

US Equity Strategy & US Derivatives Research

Navigating Earnings with Options

Options screens for 4Q23 earnings

Ahead of this week's US earnings reports, we provide screens to help navigate the announcements with options. The screens rank Russell 1000 stocks reporting this week by how cheap or expensive it is to position for a potential earnings surprise with options.

We go beyond the frequently cited implied moves (the size of the earnings reaction implied by option markets) and rely on historical option costs and post-earnings reactions, proprietary positioning metrics, and this quarter's BofA EPS estimates from our fundamental equity research analysts.

We also highlight those stocks that appear on our US Equity & Quant Strategy *Earnings Surprise* screens (see [4Q Earnings Tracker](#)).

See inside for all tables and details.

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Equity and Quant Strategy
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Earnings Options Screens

Starting from the universe of Russell 1000 stocks expected to report earnings during the week of 29-Jan, we rank the stocks based on:

- *Option-based measures:* how expensive vs history are calls and puts expiring on the Friday after earnings
- *Fundamental measures:* how this quarter's BofA EPS estimates compare to the Bloomberg consensus (which is predictive of subsequent stock returns; see [Quant Profiles](#) report)
- *Positioning measures:* how heavily owned or shorted the underlying stocks are

The first screen (Exhibit 1) focuses simply on option-based measures, ranking the stocks purely by how cheap or expensive option prices are compared to (i) the stock's reaction during its last 8 earnings releases and (ii) option prices during the last 3m (since the last earnings release).

We then produce screens for Long Calls, Long Puts, Short Calls, and Short Puts (Exhibits 2-5). The inputs for the screens include option-based measures, but also incorporate fundamental and positioning indicators that may be relevant for the possible direction of the stock and magnitude of its reaction post-earnings.

For more details on the construction of each variable and score, see the Methodology section.

Exhibit 1: Implied vol screen: Companies rank higher if they have low implied moves and straddle premiums vs history

The companies are ranked by how cheap it is to own options to position for a potential earnings surprise

Ticker	Company Name	Report Date	Implied move	Implied move vs history ^a	Earnings straddle premium ^b	Implied vol Score
HES	Hess	31-Jan (Bef-mkt)	2.7%	0.44	0.33	0.39
MO	Altria	1-Feb (Bef-mkt)	2.4%	-0.04	1.72	0.84
XOM	Exxon Mobil	2-Feb (Bef-mkt)	2.2%	-0.40	2.15	0.87
BSX	Boston Scientific	31-Jan (Bef-mkt)	2.9%	0.37	1.85	1.11
REGN	Regeneron Pharmaceuticals	2-Feb (Bef-mkt)	2.8%	-0.18	2.52	1.17
IP	International Paper	1-Feb (Bef-mkt)	3.6%	0.17	2.82	1.49
MRK	Merck	1-Feb (Bef-mkt)	2.2%	-0.18	3.44	1.63
DHR	Danaher	30-Jan (Bef-mkt)	4.6%	0.19	3.80	2.00
CLF	Cleveland-Cliffs	29-Jan (Aft-mkt)	5.6%	-0.29	4.34	2.02
MPC	Marathon Petroleum	30-Jan (Bef-mkt)	3.4%	-0.05	4.42	2.18
MSFT	Microsoft	30-Jan (Aft-mkt)	4.4%	-0.08	15.97	7.94
ADP	Automatic Data Processing	31-Jan (Bef-mkt)	3.8%	-0.37	17.64	8.64
GOOG	Alphabet	30-Jan (Aft-mkt)	5.2%	-0.23	17.59	8.68
UPS	United Parcel Service	30-Jan (Bef-mkt)	5.2%	-0.03	17.73	8.85
MTCH	Match	30-Jan (Aft-mkt)	9.4%	0.40	17.73	9.07
SOFI	Sofi	29-Jan (Bef-mkt)	16.8%	0.67	17.93	9.30
META	Meta	1-Feb (Aft-mkt)	6.7%	-0.92	21.27	10.18
ALGN	Align Technology	31-Jan (Aft-mkt)	12.2%	-0.31	22.80	11.25
AMZN	Amazon	1-Feb (Aft-mkt)	6.1%	-0.92	24.92	12.00
SBUX	Starbucks	30-Jan (Aft-mkt)	5.3%	-0.19	24.38	12.09

Source: BofA Securities, Bloomberg, FactSet. Data as of 26-Jan-2024. ^a current implied move vs the average return on earnings day over the last 8 quarters (Z-score). ^b compares the current cost of next week's straddle with the average cost of the weekly straddles over the last 3m (Z-score). The table shows only the names ranked in the top and bottom 10 of the screen. This is a screen and not a recommended list either individually or as a group of stocks and options. Investors should consider the fundamentals of the companies and their own individual circumstances / objectives before making any investment decisions.

