



## Inside Today's Blitz

- Evergrande Reaches Agreement with Creditors on Upcoming Interest Payments
- GOP Expected to Reject House Bill to Keep Government Funded, Extend Debt Ceiling
- Fed Expected to Lay Groundwork for November Tapering Announcement
- **PFE, BNTX** sells another 500M doses of vaccine to US government; **AAL, JBLU** partnership to be challenged by DOJ; **SAH** to buy RJF Auto

## Market Outlook

Futures indicating a strong open for the day with the **Dow** up 60 bps, the **S&P** up 55 bps, and the **Nasdaq** up 35 bps. The **Russell** is up 77 bps. Energy is rallying with **WTI** up 1.65%. **Gold** and **silver** are mixed with the former down 18 bps while the latter is up 42 bps. **Copper** is up 2.5%. The **dollar** is down 2 bps. **Bonds** are down 20 bps. **VIX** is 23.15. **Bitcoin** is rebounding a bit today up 3.5% while **Ethereum** is up 5.5%. Global markets are bouncing back further this morning as sentiment around the Evergrande situation continues to improve. The company said it had reached an agreement with creditors over a local bond interest payment but didn't specify how much would be paid or when. Despite the vague PR, the markets are enjoying some temporary relief from fears of contagion. We also got some positive updates from US banks about their exposure/risk to the situation which seems minimal. Elsewhere, it's Fed Day with the FOMC not expected to roll out their much-awaited taper announcement but rather lay the groundwork for a plan in November. The House approved a bill to keep the government funded past 9/30 and suspend the debt ceiling for a year but GOP opposition in the Senate will shoot that plan down on sight.

Asian markets are mixed this morning. Mainland China returned from Holiday with Shanghai up 40 bps while the Nikkei finished lower by 67 bps. In Europe, the major indices are moving higher again. The DAX is up 65 bps, CAC is up 1.11%, and FTSE is up 1.2%. We're seeing outperformance in banks, energy, and materials. Luxury goods are getting a lift from the Evergrande news. **Entain** rose 6% to all-time highs after their \$22.4B takeover proposal from Draft Kings. Online betting group **Flutter Entertainment** rose 4.5% after it agreed to pay \$200M to the Kentucky to settle a judgement reinstated last year. **Deutsche Post** fell 1.3% after Fed-Ex's cautious commentary on labor shortages. German truck maker **Traton** fell 1% after it said that sales in September were hit by supply chain shortages.

## Calendar

**Today... Earnings After the Close:** BB, KBH, FUL, SCS; **Analyst Days:** BSX, SCVL, SPT, WY; **Conferences:** BAML Real Estate, OpCo Life Sciences, Goldman Sachs Communicopia, Wells Fargo Consumer; **Other:** Microsoft (MSFT) Surface Hardware Event

**Tomorrow...** Chicago Fed, Weekly Claims, Manufacturing PMI, Services PMI, Composite PMI, KC Fed Manufacturing; **Earnings Before the Open:** DRI, RAD, ACN, DAVA; **Analyst Days:** CNP, DELL, KLIC; **Conferences:** BAML Real Estate, OpCo Life Sciences, Goldman Sachs Communicopia, Wells Fargo Consumer

## Overnight Markets

Copper	4.2315	2.56%
Oil (WTI)	71.61	1.60%
Silver	22.7	0.37%
Natural Gas	4.8	0.02%
US Dollar	93.19	-0.01%
Bonds	163.44	-0.19%
Gold	1774.8	-0.20%
VIX	23.1	-1.50%
Bitcoin	40975.2	-6.00%
Ethereum	2763.75	-8.95%

## Technical View



### Key Levels to Watch

**S&P futures (ES\_F)** are higher overnight but remain within balance as we move from the low-end of this small value zone to the top. We made a higher-low overnight and a move above 4373.50 in focus for a run back at that VPOC from 9/17 at 4424.25. A move under 4347.5 will test the 4322.25 zone and under the Monday range could see selling accelerate.

