



Inside Today's Blitz

- Futures Rebound as Concerns Over Evergrande Contagion Abate
- Canada's Trudeau Wins Historic Third Term
- Sweden, New Zealand Central Banks Back Dovish Outlook on Policy
- **Shell** is selling their Permian assets to **COP** for \$9.5B; **UBER** expects to post a profit in Q3; **TGNA** receives initial interest from **APO**; **USB** to buy **MUFJ's** US ops for \$8B in cash and stock

Market Outlook

Futures indicating a strong open for the day with the **Dow** up 90 bps, the **S&P** up 81 bps, and the **Nasdaq** up 72 bps. The **Russell** is up 1.2%. Energy is rebounding with **WTI** up 1.15%. **Gold** and **silver** both higher as well with the latter up 1.67%. **Copper** is up 1%. The **dollar** is down 12 bps. **Bonds** are down 30 bps. **VIX** is 23.55. **Bitcoin** and **Ethereum** both down around 2.5% to 3.5%. Stocks are having a nice session so far across the globe as they rebound from Monday's oversold conditions even as Evergrande concerns linger. The big concern remains how this impacts others and potential contagion from an expected default but JP Morgan in a note this morning highlighting little direct impact to US companies. Elsewhere, we got some dovish central bank commentary this morning from both Sweden and New Zealand as the overall environment remains accommodative. President Biden will address the UN later today and China's President Xi will as well remotely, although neither expected to be impactful. Yields ticked slightly higher ahead of the FOMC decision later this week.

Asian markets were mostly closed again today on Holiday but Japan did re-open and traded lower by 2.15%, playing catch up from Monday. The Hang Seng bounced back 51 bps. Property stocks led the rebound while casinos were higher as well. In Europe, the major indices are bouncing back with the DAX up 1.49%, the CAC up 1.38%, and the FTSE up 1.16%. We're seeing outperformance in travel-related stocks. **IAG**, **Carnival** and **InterContinental** all jumping following the relaxation of US travel curbs. Britain's **National Express** rose 4% after rival **Stagecoach** said it was in talks about an all-stock merger. **Stagecoach** was up 18%. **Universal Music** rose 35% in its debut. Swedish gardening tool company **Husqvarna** fell 5.5% after warning on sales due to a supplier dispute.

Calendar

Today... Earnings After the Close: FDX, ADBE, SFIX, ACB, ISR, INNV;
Analyst Days: BIIB, BV, EVRG, KAR, TECK, WDAY; **Conferences:** BAML Real Estate, OpCo Life Sciences, Goldman Sachs Communicopia;
Other: Vivendi's UMG IPO

Tomorrow... MBA Mortgage Applications, Existing Home Sales, EIA Inventories, FOMC Decision and Press Conference; **Earnings Before the Open:** GIS, GOTU; **Conferences:** BAML Real Estate, OpCo Life Sciences, Goldman Sachs Communicopia, Wells Fargo Consumer;
Other: Microsoft (MSFT) Surface Hardware Event

Overnight Markets

| | | |
|-------------|---------|--------|
| Silver | 22.58 | 1.67% |
| Oil (WTI) | 70.96 | 1.17% |
| Copper | 4.1575 | 1.05% |
| Natural Gas | 5.033 | 0.96% |
| Gold | 1767.3 | 0.20% |
| US Dollar | 93.15 | -0.12% |
| Bonds | 163.41 | -0.30% |
| Ethereum | 3041.49 | -2.47% |
| Bitcoin | 43085.9 | -3.77% |
| VIX | 23.5 | -4.00% |

Technical View



Key Levels to Watch

S&P futures (ES_F) are continuing to rebound from yesterday's early weakness with the late day surge off of support holding steady. We moved above Monday's value area at 4371.5 and now into a low-volume zone with a big target above at 4418.5-4422.75 from Friday. Support below would target Monday's VPOC at 4349.25 and then the 4334.75-4323.75 zone.