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Exhibit 2: Long Call: companies rank higher if they have low implied vol, high BofA EPS estimates, and are heavily shorted and/or lightly owned

The companies are ranked by how cheap it is to position with calls for a potential earnings surprise. For Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category.

Ticker	Company Name	Report Date	Implied move	Implied move vs history ^a	Earnings straddle premium ^b	Implied vol Score	BofA EPS Score ^c	Fund holdings [*]	Short Interest [*]	Positioning Score	Aggregate Score
HES	Hess	31-Jan (Bef-mkt)	2.7%	0.44	0.33	-0.39	7.47	1.34	-0.48	-0.91	2.06
MPC	Marathon Petroleum	30-Jan (Bef-mkt)	3.4%	-0.05	4.42	-2.18	2.02	-0.77	-0.30	0.24	0.02
XOM	Exxon Mobil	2-Feb (Bef-mkt)	2.2%	-0.40	2.15	-0.87	0.29	-0.28	-0.45	-0.08	-0.22
BSX	Boston Scientific	31-Jan (Bef-mkt)	2.9%	0.37	1.85	-1.11	1.00	1.17	-0.63	-0.90	-0.34
AFL	Aflac	31-Jan (Aft-mkt)	2.5%	-0.65	7.92	-3.64	2.40	-0.82	-0.46	0.18	-0.35
CLF	Cleveland-Cliffs	29-Jan (Aft-mkt)	5.6%	-0.29	4.34	-2.02	0.43	-0.76	0.13	0.45	-0.38
MO	Altria	1-Feb (Bef-mkt)	2.4%	-0.04	1.72	-0.84	-0.13	-0.13	-0.74	-0.31	-0.43
MRK	Merck	1-Feb (Bef-mkt)	2.2%	-0.18	3.44	-1.63	-0.17	-0.34	-0.64	-0.15	-0.65
PSX	Phillips 66	31-Jan (Bef-mkt)	2.6%	0.31	4.24	-2.27	0.14	-0.76	-0.48	0.14	-0.66
MET	MetLife	31-Jan (Aft-mkt)	2.6%	0.15	4.99	-2.57	1.34	1.10	-0.49	-0.79	-0.67
CBOE	CBOE Global Markets	2-Feb (Bef-mkt)	2.5%	-0.12	5.64	-2.76	0.35	-0.66	-0.69	-0.02	-0.81
DHR	Danaher	30-Jan (Bef-mkt)	4.6%	0.19	3.80	-2.00	-0.25	0.97	-0.63	-0.80	-1.01
BA	Boeing	31-Jan (Bef-mkt)	4.2%	0.03	4.68	-2.35	-0.43	0.58	-0.48	-0.53	-1.11
GLW	Corning	30-Jan (Bef-mkt)	4.2%	0.24	5.93	-3.09	-0.38	-0.62	-0.60	0.01	-1.15
ABBV	AbbVie	2-Feb (Bef-mkt)	3.2%	-0.61	5.55	-2.47	-0.76	0.03	-0.65	-0.34	-1.19
GM	General Motors	30-Jan (Bef-mkt)	4.5%	0.48	4.95	-2.71	-0.80	0.57	0.38	-0.09	-1.20
CVX	Chevron	2-Feb (Bef-mkt)	2.1%	-0.56	5.48	-2.46	-1.23	-0.28	-0.34	-0.03	-1.24