## Economic Data

- **China** kept LPR unchanged, as expected
- **BOJ** left policy unchanged, as expected
- **Italian** industrial sales rose 0.90% in July vs 3% prior
- **US** foreclosure starts spiked 70% in August as the Federal moratorium ended, says Bloomberg

## Macro News

- **China** consumer spending was likely disrupted by the recent COVID outbreaks during their mid-Autumn festival, says Bloomberg
- **China** is pressuring Jiangsu province to curb power use to reduce emissions, says Bloomberg
- **China** will stop building coal-fired plants abroad, says Reuters
- **German** GDP growth estimates for 2021 were cut this morning by the IFO Institute seeing 2.5% from 3.3%; they raised their 2022 outlook to 5.1% from 4.3%
- **SEC Chair** doesn't think cryptocurrencies are a viable form of money and called again for more regulation, per WSJ
- **The DOJ** is warning about an antitrust crackdown after a surge in farm M&A and its impact on higher prices, per Bloomberg
- A **US default** could cost the US 6M jobs and \$15T in household wealth, per Washington Post

### Movers

**Gainers:** MRIN 47.5%, SFIX 16%, CANO 4%, LAUR 3.5%

**Losers:** FDX -4%, ADBE -4%

### Insider Buying

DBI, GPOR, VICI

### 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

- **The Fed** could be forced to aggressively tighten policy in 2022 if inflation doesn't recede, says JP Morgan's Dimon
- **OPEC+** is struggling to boost oil output, says Reuters

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## Stock-Specific News

### Consumer/ Business Services

- **LULU** says CEO of Mirror Brynn Putnam will be stepping down, per CNBC. LULU bought Mirror last year and has been raising investments in the unit to boost sales in a competitive space
- **Hyatt (H)** files to sell 7M shares of stock; **Hyatt** says system-wide RevPAR was down slightly from July, while new group bookings have remained strong and business bookings accelerated materially in September
- **AMZN** will open department stores to showcase their clothing brands, says WSJ. The company is looking to improve brand recognition for their private label offerings
- **SAH** to acquire **RJF Auto**; the latter generated \$2.8B in annual revenues in 2020, a top-15 US dealer group. The deal is expected to add \$3.2B in annualized revenues, representing an incremental 30% increase in franchised dealership revenues above the company's previously stated target of \$25B in total revenues by 2025
- **PLAY** CEO to retire
- **Macy's (M)** to hire 76,000 workers for holiday season 'and beyond'
- India's **Zee Entertainment** is being bought by **SONY's** India unit, says Reuters just days after shareholders pushed the media conglomerate for a management reshuffle

### Financials

- **Citi (C)** says that its indirect exposure to Evergrande is minimal and they have no direct relationship on the lending side, per Bloomberg
- **GNW** has retired in full their outstanding balance on their promissary note with AXA of \$296M
- **VIRT** is defending itself against claims their business/practice harms retail traders and wants permission from the SEC to release data supporting their case, per Bloomberg
- **IVZ** is making plans to roll out a lineup of funds backed by bitcoin and other cryptocurrencies, says WSJ
- **EQR** says they remain on track to exceed Q3 guidance
- **MA** says their Executive Chairman is stepping down

#### On the Chart

**LULU** nice post-earnings consolidation above the rising 8-EMA and monthly value, on watch above \$429

#### Sympathy Movers

**Hyatt's** offering is company-specific around their acquisition of Apple Leisure but their update should be a positive for **MAR, HLT** and may others in the space

#### On the Chart

**VIRT** a narrow base forming under \$24.50 and move higher can re-test monthly value at \$25 and then the 55-EMA near \$26

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- **Mizuho** will have their system management protocols under regulatory review by Japan after a series of 'technical failures' per Reuters
- **Hurricane Ida** will cost insurers as much as \$31B, says WSJ

### Healthcare

- **PFE, BNTX** – President Biden will announce today plans for the US to buy 500M doses of Pfizer vaccine for donation to low-income countries, per Reuters. The deal is worth \$7/shot
- **UNH, CNC, MOH** – The WSJ looks at how more than \$9.2B in questionable Medicare payments went to 20 insurers, Federal Investigators say
- **BIIB** is considering cost-cutting actions including workforce reductions following a slow start for Aduhelm, says STAT
- **DVAX** says Clover reports 'positive' data for COVID-19 vaccine candidate
- **INCY** gets FDA approval of Opzelura in Atopic Dermatitis
- **SMMT** says FDA does not agree with endpoint change in its ongoing Phase III Ri-CoDiFy studies
- **BLUE** submits BLA to FDA for beti-cel gene therapy

