Apple products
- **AAPL** began sending requests for quotes from auto suppliers as early as last year, says Digitimes
- **AMZN** allegedly used contracts with wholesalers to drive up prices on other websites and throttle competition, says WSJ
- **AMZN** plans to roll out their palm-reading tech to sports stadiums, music venues says Engadget
- **IAC** – August revenue metrics: **ANGI** +21%, DotDash +29%, Search +67%, Emerging & Other Revenues +33%
- **VMEO** says Aug. revenue growth trends were up 33% Y/Y
- **GOOGL** was fined \$177M in South Korea for blocking Android customization plans, per Reuters
- **ANSS** partners with **ROK** to optimize industrial operations
- **US chip vendors** are shifting orders away from Chinese foundry houses, says Digitimes, amid ongoing risks from trade tensions
- **Notebook vendors** are stepping up orders of chips from Taiwan suppliers, says Digitimes, as they expect demand to rise in Q4
- **China cloud demand** has remained strong despite recent orders from Beijing over control of their domestic IT business, says Digitimes

### On the Chart

**VMEO** monthly VPOC is right at \$36.75 and potential bounce spot here after a strong run off the recent lows

### Sympathy Movers

**BABA, GDS** some notable cloud-related names in China to watch

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## Analyst Notes

### Upgrades

- **KLAC** raised to Positive at SIG, \$475 target, analyst sees material upside to the consensus estimates as their WFE market share is now expected to increase from a trough of 6.4% in 2020 to 8%-plus in 2023. He believes KLA will capture a larger mix of the WFE spend while also benefiting from secular trends in advanced packaging
- **DXC** raised to Buy at BAML as the analyst feels DXC is getting close to reaching break-even organic revenue growth
- **CME** raised to Overweight at Atlantic
- **JNCE** raised to Outperform at RJF
- **EXC** raised to Buy at Mizuho
- **LESL** raised to Buy at Berenberg
- **BAK** raised to Buy at UBS
- **PSB** raised to Overweight at JPM

### Hawk Database

**DXC** recent insider write up and also saw buyers on 9/3 of 1450 January 2023 \$45 calls

### On the Chart

**KLAC** near a big multi-month range breakout above \$360 and room to run to \$415

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### Downgrades

- **TXG** cut to Neutral from Buy at BAML after 10x Genomics Indicated at a conference that it is seeing lower than expected lab activity, which is translating to a soft result in August
- **TRP** cut to Neutral at Goldman
- **BHP** cut to Neutral at Barclays
- **GIB** cut to Underperform from Buy at BAML
- **TASK** cut to Neutral at BAML
- **AMAT, AEIS, LRCX** cut to Neutral from Positive at SIG

### Initiations

- **VZIO** started Overweight at Stephens, expects connected TV, or CTV, ad spend to climb from \$9B in 2020 to \$72B over time and views Vizio as a beneficiary given that the company is growing advertising revenue at a rapid rate via the company-owned SmartCast operating system
- **TBLA** started Outperform at CSFB, the recent \$800M Connexity acquisition helps to onboard e-commerce operators and retailers to give them access to Taboola's inventory and will speed up the company's share gains into \$35B in potential media spend
- **LRN** started Buy at Citi, a compelling play on the shift to online learning as well as increasing importance of reskilling and vocational training
- **CCK, BERY, OI, SEE** started Buy at Truist
- **DOW, OLN, WLK, LYB** started Overweight at Piper
- **LEV** started Outperform at CIBC
- **LICY** started Overweight at MSCO
- **LCID, REE** started Underweight at MSCO
- **AMWL** started Overweight at Cantor

### Other Notes

- **PANW** target to \$550 from \$450 at Jefferies; Target to \$615 from \$535 at Barclays citing improving profitability as it capitalizes on the foundation of acquisitions and product work accomplished in the past three years to build a platform connecting network
- **INTU** deal is positive, says Jefferies; while this is Intuit's biggest deal ever and follows soon after the \$8B Credit Karma deal, the acquisition helps complete its vision of bringing an end-to-end platform to its customers
- **EA** positive note at Deutsche Bank on Apex Legends Twitch trends; analyst says that over the past month and a half he has observed a significant shift in user engagement on the Twitch platform in favor of EA's Apex Legends, which he says appears to be taking share from other major battle royale games. At the same time, a number of popular video game