Economic Data

- **Indonesia** left rates unchanged, as expected
- **Sweden** left rates unchanged, as expected, and gave a dovish outlook saying rates would remain at zero

Macro News

- **Chinese** property companies are rushing to demonstrate their financial strength through bond redemptions, says Nikkei
- **China's** President Xi says the regulatory push on tech isn't about reigning in those companies but reversing a push towards Western-style capitalism, per WSJ
- **Canada's** Trudeau is expected to remain PM after the election but he'll fall short of a majority in parliament, says NYT
- **Germany's** election race is 'too close to call' per CNBC
- **New Zealand** is downplaying the potential for a big rate hike at their next meeting, says Reuters
- **France** wants the EU to delay trade talks with the US due to the ongoing submarine deal controversy in Australia, per Bloomberg
- **McConnell** is urging Republicans to hold their ground and not provide any help for Democrats to raise the debt ceiling, per The Hill
- **Biden's** agenda is unraveling, says Washington Post

Movers

Gainers: APRE 17%, VKTX 6%, RDS.A 5%, SDC 4%, SGEN 3.5%

Losers: VRCA -27%, LEN -2.5%

Insider Buying

ET, DBI, GPOR, VICI, HLF, MRTN

IPO Calendar

Freshworks (FRSH) raising \$855M at \$9.6B market cap; provides customer support software

Toast (TOST) raising \$685M at a \$17.9B market cap; provides a suite of integrated payment and software solutions for restaurants

Remitly Global (RELY) raising \$487M at \$7.5B market cap; provides digital financial services for immigrants

Sovos (SOVO) raising \$350M at \$1.5B value; premium food brands

EngageSmart (ESMT) raising \$350M at a \$4B market cap; online workflows software

Stock-Specific News

Consumer/ Business Services

- **UBER** expects adjusted profit in Q3 vs previously expected to post a loss; says food delivery has been a bright spot; **UBER** expects Q3 bookings of \$22.8B to \$23.2B
- **ATVI** is in talks to settle EEOC investigation, says WSJ. The company could pay millions to settle the claims of gender-based harassment
- **TGNA** – Apollo, Standard General make \$8B bid for Tegna TV stations, says NY Post. The \$22/share bid would be the third time Apollo has made a run at Tegna
- **KAR** is cutting their outlook due to the chip shortage and the corresponding lack of visibility into used vehicle volumes
- **HVT** says Q3 sales are up 21.2% so far to date, about in-line with expectations for the entire quarter
- **CMCSA** is looking to introduce their own brand of smart TVs, says FT
- **Pernod Ricard** is buying the Whiskey Exchange, one of the largest online liquor retailers in the world, per Bloomberg
- **Universal Music** shares jumped by more than 35% in their debut trading in Europe, per Reuters. The stock's initial reference was €18.50
- **DAZN** is in talks to buy **BT Sport**, says FT, in a move that would make the startup the broadcaster of the Premier League

On the Chart

UBER looking to open strong today and above the recent base at \$42 with the top of value and 55-EMA near \$43, a big hurdle to clear

Hawk Database

CMCSA popular with put sales recently including the April \$47.50 and Jan. 2023 \$52.50 strikes seeing long-term value

Financials

- **US Bancorp (USB)** to buy **Mitsubishi UFJ's** US banking business for \$8B in cash and stock.
- **HOOD** is testing features for crypto wallet, crypto transfers, says Bloomberg. The long-awaited addition will make it easier for users to send and receive cryptocurrencies
- **COLD** cuts their FY outlook to \$1.15-\$1.20 vs \$1.34 prior; sees warehouse revs down 2% vs flat
- **SQ** is launching in France
- **Revolut**, the \$33B fintech, is rolling out commission-free stock trading in the US, says CNBC. The startup will announce it has secured a broker-dealer license today and would compete with **HOOD**
- **Real estate broker commissions** are at risk, says WSJ, as the White House ramps up scrutiny of the industry

On the Chart

USB came back to support yesterday and put in a nice hammer reversal while follow-through higher has room to \$58+

Healthcare

- **JNJ** says Phase data shows booster shot at two months provided 94% COVID-19 protection in U.S.

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- **APRE** presents positive data from phase 1/2 trial of APR-246 in solid tumors at ESMO
- **CFMS** cuts Q3 revenue outlook citing higher than expected levels of deferred and rescheduled knee and hip procedures due to COVID
- **AERI** Chairman/CEO is departing
- **BSX** to acquire Devoro Medical, developer of the WOLF Thrombectomy® Platform. Upfront payment of approximately \$269 million for the 84 percent stake not yet owned and up to \$67 million upon achievement of certain clinical and regulatory milestones.
- **SDC** will launch in France at the start of Q4