#### On the Chart

**INCY** held the 8-EMA yesterday after a small run from the lows and above \$77 a key spot to watch out of value for more upside

### Industrials

- **AAL, JBLU** partnership is being challenged with an antitrust lawsuit by the US government, says Reuters. Several states are also joining the case against the alliance
- **GM** expects to see some improvement in semiconductor supplies soon, says Reuters, although at a lower pace than expected
- **Traton** says sales in Q3 will be significantly lower than planned due to ongoing supply chain issues, per Bloomberg, and they think it'll last until Q4 and early 2022

### Energy & Materials

- **CF** will restart an ammonia plant in the UK after reaching an agreement with UK authorities to cover costs related to getting back up

### Tech/Telecom

- **MRIN** enters into revenue share agreement with Google; MRIN will develop its enterprise tech platform and software products
- **LBTYA** is selling their Poland operations to **Iliad** for \$1.8B

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- **FB** has been utilizing their news feed feature to push forward positive materials about the company, says NYT, as they look to shore up their public image
- **NFLX** confirmed their deal to buy Roald Dahl's catalog and said they're working with **SONY** on some adaptations
- **ZS, Siemens** partner on integrated ZTA solutions for OT
- **Chip lead times** are getting longer, says Bloomberg, hitting a record 21 weeks recently suggesting the struggles for the industry are not getting better right now
- **NAND chip supply** may turn tight in 2H of 2022, says Digiimes. The publication is quoting the head of Silicon Motion in an interview
- **DRAM prices** are expected to fall 3-8% in Q4, says TrendForce, due to rising client inventories

### Utilities

- **ETR** says that cleanup costs related to Hurricane Ida will be between \$2.1B and \$2.6B with \$75M to \$85M of lost revenue
- **AES CFO** to depart

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## Analyst Notes

### Upgrades

- **PMVP** raised to Buy at Goldman with \$43 target; PMVP presents an attractive risk/reward into upcoming Phase 1 data in the Y220C subtype of p53 solid tumors with even modest success here relative to a low clinical hurdle potentially driving meaningful upside given that p53 (like *KRAS*) remains one of the untapped white spaces within oncology
- **AMBA** raised to Overweight at KeyBanc, analyst sees multiple favorable tailwinds related to the adoption of computer vision within the security and automotive end markets amid limited competition with the HiSilicon ban. He also has increasing confidence in front-facing advanced driver assistance systems adoption
- **TECK** raised to Outperform at BMO, cites the company's investor day presentation which provided helpful color on its operations, corporate strategy, and sustainability initiatives
- **SPG** upgraded to Buy at Argus, company is exiting the pandemic with a stronger competitive position as a result of its acquisition of Taubman and its growing omni-channel strategy
- **XPOF** raised to Strong Buy at RJF
- **ORCL** raised to Outperform from Underperform at CLSA
- **PEBO** raised to Overweight at Piper

### On the Chart

**FB** held key support this week at the bottom of monthly value and on watch for a move above \$361 to regain some short-term momentum

### Hawk Database

**AMBA** has performed well since the big earnings beat and still has 1,687 Nov. \$100 calls bought in OI and recent 2550 December \$145 calls bought

### On the Chart

**TECK** has pulled back to retest a recent breakout and now key volume support, recent buyers in February \$30 and \$31 calls 10,000X

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- **ACN** raised to Buy at Moffett-Nathanson

### Downgrades

- **FGEN** cut to Sell at Goldman; Absent regulatory clarity and convincing data and with competitor vadadustat poised to be the first to leapfrog onto the market, we expect FGEN shares to underperform relative to the group
- **VALE** cut to Neutral at BAML
- **VIR, HCM, FREQ, AXLA** downgraded to Neutral at Goldman
- **DXC** cut to Neutral at Moffett-Nathanson

### Initiations

- **SPWR** started Outperform at Evercore, analyst says SunPower has refocused on residential solar distribution and generation, along with a commercial and industrial solar segment, which are both growing into massive total addressable markets
- **VMEO** started Overweight at Wells Fargo, Vimeo addresses a large and attractive opportunity in small- to mid-sized business and enterprise video software tools and currently occupies the pole position among paid solution providers
- **CRC** started Buy at MKM Partners
- **THRM** started Outperform at Baird
- **IMV** started Overweight at Cantor
- **TTD, RAMP, DSP, MGNI, PUBM** started Buy at Berenberg
- **LICY** started Buy at UBS
- **HUMA** started Buy at BTIG
- **ZIM** started Underweight at JPM