#### Hawk Database

**EA** holding up well relative to peers and sellers active recently in the March \$130 puts and Jan. 2023 \$120 puts

streamers have also moved from primarily creating Warzone content to increasingly streaming Apex Legends

- **ORCL** target to \$100 from \$88 at BMO
- **SITM** target to \$245 from \$175 at Barclays
- **COIN** defended at Piper
- **XRAY** defended at BAML

## Trade Ideas

**Scientific Games (SGMS)** recent bullish write-up after buyers in the January \$70 and \$80 calls and chart setting up well for a breakout move above \$75 and out of monthly value. A move higher targets recent highs near \$80 and then a longer-term move to \$100. Shares have found support at the 21-EMA over the last two weeks and both RSI and MACD in strong trends but not overbought with plenty of room to move.



### Technical Scans

**Inside Days:** ANTM, TER, GOOG, J, ORA, LPLA, ROST, EBS, AAPL, STZ, AMCR, TMUS, EA, MTCH

**Ready to Run:** HBI, REAL, GPI, IPG, KEY, ZIP, WGO, MET, F, HWM, RH, PRU

**Recent Bear 8/21 EMA Cross:** BOX, CFX, DAR, HPE, LNC, MRVI, PAGES, NCLH, SEE, TMHC, TXT, XPO

## Small-Cap Profile

**Cognyte Software (CGNT)** a small-cap software stock setting up well in a bull flag under \$28 and name spun out of Verint earlier this year that deserves a deeper look as an independent company. The \$1.76B company provides security analytics software to governments and other private businesses worldwide. Their platform helps visualize different data sets in real-time so that both operating centers and field teams can work together to solve problems. Their reach includes investigative analytics, operational intelligence, and threat intelligence to form a unified picture of a company's security. CGNT recently completed their transition to a subscription model last quarter and in Q2 they started to see the benefits of the shift, especially around margins. They have more than half of their revenue now on a recurring basis and CGNT will likely give further updates on their go-to-market strategy during their report later this month.

CGNT sees their opportunity as significant given their flexibility as both a cutting-edge analytics processor and as an open platform with multiple use cases. They see their TAM as \$30B and growing given favorable overall market trends and spending towards security. Their flexibility to adapt to new threats is also a key driver of growth and expanded sales given it allows for investigations to be accelerated and shorten the potential threat

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cycle. An interesting angle they discussed in June was around cryptocurrency security and CGNT is nearing a launch of a product that helps organizations do investigations and “designed to identify illicit transactions and suspects and generate optimal intelligence to successfully complete investigations.” They continued:

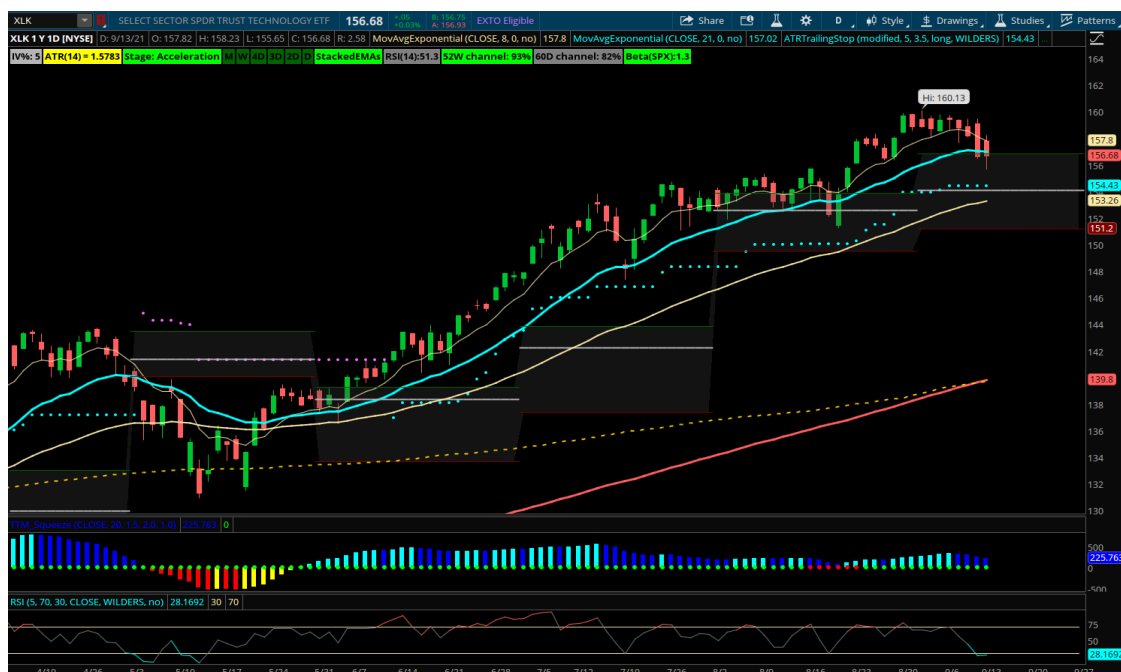
*“We believe that the demand will grow over time. For now, it's an early opportunity for us. We are conducting pilots with some of our customers. And I believe that over time, this need will be growing, as you know, it's very convenient for illicit activities to be conducted in this ecosystem of cryptocurrency. Again, it's easier to hide. It's easier to transfer money domestically or internationally. And you cannot -- usually, you don't know who is behind the transaction. And if you are able to address this challenge by strong analytics and help customers to identify the illicit transactions and also who is behind it, I think it's a lot of value. So we are in early stages, but believe that this will become -- create a lot of benefit to our customers over time.”*

Analysts have an average target for shares of \$37.50 with a Street High \$45. William Blair starting at Outperform on 7/27 citing the proliferation of ransomware cyber incidents and the explosion in digital data which should drive elevated demand for software tools to analyze unstructured data from a wide variety of endpoints. Evercore starting at Outperform in March as the firm believes that as customers transition from on-premise to software-as-a-service deployment and more revenue comes from software and services, Cognyte's multiple can continue to push higher.

CGNT opened in February near \$32 and has traded down to \$23-\$24 where it formed a wide, rounded base over the last four months. In July, shares moved higher above the 8- and 21-MA to \$28 where a nice bull flag has formed. A breakout move can re-test the prior range near \$32.

## ETF Sector Relative Strength Corner

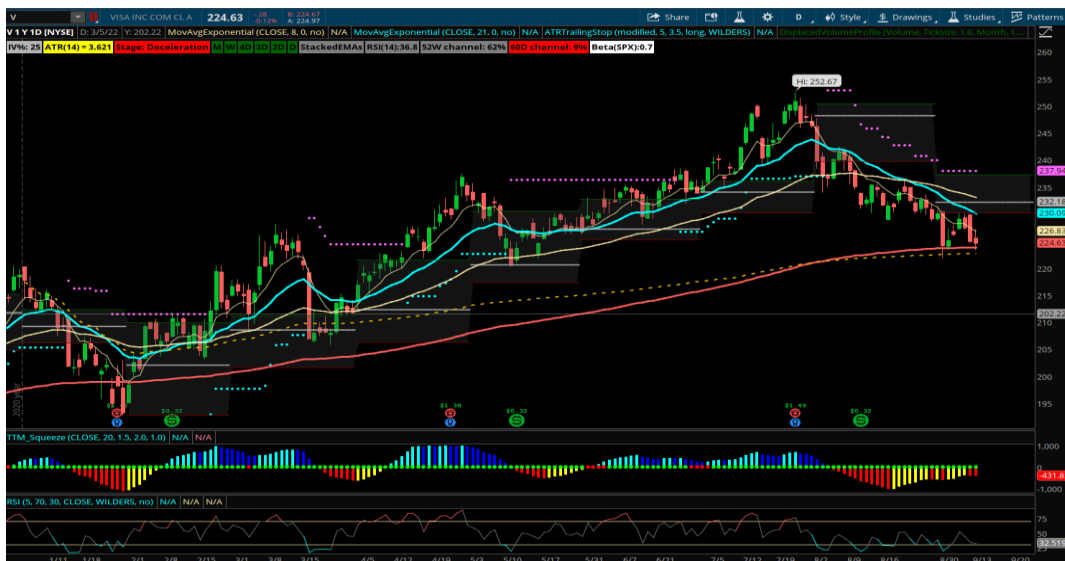
**Technology (XLK)** has been pulling back to the 21-day EMA and top of monthly value. So far just a normal dip within the uptrend that remains intact. The 55 EMA comes in just above 153 and is likely supportive as it rises up to the monthly VPOC. The XLK overall is heavily weighted to AAPL and MSFT which have had large runs this summer. However, a few of the top weightings also include lower beta stocks like V and MA. These two credit card names are at or near their 200-day EMA after pulling back since early August.