Industrials

- **FDX** to increase shipping rates for Express, Ground and Freight
- **GE** is nearing an aircraft engine deal with Vietnam's Bamboo Airways worth more than \$2B, says Reuters
- **GM, LG** have identified the source of their latest battery issues with Bolt EVs and will begin fixing them, per WSJ
- **HRI** raising FY EBIDTA outlook from \$840M to \$870M to \$870M to \$890M; sees FY22 at \$1.05B to \$1.15B

Energy & Materials

- **Shell (RDS.A)** to sell their Permian assets to **Conoco (COP)** for \$9.5B. The company is looking to shift resources towards renewables
- **COP** is raising their outlook for targeted dispositions to \$4B to \$5B by 2023; Co. to improve Scope 1, 2 GHG emissions targets
- **SLGN** to acquire Gateway Plastics for \$485M; manufactures and sells dispensing closures and integrated dispensing packaging solutions to consumer goods product companies primarily for the food and beverage markets.
- **AXTA** withdraws FY guidance given supply chain shortages and logistics constraints around Q3 and Q4
- **TECK** is lowering production guidance for Q3 due to ongoing wildfires in British Columbia
- **AA** is planning to restart over 268K metric tons of aluminum capacity in Brazil that has been curtailed since 2015
- **APD** is raising prices across their product range

Tech/Telecom

- **INTC** is planning to break ground on a new \$20B fab project in Arizona later this week
- **AAPL** is working on iPhone features to help detect depression, cognitive decline, says WSJ. The company is working with UCLA, **Biogen (BIIB)** to

On the Chart

HRI is quietly one of the nicer charts and held the 55-EMA yesterday; a move above \$130 in focus for a bigger range breakout towards \$150

On the Chart

COP pulled right back to the top of monthly value yesterday and a rebound above \$58 has legs to run back to \$60+

Hawk Database

AA pulled back to the rising 21-EMA yesterday and bounced strong with buyers active in the Oct. \$48 calls over 4000X

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see if sensitive data like facial expressions, typing metrics could signal mental-health concerns

- **BILL** announces \$1B stock offering; \$500M convertible senior notes
- **INFY, NOW** announce collaboration
- **IBM, Airspan Networks** to team up on 5G-enabled Open RAN testbed launch in Europe
- Elliott Management has quietly reduced its position in **Softbank**, says the NY Post. Elliott is holding onto 'some' of their \$2.5B position

Analyst Notes

Upgrades

- **MTN** raised to Overweight at KeyBanc, destination demand indicators for this upcoming season are above pre-pandemic levels, even with Delta in the background and metrics the analyst uses to track intra-quarter pass sales appear robust
- **SHOO** raised to Buy at Jefferies as their best-in-class supply chain and proactive measures to circumvent disruption are an even bigger asset in an unprecedentedly difficult supply chain environment
- **GLOB** raised to Buy at Goldman, firm remains constructive on the Latin American Technology sector, expecting the urgency of digitalization to continue driving improved sales growth and margin expansion for at least the next three years
- **WMG** raised to Outperform at CSFB, sees healthy ongoing streaming growth at Warner Music's Recorded Music segment through fiscal 2025, including mid-teens growth from paid subscriptions and advertising supported streaming platforms
- **PACW** raised to Buy at Truist
- **SSB** raised to Buy at DA Davidson
- **BBWI** raised to Buy at Argus

Downgrades

- **SDC** downgraded to Hold at Stifel citing challenges for SmileDirectClub including market share losses to DTC players domestically and potentially abroad, with competitive landscape set to intensify further with DENTSPLY SIRONA likely rolling Byte out internationally in 2022
- **ZUMZ** cut to Hold at Jefferies, the skate cycle boom appears to be on the backside, which has driven significant growth in hard goods, and Zumiez has a lack a clear catalysts in apparel and footwear to offset this
- **OSK** cut to Hold at Jefferies

Hawk Database

SHOO has more than 3500 October \$40 calls bought in OI and would look good back above that \$40 level

Hawk Database

BBWI with another 10,000 November \$65 calls bought yesterday, large bullish November positioning

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- **VALE** cut to Hold at HSBC
- **BIG** cut to Neutral at Piper