#### Hawk Database

**CRC** large buyer 5000 January  
\$40 calls for \$4.15M on 9/15

### Other Notes

- **ADBE** target to \$765 from \$735 at Goldman; smaller magnitude of the beat was largely driven by early summer seasonality amid vaccine effectiveness, and in our view, does not diminish the prospects for upside in 4Q
- **UBER** melt up should continue, says Wolfe; Trends in September so far are very encouraging as supply side seems to be rebounding post the expiration of unemployment benefits on Labor Day in many states
- **TMO** target to \$700 from \$610 at BTIG
- **AZO** target to \$1850 from \$1700 at Stephens
- **NFLX** target to \$650 from \$580 at Stifel



## Trade Ideas

**Snap (SNAP)** setting up well to finally break above monthly value at \$77 and start another leg higher with a post-earnings range targeting \$90. MACD is nearing a bull crossover and back at zero, the lowest since before earnings, while RSI is looking to clear a range back towards the high.



### Technical Scans

**Breaking Above Monthly Value:** DNLI, LNG, HUBS, LAMR, SYNA, LYFT, TWST, UBER, GXO, AZO

**Bullish Reversal Day:** ALXO, MTSI, NARI, PLTK, ITRI, MTCH, PATH, SPWR, CLVT, CLF, ADNT, TV, CGNX, HELE

**Ready to Run:** SAIA, SNAP, MRTN, SPNS, SNDR, HUBS, USFD, USB, CMG, HZNP

### Small-Cap Biotech

**Arbutus Bio (ABUS)** strong biotech setting up well for a continuation higher and bullish options flow recently makes it worth a look at the name as a speculative small-cap position. ABUS has seen buyers of 6,750 December \$5 calls, 4,900 October \$4 calls, and sellers on 9/21 in the December \$3.50 puts 3850X. ABUS shares jumped recently out of a long multi-month base and now flagging above the rising 8-EMA. A move higher targets \$5 and then a move to \$7.50. The \$421M biotech trades 50X sales and 5.4X cash. The company focuses on treatments for chronic Hepatitis B virus (HBV) infection. The company notes that HBV is a significant unmet need globally, more than double that of HCV, and potential for a much larger opportunity. There are 255M people infected with HBV worldwide with a major concentration in China and Europe. The current SOC lead to cure in less than 5% of patients. ABUS has a broad portfolio in the space with assets under RNAi, PD-L1, and capsid inhibitors. Their main pipeline product is AB-729, a subcutaneously-delivered RNAi candidate, which in an ongoing Phase Ia/Ib clinical trial. Early data has shown AB-729 to result in strong results through 12 weeks with no SAEs or discontinuations. Analysts have an average target for shares of \$6.75 and a Street High \$10. JMP positive over the Summer as AB-729 and AB-836 point to an exciting path to a functional cure for HBV. Highlights for the analyst include consistent, robust S-antigen suppressing activity for GalNAc RNAi AB-729 even at the lowest dose and least-frequent dosing intervals tested, and details on the potency of oral core inhibitor AB-836 in multiple pre-clinical settings, including against important HBV genotypes and resistance variants. Hedge fund ownership fell 20% last quarter. Roivant has 16M shares.

### Small Cap Options Radar

**Indie Semi (INDI)** on 9/21 traded more than 87,000 calls which is 60X average and IV30 surged 85% higher, a lot of attention in October \$12.50 and \$15 calls which traded 60,000 combined but also interesting size lot buys of 3000 February \$15 calls. INDI shares climbed 14% on 6X relative stock volume on the day as well breaking to