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**Visa (V)** looks best of the two and is set up for a solid risk reward using a bull put spread in October expiration which is just before earnings are released. A move back up towards 235 likely can make 50% at least on this bull put spread and even if it churns around this 200-day EMA and YTD VWAP level of 225 the spread can still turn a profit. Visa has seen bullish options flows into the decline recently including a large buyer Monday 9/13 in the March 225 calls for over \$2M.



**Trade to Consider:** Sell the **V** October \$225/\$215 bull put spread at \$3.10 or better

## Extras

**Editas Medicine (EDIT)** with 1000 October 1st (W) \$57/\$45 put spreads bought late for \$3.70 ahead of key data

**Walmart (WMT)** with 2,000 March \$130 puts sold to open this afternoon for \$3.12

**Ralph Lauren (RL)** opening seller 375 January 2023 \$95 puts at \$11.30

**Twilio (TWLO)** opening sale 300 June \$310 puts for \$37.60

**Ciena (CIEN)** opening sale 500 January 2023 \$47 puts at \$5.30

**US Foods (USFD)** buyer 5000 November \$35 calls up to \$1.65 late day

**Union Pacific (UNP)** size late day buy 1000 January \$200 ITM calls at \$15.20 offer

**Tesla (TSLA)** with 2500 November \$830 calls bought \$19.22 as September \$830 adjusted

**Virgin Galactic (SPCE)** opening sale 2500 January 2023 \$22 puts for \$7.15

## Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
QQQ	15 OCT 21 366 PUT	4,176	10,354	147.94%
PXD	19 NOV 21 170 CALL	1,238	3,055	146.77%
AMD	(Weeklys) 24 SEP 21 10	2,360	5,321	125.47%
UNP	21 JAN 22 200 CALL	612	1,294	111.44%
AFRM	19 NOV 21 110 CALL	5,443	11,110	104.12%
TSM	15 OCT 21 135 CALL	5,570	10,874	95.22%
CSCO	15 OCT 21 57.5 CALL	4,878	9,422	93.15%
V	18 MAR 22 225 CALL	991	1,803	81.94%
GSKY	17 DEC 21 10 CALL	4,623	8,312	79.80%
RIO	15 OCT 21 70.65 PUT	2,146	3,580	66.82%
LUMN	19 NOV 21 13 CALL	3,867	6,332	63.74%
CCJ	18 MAR 22 30 CALL	3,583	5,818	62.38%
COG	21 JAN 22 19 CALL	1,683	2,579	53.24%
USFD	19 NOV 21 35 CALL	8,387	12,297	46.62%
GM	19 NOV 21 52.5 CALL	19,655	28,242	43.69%
TSN	21 JAN 22 80 CALL	4,613	6,563	42.27%
SNAP	19 NOV 21 75 CALL	36,011	47,083	30.75%
EXPE	15 OCT 21 145 CALL	6,605	8,566	29.69%
AFRM	15 OCT 21 110 CALL	3,041	3,567	17.30%
AAPL	17 DEC 21 130 CALL	3,288	3,502	6.51%
OKE	21 JAN 22 57.5 CALL	2,280	2,221	-2.59%
WHR	21 JAN 22 210 PUT	715	695	-2.80%
HES	15 OCT 21 67.5 CALL	1,013	940	-7.21%
CCJ	19 NOV 21 25 CALL	3,400	3,129	-7.97%
T	(Weeklys) 8 OCT 21 28	11,914	8,172	-31.41%
COIN	15 OCT 21 205 PUT	1,803	1,196	-33.67%
AFRM	21 JAN 22 140 CALL	2,143	1,292	-39.71%
BNTX	17 DEC 21 450 CALL	1,955	1,145	-41.43%