Initiations

- **JEF** started Buy at Goldman Sachs; material upside to the consensus top line and EPS, driven by JEF's business and investments in IBanking, which have positioned the company to benefit from secular growth in levered credit, financial sponsors and mid-cap corporates.
- **PIPR** started Buy at Goldman Sachs; PIPR has completed its evolution away from asset management and trading to a high-returning, capital-light investment bank, and it more closely resembles a full service advisor, which the market has yet to recognize. 75% of revenue is from investment banking, with a top-line profile that offers both the steadiest growth and <1/2 as much volatility
- **FTNT** started Buy at Stifel, firm believes Fortinet has a number of drivers to sustain at least mid-to-high-teens sales growth and despite the run in shares, the valuation remains attractive
- **DNLI** started Outperform at OpCo
- **CANO** started Buy at Citi
- **DIS** started Buy at Daiwa
- **CTRN** started Buy at Benchmark
- **RPRX** started Buy at Berenberg
- **UNVR** started Buy at UBS
- **COWN** started Sell at Goldman Sachs
- **TMUS, CMCSA** started Buy at Loop Capital; **ATUS, VZ, T** started Hold

On the Chart

FTNT one of the strongest trend names pullback and hammered nicely on its rising 55-MA

Other Notes

- **GD, RTX** could benefit from the new AUKUS pact, says MSCO, especially if the Virginia-class submarine is chosen as the design and it is outfitted with Tomahawk missiles
- **BHC** has 50% upside on a sum of the parts basis, says JPM, as their math has the company's stake in Bausch & Lomb supporting over \$30 per share of value and Solta supporting an additional \$7 per share of value
- **MRK** positive outlook says Barclays, the analyst highlights the high-probability important Phase 3 Keytruda data in lung cancer that is critical to the company's long-term growth narrative and sees upside optionality around prostate read-outs, which he believes could support a large expansion opportunity for the franchise
- **SPSC** target raised to \$167 from \$130 at Baird
- **TMO** target to \$670 from \$595 at UBS

Trade Ideas

Southwest (LUV) showing relative strength on 9/20 with shares closing green and near the highs and name that has pulled back to VWAP from the Aug. 2020 lows and put in a nice base. The multi-week range above \$47.50 has shown bullish RSI divergence into the double-bottom and looks poised to clear a downtrend and make a move back higher. A run above \$51 can put shares into a low-volume node that stretches back to \$58 while VWAP from the 2021 highs is near \$54.50 and nice first target. LUV made a strong move off the 2020 lows and the recent pullback has held the 38.2% Fibonacci retracement.



Technical Scans

Inside Days: TXG, EXAS, BLL, HLF, NOMD, ZLAB, IOVA

Green in a Weak Tape: SGEN, COUP, KNSL, Z, UBER, SMG, MRTX, TNET, XLRN, SAM, TDG, EXPE, CSL, ODFL, BLL, LII

Bullish Reversal Days w/ Strong Close: WWD, WERN, COUP, IT, ODFL, ASGN, CACC, MIDD, ARMK, WCN, TXT, FL