TMO	Thermo Fisher Scientific	31-Jan (Bef-mkt)	4.0%	0.36	5.28	-2.82	-0.57	0.57	-0.62	-0.60	-1.33
HON	Honeywell	1-Feb (Bef-mkt)	2.8%	-0.28	10.52	-5.12	1.30	0.20	-0.60	-0.40	-1.40
MDLZ	Mondelez	30-Jan (Aft-mkt)	3.0%	0.91	5.70	-3.31	-0.37	0.48	-0.72	-0.60	-1.43
CHTR	Charter Communications	2-Feb (Bef-mkt)	6.1%	0.42	9.21	-4.81	0.77	1.92	1.12	-0.40	-1.48
PHM	PulteGroup	30-Jan (Bef-mkt)	4.7%	0.25	8.29	-4.27	-0.24	-0.15	-0.54	-0.19	-1.56
AAPL	Apple	1-Feb (Aft-mkt)	3.3%	-0.45	9.37	-4.46	-0.13	-0.20	-0.80	-0.30	-1.63
PFE	Pfizer	30-Jan (Bef-mkt)	4.1%	2.37	6.08	-4.23	-0.74	-0.27	-0.61	-0.17	-1.71
CI	Cigna	2-Feb (Bef-mkt)	4.3%	0.16	5.59	-2.87	-1.51	1.48	-0.58	-1.03	-1.80
NUE	Nucor	29-Jan (Aft-mkt)	4.7%	-0.21	10.59	-5.19	-0.41	-0.15	-0.38	-0.12	-1.91
BMJ	Bristol-Myers Squibb	2-Feb (Bef-mkt)	4.7%	1.16	10.67	-5.91	0.42	0.11	-0.51	-0.31	-1.93
META	Meta	1-Feb (Aft-mkt)	6.7%	-0.92	21.27	-10.18	5.15	1.46	-0.65	-1.06	-2.03
AMD	Advanced Micro Devices	30-Jan (Aft-mkt)	8.3%	0.35	12.71	-6.53	-0.09	-0.05	-0.32	-0.13	-2.25
MA	Mastercard	31-Jan (Bef-mkt)	3.3%	0.48	9.76	-5.12	-0.65	1.33	-0.65	-0.99	-2.25
CLX	Clorox	1-Feb (Aft-mkt)	5.6%	-0.49	15.15	-7.33	-0.49	-0.84	-0.08	0.38	-2.48
GOOG	Alphabet	30-Jan (Aft-mkt)	5.2%	-0.23	17.59	-8.68	1.47	0.77	-0.73	-0.75	-2.65
SOFI	Sofi	29-Jan (Bef-mkt)	16.8%	0.67	17.93	-9.30	-0.41	-0.78	2.66	1.72	-2.66
ADP	Automatic Data Processing	31-Jan (Bef-mkt)	3.8%	-0.37	17.64	-8.64	0.38	-0.45	-0.61	-0.08	-2.78
UPS	United Parcel Service	30-Jan (Bef-mkt)	5.2%	-0.03	17.73	-8.85	0.55	-0.18	-0.47	-0.14	-2.81
QCOM	Qualcomm	31-Jan (Aft-mkt)	5.7%	-0.06	15.84	-7.89	-0.39	-0.11	-0.65	-0.27	-2.85
MSFT	Microsoft	30-Jan (Aft-mkt)	4.4%	-0.08	15.97	-7.94	-0.47	0.67	-0.80	-0.74	-3.05
MTCH	Match	30-Jan (Aft-mkt)	9.4%	0.40	17.73	-9.07	-0.44	0.31	-0.12	-0.22	-3.24
AMZN	Amazon	1-Feb (Aft-mkt)	6.1%	-0.92	24.92	-12.00	1.05	0.54	-0.78	-0.66	-3.87
SBUX	Starbucks	30-Jan (Aft-mkt)	5.3%	-0.19	24.38	-12.09	0.03	0.02	-0.68	-0.35	-4.14