## What They're Saying

**Elastic (ESTC)** at Piper Tech Conference on what sets it apart from competitors... "From a technology perspective, the things I would say that set us apart is this idea that you've got all of these experiences, these curated search experiences, built into a single stack. And so if you think about what that's meant, as you've seen conversions happen in the industry, that market transition has played very nicely in our favor. I'll use observability as an example. I think a lot of people out there are familiar with the fact that observability has a few different elements to it. There's logging, which traditionally was a strength of ours. There's APM. There's monitoring. And increasingly, these just become features that a practitioner or a customer expects. And they expect to have all of those capabilities brought to them in a single unified stack, and that plays very nicely to our advantage because we are purpose-built for that from the ground up. The other piece that comes into that is the element of unified pricing, which again, is a significant differentiator for us. If you think about how -- I'll use the observability example, again, if you think about how all of these technologies were purchased, historically, they all have very different pricing models, some price based on ingest, others price based on number of hosts or even number of users. And if you're a customer and you're trying to apply all of these technologies to solve a problem, to deal with multiple vendors, to deal with multiple pricing models

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or even if you're dealing with a single vendor to have multiple pricing models from that same vendor can be quite difficult. So I'd say that's another significant advantage for us."

**HubSpot (HUBS)** at Citi Tech Conference discussing its improving unit economics... "The truth is that, and we shared this last year at the Analyst Day, that our unit economics have been trending in a positive direction for a long time, frankly, since the IPO. We've seen kind of a steady increase in the unit economics. I think you are right. Over the last year, we've seen another positive a trend in the underlying unit economics for the business, and maybe you can talk about it in the pieces of LTV and CAC. In terms of the customer acquisition cost, the investments that we've made over the last, I don't know, 4, 5 years, Chuck, on the freemium go-to-market model were a bit of a step change in terms of our ability to drive a lower cost of acquisition for customers. The other thing that's probably less appreciated is that, that self-service motion frees up the inside sales team to focus up more sort of at the higher-value customers and ultimately also help to drive a lower CAC over time. And then on the LTV side, there's -- again, there's a couple of things that I would highlight as particular impacts there. One is that we have seen ASPs move up in our professional and enterprise tiers of the product. And then the other thing, which I think is probably what you were alluding to a little bit, is that retention has a big impact on the unit economics. And as we have talked about over the last 4 quarters, we have seen a step-up in our retention rates, both our gross retention, which we internally call customer dollar retention; and also our net retention, which includes sort of our net upgrades from there. And the combination of both the ASP increases and that retention impact has created a positive movement in our unit economics over the 12 -- the last 12 months."

**Edward's (EW)** at MSCO Healthcare Conference on the TAVR adoption curve... "Yes. It's early. We're early in the adoption curve. It's tough to distinguish low-risk adoption from high-risk or intermediate-risk adoption. But I'd say it's early in the evolution of adoption since the low-risk data was presented. So you're right. Remember, the data came out in the first half of 2019. We got approval for SAPIEN 3 to be used with low-risk patients in the second half of 2019. But then all of a sudden, in the back end of the first quarter of 2020, COVID emerged. And so we haven't really even started to scratch the surface of getting to this broader patient population that this low-risk approval will enable. And so we're enthusiastic about really the long-term prospects for what the broad indication can mean for patients in the U.S. And of course, we just got it in Japan as well. And so I think we're still in the very early innings of being able to treat these patients who are suffering from severe symptomatic AS. So we're pretty optimistic and positive about the long-term prospects that this broad label indication brings both in the U.S. Again, we've seen it -- we're seeing it now in Japan as well, where we've got low-risk approval and reimbursement. And so that's one of the reasons why we're excited about this \$7-plus billion opportunity for the market by 2024. And then as you mentioned, there are some other market expansion indications that we can foresee after that."