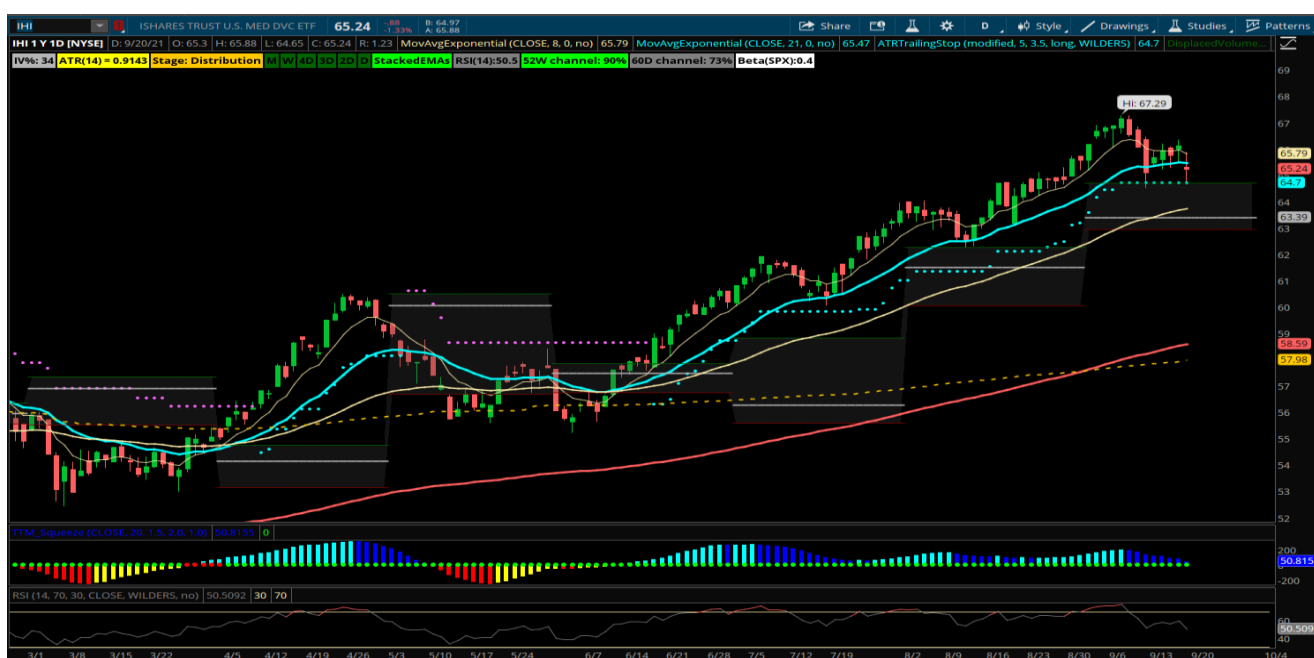
Insider Focus

Vici Properties (VICI) holding up well on 9/20 and right back at the 200-day MA and insiders active buying \$230K in stock at \$29.50. This is the first open market buy since March when the same director bought \$375K in stock at \$28.25. VICI traded almost 300% off the March 2020 lows and has now pulled back just above yearly value-area high at \$28. This also aligns with the 23.6% Fibonacci retracement. The longer-term trend has room to run above \$32 with a measured move to \$38. VICI has seen some small accumulation the October \$30 calls with over 4,900 bought since 9/9. The \$20.85B company trades 14X earnings and 1.65X book. VICI is a REIT that focuses on gaming, hospitality, and entertainment destinations like Caesars Palace, The Venetian, and Hard Rock Cafe. Overall, they have 29 gaming facilities and 50M square feet including 20K hotel rooms and more than 200 restaurants, bars and nightclubs. VICI has a strong financial profile with double-digit AFFO growth and long-dated lease profiles with their top tenants. They have 100% occupancy and high-barrier to entry give the legislative and regulatory headwinds in the gaming and leisure space. VICI has tailwinds from a return to gaming over the next 2-3 years as the pandemic eases and sports betting which is a big opportunity to attract new customers to the space. VICI announced a deal on 8/4 to buy MGM Growth valuing the latter at \$17.2B. The deal will be immediately accretive and expected to close in the 1H of 2022. The deal will give VICI's best-in-class management a huge portfolio of top properties in Las Vegas, all acquired at a significant discount to replacement cost and at an attractive cap rate. Analysts have an average target for shares of \$33.50 and a Street High \$47. Capital One starting coverage at Overweight on 9/1 citing a visible growth pipeline, a proven management team, and several near- to medium-term potential catalysts that should yield an increase in the sector's total addressable market and drive substantial transaction/growth opportunities. Hedge fund ownership rose 7.5% last quarter.

ETF Sector Relative Strength Corner: Medical Device Group Staying Alive

Medical Devices (IHI) has been showing relative strength as it trends above the 21 and 55-EMA since early summer. The group was only down 1.3% during Monday's market meltdown and held the top edge of monthly value on the dip. A strong trend that can continue in a defensive market environment. The daily chart shows the 55-EMA a bit lower at 64 and would be an ideal pullback level to eye on further market selling.

The ETF has plenty of strong stocks in the top 5 weightings including **Abbott Labs (ABT)**, **ThermoFisher (TMO)**, **Danaher (DHR)**, **Medtronic (MDT)**, and **Intuitive Surgical (ISRG)**. The top 2 names ABT and TMO are about 25% of the ETF. Looking at these charts in strong trends and seeing this group holding up strong as the market pulls back shows relative strength and an area to look to for potential upside once the market finds its footing.