Source: BofA Securities, Bloomberg, FactSet. Data as of 26-Jan-2024. * Z-score. ^a current implied move vs the average return on earnings day over the last 8 quarters (Z-score). ^b compares the current cost of next week's straddle with the average cost of the weekly straddles over the last 3m (Z-score). ^c BofA EPS estimate vs consensus (Z-score). Fund holdings as of 31-Dec-2023. Note: Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category. This is a screen and not a recommended list either individually or as a group of stocks and options. Investors should consider the fundamentals of the companies and their own individual circumstances / objectives before making any investment decisions.

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Exhibit 3: Long Puts: companies rank higher if they have low implied vol, low BofA EPS estimates, and are lightly shorted and/or heavily owned

The companies are ranked by how cheap it is to position with puts for a potential earnings surprise. For Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category.

Ticker	Company Name	Report Date	Implied move	Implied move vs history ^a	Earnings straddle premium ^b	Implied vol Score	BofA EPS Score ^c	Fund holdings [*]	Short Interest [*]	Positioning Score	Aggregate Score
REGN	Regeneron Pharmaceuticals	2-Feb (Bef-mkt)	2.8%	-0.18	2.52	-1.17	0.20	2.72	-0.61	1.66	0.23
IP	International Paper	1-Feb (Bef-mkt)	3.6%	0.17	2.82	-1.49	-0.19	-0.42	-0.30	-0.06	-0.58
SWKS	Skyworks Solutions	30-Jan (Aft-mkt)	5.2%	0.21	10.52	-5.37	0.32	-0.86	0.00	-0.43	-1.83
PTON	Peloton Interactive	1-Feb (Bef-mkt)	14.6%	-0.36	5.50	-2.57	-2.92	1.03	1.66	-0.32	-1.94
TSCO	Tractor Supply Company	1-Feb (Bef-mkt)	4.2%	0.54	12.07	-6.31	0.17	0.96	1.17	-0.11	-2.08
WHR	Whirlpool	29-Jan (Aft-mkt)	6.3%	0.38	14.01	-7.19	0.24	0.45	0.72	-0.14	-2.36
WOLF	Wolfspeed	31-Jan (Aft-mkt)	17.1%	0.09	14.42	-7.25	0.00	2.10	3.16	-0.53	-2.59
ALGN	Align Technology	31-Jan (Aft-mkt)	12.2%	-0.31	22.80	-11.25	-8.22	0.81	-0.44	0.63	-6.28

Source: BofA Securities, Bloomberg, FactSet. Data as of 26-Jan-2024. * Z-score. ^a current implied move vs the average return on earnings day over the last 8 quarters (Z-score). ^b compares the current cost of next week's straddle with the average cost of the weekly straddles over the last 3m (Z-score). ^c BofA EPS estimate vs consensus (Z-score). Fund holdings as of 31-Dec-2023. Note: Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category. This is a screen and not a recommended list either individually or as a group of stocks and options. Investors should consider the fundamentals of the companies and their own individual circumstances / objectives before making any investment decisions.

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Exhibit 4: Short Calls: companies rank higher if they have high implied vol, low BofA EPS estimates, and are lightly shorted and/or heavily owned

The companies are ranked by how expensive it is to position with calls for a potential earnings surprise. For Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category.

Ticker	Company Name	Report Date	Implied move	Implied move vs history ^a	Earnings straddle premium ^b	Implied vol Score	BofA EPS Score ^c	Fund holdings [*]	Short Interest [*]	Positioning Score	Aggregate Score
WHR	Whirlpool	29-Jan (Aft-mkt)	6.3%	0.38	14.01	7.19	0.24	0.45	0.72	-0.14	2.43
WOLF	Wolfspeed	31-Jan (Aft-mkt)	17.1%	0.09	14.42	7.25	0.00	2.10	3.16	-0.53	2.24
TSCO	Tractor Supply Company	1-Feb (Bef-mkt)	4.2%	0.54	12.07	6.31	0.17	0.96	1.17	-0.11	2.12
SWKS	Skyworks Solutions	30-Jan (Aft-mkt)	5.2%	0.21	10.52	5.37	0.32	-0.86	0.00	-0.43	1.75
ALGN	Align Technology	31-Jan (Aft-mkt)	12.2%	-0.31	22.80	11.25	-8.22	0.81	-0.44	0.63	1.22
REGN	Regeneron Pharmaceuticals	2-Feb (Bef-mkt)	2.8%	-0.18	2.52	1.17	0.20	2.72	-0.61	1.66	1.01
IP	International Paper	1-Feb (Bef-mkt)	3.6%	0.17	2.82	1.49	-0.19	-0.42	-0.30	-0.06	0.41
PTON	Peloton Interactive	1-Feb (Bef-mkt)	14.6%	-0.36	5.50	2.57	-2.92	1.03	1.66	-0.32	-0.22

Source: BofA Securities, Bloomberg, FactSet. Data as of 26-Jan-2024. * Z-score. ^a current implied move vs the average return on earnings day over the last 8 quarters (Z-score). ^b compares the current cost of next week's straddle with the average cost of the weekly straddles over the last 3m (Z-score). ^c BofA EPS estimate vs consensus (Z-score). Fund holdings as of 31-Dec-2023. Note: Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category. This is a screen and not a recommended list either individually or as a group of stocks and options. Investors should consider the fundamentals of the companies and their own individual circumstances / objectives before making any investment decisions.