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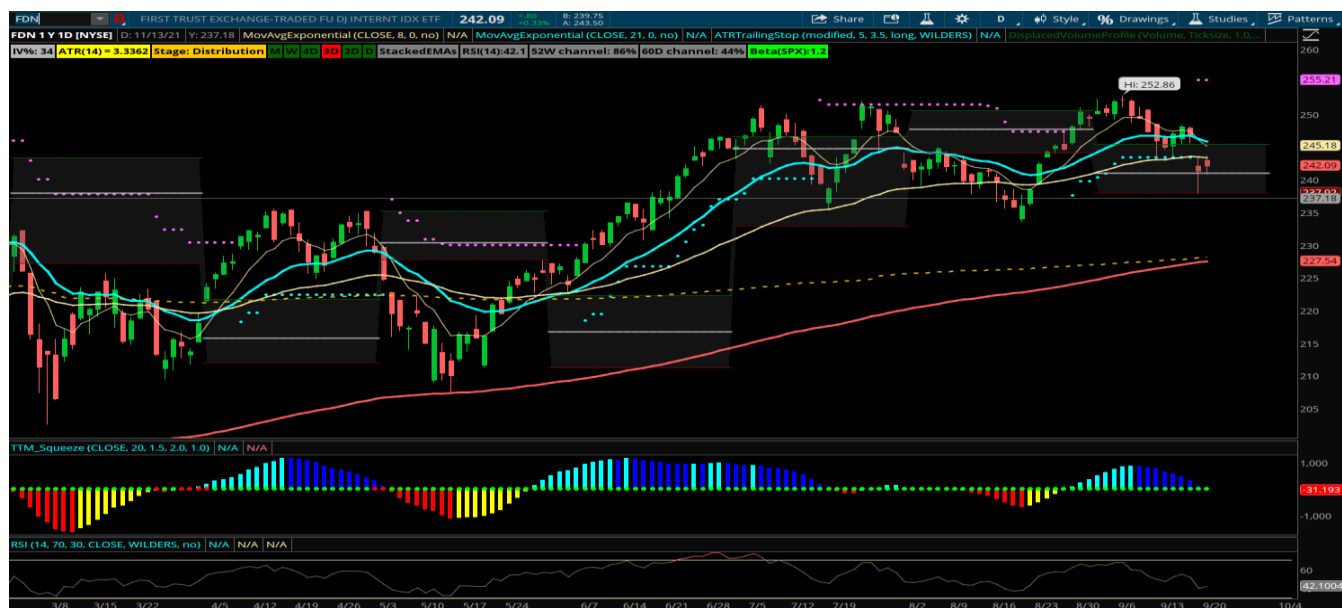
multi-month highs. INDI offers highly innovative automotive semiconductors and software solutions for Advanced Driver Assistance Systems including LiDAR, connected car, user experience and electrification applications. These functions represent the core underpinnings of both electric and autonomous vehicles, while the advanced user interfaces are transforming the in-cabin experience to mirror and seamlessly connect to the mobile platforms we rely on every day. INDI has 12 Tier 1 engagements and AVLs and sees a \$40B market opportunity driven by automotive megatrends.

INDI posted revenues of \$9.2M in Q2 growing 148% Y/Y while navigating supply chain dynamics. INDI also announced a \$159M deal for TeraXion, a designer and manufacturer of innovative photonic components. INDI currently has a market cap of \$1.36B so it trades 12X FY22 expected sales with the revenue growth trajectory seen as 107% in 2022, 122% in 2023 and 70% in 2024. B. Riley started coverage on 8/24 at Buy noting that with 100M+ units shipped over 10+ years, we believe INDI has established a strong foundation with 20+ tier 1 customers, \$2.5B in strategic backlog across ~30 blue-chip customers, and now \$335M in cash to extend organic and inorganic growth. It sees INDI's advantage as high functional integration with world-class building blocks for a more powerful and efficient total solution versus much larger traditional discrete suppliers and sees major upside potential to ASPs. It sees new product engagements and backlog growth as stock catalysts. Deutsche Bank started at Buy with a \$14 target in July citing INDI's compelling growth potential in AutoTech and significant traction with customers.

### ETF Sector Relative Strength Corner: Tech Mega Caps Look to Hold Support

**Internet (FDN)** The Internet index has shown some relative strength this week, during the market weakness it was able to bounce off lower monthly value support and continues to use the 21 week EMA as support longer term. If it can close the week above this level near 240 and outperform the market it's likely to trade higher during the next rally phase. A few of the Internet index components have shown real great relative strength including **SNAP** which is back near its highs after a strong move Tuesday.