**Charter (CHTR)** at the BAML Media/Communications Conference on its strong momentum... "Look, the opportunity at Charter is the same as it's always been in that we're highly underpenetrated with a largely superior product and packaged in a way with multiple products that is very difficult for others to replicate, particularly at the price that we offer. So if you think about us today, we have 54 million passings, and we have 30 million Internet customers. So there's 24 million customers inside of our footprint that we think should have our Internet service. And then on top of that, you have -- of those 30 million Internet customers, you've got 2 million of those that are taking multiple mobile lines from us. So the opportunity at Charter really is to grow to 30, somewhere up there, continuing towards 54. And to grow the percentage of customers from where we are today of 2 million out of 30 million taking mobile, over time, to grow that significantly. And as those products converge and the connectivity service that you have really becomes less distinguished between multiple products. Our goal here really is about continuing to have higher and higher penetration, as you mentioned. And that means continuing to execute very well on the plan that we have, which is keep our products in a state of superiority and invest in those and package those in a way that others can't replicate. Keep our prices low and attractive for customers so that we're competitive, and to do it all with our own in-house service and to win customers every day."

## Earnings Grid

Stock	Next Earnings Date	Time	Open Interest	Historical Moves (B/O)	Implied Move	Avg. B/O Max Move	Med. B/O Close Move	Sum. B/O Close Move	B/30 Skew	B/30 Avg. Crash	Hist Put/Call OI %/tile	Short Float	SI Change (3mo)
ORCL	9/13/2021	AMC	Bear: \$14.26M (42%), Bull: \$13.93M (41%), Stock: \$5.6M (17%)	Lower 6 of 8, Lower last 2	4.49%	7.83%	-3.86%	-3.68%	2.92	-25.52%	76.03%	2.17%	18.34%
FBZ	9/13/2021	None	Bear: \$1.31M (64%), Bull: \$0.75M (36%)	Even of 8, Lower last 4	8.71%	9.32%	-1.43%	0.69%	-2.22	-22.61%	6.79%	26.85%	10.19%
BSX	9/15/2021	BMO	Bull: \$0.66M (75%), Bear: \$0.22M (25%)	Even of 8	9.51%	14.07%	3.89%	36.84%	-0.81	-14.46%	62.75%	13.74%	-8.26%
MANU	9/17/2021	BMO	Bull: \$0.28M (100%)	Higher 5 of 8, Higher last 4	3.70%	5.67%	0.55%	4.83%	-5.07	-12.86%	84.63%		

## Earnings Review

**ORCL** – Beat on EPS and Missed on Revs; \$1.03 vs \$0.97 and \$9.73B vs \$9.77B; Cloud revs +6% while On-Premise down 8%; Oracle's two new cloud businesses, IaaS and SaaS, are now over 25% of our total revenue with an annual run rate of \$10 billion. Taken together, IaaS and SaaS are Oracle's fastest growing and highest margin new businesses. As these two cloud businesses continue to grow they will help expand our overall profit margins and push earnings per share higher." "Last week, Cloud Wars published an article entitled 'Oracle Leapfrogs Google in Major Cloud Ranking' summarizing an upcoming Gartner Report that reviews the leading cloud infrastructure companies," said Oracle Chairman and CTO, Larry Ellison. "Please read the article and the Gartner Report for all the essential details. Oracle is delivering some truly innovative infrastructure services. Last quarter, we released the next generation of the world's most popular open source database, MySQL, which now includes the HeatWave in-memory query accelerator, and the AutoPilot management tools. Many customers measured our new MySQL cloud service to be much much faster, less expensive, and easier to use than Snowflake, Aurora, RedShift and other commonly used cloud databases. In response to requests from some of those customers, we decided to make MySQL HeatWave available on other clouds in addition to the Oracle Cloud.

## 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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## *OptionsHawk Market Blitz*

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