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Exhibit 5: Short Puts: companies rank higher if they have high implied vol, high BofA EPS estimates, and are heavily shorted and/or lightly owned

The companies are ranked by how expensive it is to position with puts for a potential earnings surprise. For Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category.

Ticker	Company Name	Report Date	Implied move	Implied move vs history ^a	Earnings straddle premium ^b	Implied vol Score	BofA EPS Score ^c	Fund holdings [*]	Short Interest [*]	Positioning Score	Aggregate Score
META	Meta	1-Feb (Aft-mkt)	6.7%	-0.92	21.27	10.18	5.15	1.46	-0.65	-1.06	4.76
AMZN	Amazon	1-Feb (Aft-mkt)	6.1%	-0.92	24.92	12.00	1.05	0.54	-0.78	-0.66	4.13
SBUX	Starbucks	30-Jan (Aft-mkt)	5.3%	-0.19	24.38	12.09	0.03	0.02	-0.68	-0.35	3.92
SOFI	Sofi	29-Jan (Bef-mkt)	16.8%	0.67	17.93	9.30	-0.41	-0.78	2.66	1.72	3.54
GOOG	Alphabet	30-Jan (Aft-mkt)	5.2%	-0.23	17.59	8.68	1.47	0.77	-0.73	-0.75	3.13
UPS	United Parcel Service	30-Jan (Bef-mkt)	5.2%	-0.03	17.73	8.85	0.55	-0.18	-0.47	-0.14	3.09
ADP	Automatic Data Processing	31-Jan (Bef-mkt)	3.8%	-0.37	17.64	8.64	0.38	-0.45	-0.61	-0.08	2.98
MTCH	Match	30-Jan (Aft-mkt)	9.4%	0.40	17.73	9.07	-0.44	0.31	-0.12	-0.22	2.80
QCOM	Qualcomm	31-Jan (Aft-mkt)	5.7%	-0.06	15.84	7.89	-0.39	-0.11	-0.65	-0.27	2.41
CLX	Clorox	1-Feb (Aft-mkt)	5.6%	-0.49	15.15	7.33	-0.49	-0.84	-0.08	0.38	2.41
HES	Hess	31-Jan (Bef-mkt)	2.7%	0.44	0.33	0.39	7.47	1.34	-0.48	-0.91	2.32
MSFT	Microsoft	30-Jan (Aft-mkt)	4.4%	-0.08	15.97	7.94	-0.47	0.67	-0.80	-0.74	2.25
AMD	Advanced Micro Devices	30-Jan (Aft-mkt)	8.3%	0.35	12.71	6.53	-0.09	-0.05	-0.32	-0.13	2.10
AFL	Aflac	31-Jan (Aft-mkt)	2.5%	-0.65	7.92	3.64	2.40	-0.82	-0.46	0.18	2.07
BMJ	Bristol-Myers Squibb	2-Feb (Bef-mkt)	4.7%	1.16	10.67	5.91	0.42	0.11	-0.51	-0.31	2.01
HON	Honeywell	1-Feb (Bef-mkt)	2.8%	-0.28	10.52	5.12	1.30	0.20	-0.60	-0.40	2.01
CHTR	Charter Communications	2-Feb (Bef-mkt)	6.1%	0.42	9.21	4.81	0.77	1.92	1.12	-0.40	1.73
NUE	Nucor	29-Jan (Aft-mkt)	4.7%	-0.21	10.59	5.19	-0.41	-0.15	-0.38	-0.12	1.55
MPC	Marathon Petroleum	30-Jan (Bef-mkt)	3.4%	-0.05	4.42	2.18	2.02	-0.77	-0.30	0.24	1.48
AAPL	Apple	1-Feb (Aft-mkt)	3.3%	-0.45	9.37	4.46	-0.13	-0.20	-0.80	-0.30	1.34
PHM	PulteGroup	30-Jan (Bef-mkt)	4.7%	0.25	8.29	4.27	-0.24	-0.15	-0.54	-0.19	1.28
MA	Mastercard	31-Jan (Bef-mkt)	3.3%	0.48	9.76	5.12	-0.65	1.33	-0.65	-0.99	1.16
PFE	Pfizer	30-Jan (Bef-mkt)	4.1%	2.37	6.08	4.23	-0.74	-0.27	-0.61	-0.17	1.11