The ETF's top 5 weightings are **AMZN, FB, GOOGL, PYPL, and NFLX**. The best looking charts of these names continue to be GOOGL and NFLX as they remain above the weekly 21 EMA. This is a great level to look for entry points on intermediate term pullbacks in a weaker market. Strong trends generally resume and having a level to trade against is key. Other names in the internet index include **CRM, CSCO, WDAY, DOCU, ZM**. After a 5% pullback to the 21 week EMA it could be a good area to trade back into solid tech names.





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## Extras

**Disney (DIS)** into weakness a buyer 2100 December \$175 calls at \$8.60 offer in a multi-leg spread adjusting some other strikes

**Palo Alto (PANW)** stock replacement sells 1000 June \$400 puts for \$19.40 into the close

**Nektar (NKTR)** with 1000 November \$18 puts sold to open \$1.95 to \$1.90 into the close, strong day

**Tempur Pedic (TPX)** late day spreads selling 2000 January 2023 \$40/\$30 put spreads to buy the \$70 calls

**Freeport (FCX)** sale to open 1500 January 2024 \$30 puts \$7.85

**Next-Era (NEE)** late day buyers of 12,500 December \$85 calls \$2.40 to \$2.50

**Aurinia (AUPH)** late day buyers of 2000 April \$25 calls for \$5.90 to \$6.10

**Pilgrim Pride (PPC)** buyer 10,000 December \$28 calls for \$1.50 to open

**DuPont (DD)** buy-write sold 3000 April \$85 calls for \$0.83

**DocuSign (DOCU)** opening sale 250 January 2024 \$260 puts at \$55.50

**Merck (MRK)** IV rose into the close with 5000 October \$73 calls bought \$1.23

**ASML Corp (ASML)** opening sale 400 April \$880 puts at \$93.20, below bid, as the bullish put sales have been active in this high quality name

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## Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
CLF	(Weeklys) 14 APR 22 18	1,351	2,972	119.99%
ZM	15 OCT 21 280 CALL	1,913	4,125	115.63%
BABA	18 MAR 22 150 CALL	2,932	6,143	109.52%
NVTA	17 JUN 22 30 CALL	2,212	4,603	108.09%
BBY	17 DEC 21 120 CALL	1,072	2,224	107.46%
APLS	19 NOV 21 35 CALL	1,583	3,088	95.07%
FCX	18 MAR 22 30 PUT	2,004	3,510	75.15%
MCD	20 JAN 23 260 CALL	1,317	2,284	73.42%
DKNG	21 JAN 22 40 PUT	8,362	12,656	51.35%
CCXI	15 OCT 21 25 CALL	2,550	3,831	50.24%
ATVI	16 DEC 22 100 CALL	4,515	5,715	26.58%
DKNG	19 NOV 21 60 CALL	8,651	9,401	8.67%
ADT	21 JAN 22 9 CALL	4,593	4,744	3.29%
AEO	15 OCT 21 27 CALL	8,011	7,976	-0.44%
CCJ	18 MAR 22 23 CALL	2,631	2,524	-4.07%
DISCA	17 JUN 22 22.5 PUT	5,164	3,840	-25.64%

## What They're Saying

**Honeywell (HON)** at BAML Industrial Software Conference on strength in Enterprise revenues and orders that rose 20% last quarter and the drivers... “And as I described in my -- kind of my opening presentation, the approach that most of our customer base has taken historically in how they manage their factories or their warehouses or how they go after process has really been more on a consulting basis in a building-over-time basis that led to kind of that fractured nature of the market that I've talked about. And customers are now realizing because a lot of times they've already started on that journey that by standardizing, by stitching together data, by really focusing on how to standardize on software, they need quite a bit of savings. And so as we look forward, one of the things that we spend a lot of time with customers on is helping them think about what that long-term picture can look like, what the savings could possibly be and what it will take to actually transform their environment. And that could be standardizing equipment; that could be putting camera sensors in place to look at predictive maintenance on a factory line; that could be highly monitored security and how looking at entry points; and as highlighted by the time of your conference on Internet of Things, the massive amount of endpoints that are being created every day only makes this challenge more complex. And so it's really about bringing that ecosystem together and helping our customers make sense of that data and then be able to make that data actionable. And I would say that's the biggest theme that we see within the customer base.”