Extras

Target (TGT) seeing December \$260 calls close 5000X and adjust back to the \$250 strike

Pinterest (PINS) with 1,250 May \$40 puts bought today for \$2.99

Wells Fargo (WFC) buyers of 1000 March \$42.50 puts for \$3.35 today to open, recent concerns of more penalties coming

Bank of America (BAC) with 2,500 February \$35 calls bought for \$5.34, adjusting higher the January \$33 calls

Microsoft (MSFT) buy-write sold 1500 September 2022 \$360 calls for \$9.25

Bunge (BG) into afternoon lows an opening sale 1000 January 2023 \$80 ITM puts \$13 to \$12.50, put sales popular in this name

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Apple (AAPL) into afternoon weakness with 4500 Oct. 29th (W) \$142 puts sold to open \$4.60

Fed-Ex (FDX) with 2,000 October \$275/\$295 call spreads bought late for \$1.55 into earnings this week

Cornerstone Building (CNR) late day buyers of March \$17.50 calls at \$1.40 to \$1.42 for 2500X. **CNR** with a 200-MA bounce today

Sonos (SONO) stock replacement buys 1,045 January 2023 \$45 calls for \$5.90, looks to be adding to open interest

Citi (C) late day buyer 2500 March \$75/\$85 call spreads for \$1.77

DocuSign (DOCU) opening sale 800 January 2023 \$250 puts for \$37.50

Woodward (WWD) buyer 3000 November \$135 calls for \$4.70 as October calls adjusted

FedEx (FDX) with 1600 December \$250 calls bought \$16.25 as the \$270 calls adjusted

Freeport (FCX) buyer 2500 May 2022 \$35 calls \$3.17 to \$3.19 into the close

Affirm (AFRM) opening sale 450 January 2023 \$75 puts for \$16

Nike (NKE) buyer 750 March \$160 ITM puts \$16.40 offer into earnings this week

Twitter (TWTR) midday buyer 10,000 November \$65/\$80 call spreads for \$2.38 debit

Open Interest Checks

| Ticker | Contract | Prior OI | New OI | OI Change |
|--------|---------------------|----------|--------|-----------|
| FANG | 21 JAN 22 75 PUT | 891 | 2,024 | 127.16% |
| DIS | 18 MAR 22 160 PUT | 1,710 | 3,728 | 118.01% |
| NKE | 21 JAN 22 150 PUT | 1,205 | 2,419 | 100.75% |
| BYND | 21 JAN 22 120 CALL | 1,386 | 2,734 | 97.26% |
| AA | 19 NOV 21 45 PUT | 2,596 | 5,015 | 93.18% |
| SONO | 20 JAN 23 45 CALL | 1,214 | 2,259 | 86.08% |
| WDAY | 15 OCT 21 310 CALL | 3,640 | 6,636 | 82.31% |
| CLF | 19 NOV 21 20 PUT | 2,544 | 4,505 | 77.08% |
| TRTN | 20 JAN 23 55 CALL | 906 | 1,600 | 76.60% |
| BBWI | 19 NOV 21 65 CALL | 12,672 | 22,184 | 75.06% |
| CAT | 21 JAN 22 175 PUT | 1,251 | 2,184 | 74.58% |
| MO | 17 DEC 21 47.5 CALL | 4,266 | 7,213 | 69.08% |
| BAC | 21 JAN 22 36 PUT | 7,472 | 12,477 | 66.98% |
| SBUX | 19 NOV 21 110 PUT | 4,740 | 7,901 | 66.69% |
| QCOM | 21 JAN 22 115 PUT | 6,601 | 10,541 | 59.69% |
| DOW | 20 JAN 23 50 PUT | 1,696 | 2,696 | 58.96% |
| AFRM | 15 OCT 21 115 CALL | 6,970 | 8,749 | 25.52% |
| SOFI | 21 JAN 22 15 CALL | 23,440 | 24,216 | 3.31% |
| FSLR | 21 JAN 22 97.5 CALL | 1,174 | 1,089 | -7.24% |
| UPST | 15 OCT 21 400 CALL | 4,571 | 3,988 | -12.75% |
| DISCA | 15 OCT 21 27.5 PUT | 8,181 | 6,690 | -18.23% |
| RIO | 15 OCT 21 67.22 PUT | 2,552 | 1,971 | -22.77% |
| Z | 21 JAN 22 70 PUT | 8,777 | 6,355 | -27.59% |
| SNOW | 17 DEC 21 300 CALL | 2,082 | 1,168 | -43.90% |