**Clear Channel (CCO)** at the Goldman Communicopia Conference on how they see the next 5-10 years evolving... “I think that if you reflect on the trends that were working in our favor right before COVID, around brands being overexposed to digital and looking for alternatives, and also looking at the challenges with linear TV, if anything, COVID accelerated both of those trends, and those are going to provide us a good early stage runway in your five-year to 10-year horizon. When I think about this business over the medium term, the thing that gets me very excited is, we're still in the early innings of modernizing how we do business with our partners, whether that's how we work with the very biggest agencies, or how we interact with very small SMBs. We do not have as agile a set of cost models, touching those different segments by size as we should. And that's going to be an area of opportunity for us to evolve the channels to market. And from a technology perspective, our ability to provide a really high quality experience with data and analytics, as well as with flexibility is something that we're again still in the early stages of delivering, but we're seeing fantastic market response to those things. And that's something that marketers take a while to embrace new ways of looking at media, but they tend to then move pretty quickly once that's been mainstreamed. And I think that can be something that is a very exciting opportunity for us over the next bunch of years of people actually including out-of-home, their multi-touch attribution models in their different tools that they're using for assessing ROI. And I think that's a big opportunity, along with the things that we're very familiar with, like our digital conversions and continuing to transact programmatically. So there is a lot of things that I think point to opportunity in this business. The big part of it is that meeting customers where they are, getting them the right data and analytics, and packaging it in the way, and that's easy for them to transact. So I'm very excited about the opportunity ahead.”

**AutoZone (AZO)** earnings call on its Mega-Hub strategy... “Let me highlight one key initiative that is driving our performance and positioning us for an even brighter future in our commercial and retail businesses, and that's our Mega-Hub strategy. Our Mega-Hub strategy has given us tremendous momentum, and we are doubling down. We now have 58 Mega-Hub locations, and we expect to open approximately 20 more over the next 12 months. As a reminder, our Mega-Hubs typically carry roughly 100,000 SKUs and drive tremendous sales lift inside the store box as well as serve as a fulfillment source for other stores. The expansion of coverage and parts availability continues to deliver a meaningful sales lift to both our commercial and DIY business, and we're testing greater density of Mega-Hubs to drive even better sales results. With this effort, we are leveraging

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sophisticated analytics to help us expand our market reach, give us closer proximity to our customers and improve our product availability and delivery times. I will remind you that our current Mega-Hub strategy envisions our expansion to a total of 100 to 110 Mega-Hubs. However, as these assets continue to outperform our expectations, we would expect to expand significantly further. We are excited about this work and its ability to further accelerate our commercial growth. All of our efforts are building meaningful competitive advantage and give us tremendous confidence in our ability to create a faster-growing business.”

## Earnings Review

**ADBE** – Beat on EPS and Revs, FY Above – We drove record revenues and strong profitability in the quarter, demonstrating our ability to succeed in a dynamic environment. Our operational rigor and data-driven insights enable us to execute while we continue to invest across massive market opportunities.

**FDX** – Missed on EPS and Beat on Revs, FY Below – FedEx is reducing its earnings outlook to reflect first quarter results, which were lower than the company's June forecast. As conditions during the first quarter were more challenging than anticipated and are now expected to extend longer, the revised FedEx outlook also reflects management's updated expectations for the remainder of the fiscal year. These forecasts assume continued growth in U.S. industrial production and global trade, a gradual improvement in labor availability beginning in the second half of fiscal 2022, no additional COVID-19-related business restrictions, and current fuel price expectations.

**SFUX** – Beat on EPS and Revs, Q1 Below – In Q4 we delivered \$571 million in net revenue, reflecting 29% year-over-year growth, helping us cross \$2 billion in annual net revenue for the first time. These results reflect strong performance across our business, in Women's, Kids and the UK. Today, we are proud to serve almost 4.2 million clients, and with the launch of Stitch Fix Freestyle in August we are significantly increasing our addressable market and we're energized by the opportunity ahead. As we look forward, we are focused on continuing to expand and transform our offering, and drive awareness of Stitch Fix as the destination for personalized shopping, styling and inspiration, leveraging our unique combination of data science, and creative human judgement.

## Earnings Grid

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 Stew	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	Bull: \$16.16M (61%), Bear: \$5.89M (22%), Vol: \$2.62M (10%), Stock: \$1.94M (7%)	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%	-29.84%	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	Bull: \$23.6M (69%), Bear: \$5.26M (15%), Stock: \$4.18M (12%), Vol: \$1.06M (5%)	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	Bull: \$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%

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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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