What They're Saying

Schrodinger (SDGR) at BAML Drug Discovery Conference on four major catalytic trends... "The first major trend is compute availability, it's just night and day. What it was back in the '90s, 2000s. The advent of GPU programming, for example, hugely transformative in terms of being able to apply these types of physics-based methods at very large scale. And then when those GPU technologies became available at a very large scale with cloud computing resources, I could first utilize these methods in a way that would have been cost prohibitive prior to that type of compute technology being so broadly available. The second complementary trend were advances in cryo-EM, x-ray crystallography. And then also recently, de novo structure prediction has been making great strides and then many might be familiar, for example, like the AlphaFold technologies, where more and more high-quality structures are available. And then once you have that high-quality structure, it becomes a wall post problem, okay, what is the molecule that will therapeutically bind to the high-quality structure of this target and then affect a therapeutic response. So then complementary to those 2 external catalytic trends are 2 that turning really has been spearheading. The first trend Schrödinger's been spearheading is the development of highly reliable, broadly applicable free energy calculation technology, small molecule force fields, different technologies that allow for these molecular properties to be calculated with very high accuracy that benefit from all of this available computing power and high-quality structures as well as integrate those technologies with machine learning methods that allow them to be applied at very large scale, allowing currently hundreds of billions, but in the near future, trillions of molecules to be evaluated for multi-parameter optimization. And then the last major investment we've been making, if you go all the way back to I believe it's Slide 8 is to integrate these technologies with enterprise informatics and scalable cloud systems that allows for all of that in silico calculated data and the experimental data to be available to project teams at the same time to facilitate fundamentally better decisions that would be possible in the absence of these technologies."

Earnings Review

LEN – Missed on EPS and Beat on Revs - During the third quarter, our company and the homebuilding industry as a whole continued to experience unprecedented supply chain challenges which we believe will continue into the foreseeable future. As a result, our third quarter deliveries of 15,199 homes were about 600 homes below the low end of our guidance. Additionally, we are adjusting our fourth quarter delivery guidance to, more or less, 18,000 homes, reflecting this supply chain constraint. "Despite missing our delivery guidance, new home demand remains strong, even as the market reverts back to traditional seasonality. This is reflected in our 5% year over year sales growth and third quarter homebuilding gross margin of 27.3%, which was the highest quarterly percentage in the Company's history, and a 420 basis point improvement over the prior year. The improvement was driven by price appreciation as revenue per square foot increased 14% while cost per square foot only increased 8%. Our homebuilding S,G&A of 7.0% was the lowest quarterly percentage in the Company's history, even with the delivery shortfall, and reflects continued improvement as we incorporate technology driven innovation across our platform. Accordingly, our net margin was 20.3%, an all-time Company record, and was the primary driver of our third quarter net earnings of \$1.0 billion, or \$3.27 per diluted share, excluding mark to market gains on our public strategic technology investments.

AZO – Beats EPS and Revenues (+8.1%) - Domestic same store sales, or sales for stores open at least one year, increased 4.3% for the quarter. Our retail business performed very well this quarter ending with virtually flat same store sales on top of last year's historic growth of over 20%. And, our commercial business growth

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continues to be exceptionally strong at 21.2%. The investments we are making continue to strengthen our competitive positioning in all the sectors and markets we compete. We are optimistic about our growth prospects heading into our new fiscal year. The Company's inventory increased 3.7% over the same period last year, driven by new stores and improved product assortment.

Earnings Grid

| Stock | Next Earn Date | Time | Open Interest | Historical Moves (8 Q) | Implied Move | Apr. 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) |
|-------|----------------|------|---|------------------------------|--------------|-------------------|---------------------|---------------------|-----------|----------------|-------------------------|-------------|-----------------|
| LEN | 9/20/2021 | AMC | Bull: \$10.94M (82%), Bear: \$2.45M (18%) | Higher 7 of 8, Higher last 3 | 5.14% | 7.85% | 1.52% | 25.54% | 4.65 | -11.92% | 37.27% | 3.04% | -13.50% |
| CBRL | 9/21/2021 | BMO | Bear: \$0.36M (100%) | Lower 6 of 8, Lower last 2 | 6.68% | 5.10% | -2.83% | -15.18% | 5.41 | -13.62% | 40.62% | 7.14% | 27.48% |
| ADBE | 9/21/2021 | AMC | Bull: \$12.23M (45%), Bear: \$10.6M (39%), Stock: \$4.09M (15%) | Even of 8 | 3.86% | 5.62% | 0.58% | 20.00% | 3.50 | -12.36% | 67.19% | 0.99% | -7.48% |
| FDX | 9/21/2021 | AMC | -\$16.16M (61%), Bear: \$5.89M (22%), Vol: \$2.62M (10%), Stock: \$1.94M (4%) | Even of 8 | 4.81% | 7.96% | 1.05% | 6.32% | 3.30 | -19.85% | 90.37% | 1.39% | 16.33% |
| SFUX | 9/21/2021 | AMC | Bull: \$1.71M (70%), Bear: \$0.73M (30%) | Lower 5 of 8 | 14.50% | 23.99% | -8.16% | -27.09% | 0.61 | -28.84% | 19.79% | 17.55% | -1.38% |
| GIS | 9/22/2021 | BMO | Bear: \$1.94M (54%), Bull: \$1.67M (46%) | Lower 5 of 8 | 4.26% | 3.77% | -0.68% | -6.00% | 3.59 | -13.62% | 50.62% | 3.34% | -16.46% |
| BB | 9/22/2021 | AMC | Bull: \$4.27M (84%), Bear: \$0.81M (16%) | Lower 7 of 8, Lower last 6 | 9.65% | 13.55% | -7.08% | -61.37% | -17.42 | -24.87% | 37.92% | 8.07% | -21.61% |
| KRH | 9/22/2021 | AMC | Bull: \$14.87M (91%), Stock: \$1.03M (6%), Bear: \$0.4M (2%) | Lower 5 of 8 | 7.47% | 8.01% | -4.59% | -29.34% | 2.79 | -16.23% | 85.87% | 5.72% | 3.01% |
| FUL | 9/22/2021 | AMC | No Trades Since Last Report | Even of 8 | 6.91% | 6.26% | 1.28% | 8.30% | 4.79 | -11.96% | 1.94% | 2.09% | 21.84% |
| SCS | 9/22/2021 | AMC | No Trades Since Last Report | Higher 5 of 8 | 10.29% | 12.63% | 4.00% | 21.02% | 4.45 | -26.79% | 57.44% | 1.60% | 15.25% |
| ACN | 9/23/2021 | BMO | Bear: \$5.31M (58%), Bull: \$3.78M (42%) | Higher 7 of 8, Higher last 3 | 3.20% | 6.68% | 1.64% | 17.31% | 4.75 | -18.82% | 77.74% | 0.67% | 8.23% |
| DRI | 9/23/2021 | BMO | Bear: \$6.7M (84%), Bull: \$1.28M (16%) | Higher 5 of 8, Higher last 2 | 6.23% | 10.34% | 4.30% | 35.68% | 6.29 | -20.28% | 96.32% | 4.27% | 64.39% |
| NKE | 9/23/2021 | AMC | -\$23.6M (69%), Bear: \$5.26M (15%), Stock: \$4.18M (12%), Vol: \$1.06M (3%) | Higher 5 of 8 | 4.70% | 8.22% | 2.26% | 25.28% | 1.63 | -23.00% | 14.34% | 0.86% | -16.78% |
| COST | 9/23/2021 | AMC | -\$10.33M (46%), Bear: \$5.39M (24%), Vol: \$5.17M (23%), Stock: \$1.41M (6%) | Lower 6 of 8, Lower last 2 | 2.63% | 2.86% | -0.91% | -6.25% | 1.64 | -16.99% | 85.27% | 1.17% | 27.54% |
| TCOM | 9/23/2021 | AMC | Bull: \$12.9M (87%), Bear: \$1.65M (11%), Stock: \$0.21M (1%) | Higher 4 of 7 | 8.88% | 6.18% | 4.01% | 17.76% | 5.86 | -16.60% | 25.55% | 3.00% | 27.41% |
| MTN | 9/23/2021 | AMC | Bull: \$1.86M (79%), Bear: \$0.49M (21%) | Even of 8 | 6.60% | 6.07% | -0.90% | -6.77% | 3.65 | -22.56% | 55.00% | 2.25% | -26.60% |
| PRGS | 9/23/2021 | AMC | No Trades Since Last Report | Lower 5 of 8, Higher last 2 | 6.71% | 8.87% | -2.90% | -17.66% | 5.27 | -29.43% | 75.04% | 6.64% | 49.74% |
| AIR | 9/23/2021 | AMC | Bull: \$0.48M (77%), Bear: \$0.14M (23%) | Higher 6 of 8, Higher last 4 | 9.54% | 11.39% | 2.43% | 27.84% | 2.41 | -15.53% | 31.29% | 6.42% | 61.94% |

Disclosures

Disclaimer:

Not Investment Advice or Recommendation

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