MET	MetLife	31-Jan (Aft-mkt)	2.6%	0.15	4.99	2.57	1.34	1.10	-0.49	-0.79	1.04
CBOE	CBOE Global Markets	2-Feb (Bef-mkt)	2.5%	-0.12	5.64	2.76	0.35	-0.66	-0.69	-0.02	1.03
CLF	Cleveland-Cliffs	29-Jan (Aft-mkt)	5.6%	-0.29	4.34	2.02	0.43	-0.76	0.13	0.45	0.97
GLW	Corning	30-Jan (Bef-mkt)	4.2%	0.24	5.93	3.09	-0.38	-0.62	-0.60	0.01	0.90
PSX	Phillips 66	31-Jan (Bef-mkt)	2.6%	0.31	4.24	2.27	0.14	-0.76	-0.48	0.14	0.85
MDLZ	Mondelez	30-Jan (Aft-mkt)	3.0%	0.91	5.70	3.31	-0.37	0.48	-0.72	-0.60	0.78
GM	General Motors	30-Jan (Bef-mkt)	4.5%	0.48	4.95	2.71	-0.80	0.57	0.38	-0.09	0.61
TMO	Thermo Fisher Scientific	31-Jan (Bef-mkt)	4.0%	0.36	5.28	2.82	-0.57	0.57	-0.62	-0.60	0.55
BA	Boeing	31-Jan (Bef-mkt)	4.2%	0.03	4.68	2.35	-0.43	0.58	-0.48	-0.53	0.46
ABBV	AbbVie	2-Feb (Bef-mkt)	3.2%	-0.61	5.55	2.47	-0.76	0.03	-0.65	-0.34	0.46
MRK	Merck	1-Feb (Bef-mkt)	2.2%	-0.18	3.44	1.63	-0.17	-0.34	-0.64	-0.15	0.44
BSX	Boston Scientific	31-Jan (Bef-mkt)	2.9%	0.37	1.85	1.11	1.00	1.17	-0.63	-0.90	0.40
CVX	Chevron	2-Feb (Bef-mkt)	2.1%	-0.56	5.48	2.46	-1.23	-0.28	-0.34	-0.03	0.40
XOM	Exxon Mobil	2-Feb (Bef-mkt)	2.2%	-0.40	2.15	0.87	0.29	-0.28	-0.45	-0.08	0.36
DHR	Danaher	30-Jan (Bef-mkt)	4.6%	0.19	3.80	2.00	-0.25	0.97	-0.63	-0.80	0.32
MO	Altria	1-Feb (Bef-mkt)	2.4%	-0.04	1.72	0.84	-0.13	-0.13	-0.74	-0.31	0.13
CI	Cigna	2-Feb (Bef-mkt)	4.3%	0.16	5.59	2.87	-1.51	1.48	-0.58	-1.03	0.11

Source: BofA Securities, Bloomberg, FactSet. Data as of 26-Jan-2024. * Z-score. ^a current implied move vs the average return on earnings day over the last 8 quarters (Z-score). ^b compares the current cost of next week's straddle with the average cost of the weekly straddles over the last 3m (Z-score). ^c BofA EPS estimate vs consensus (Z-score). Fund holdings as of 31-Dec-2023. Note: Implied vol Score, BofA EPS Score, and Positioning Score, a higher number means the stock ranks higher in that category. This is a screen and not a recommended list either individually or as a group of stocks and options. Investors should consider the fundamentals of the companies and their own individual circumstances / objectives before making any investment decisions.

BofA GLOBAL RESEARCH

Exhibit 6: Underlying Data

Data behind the Z-scores shown in Exhibits 1-5

Ticker	Company Name	Sector	Report Date	Implied move	Average absolute move vs past 8Q	Earnings straddle premium vs 3m avg.	BofA EPS Estimate	Fund weight relative to index	Fund weight relative to sector	Short Interest	Days to cover
AAPL	Apple	Information Technology	1-Feb (Aft-mkt)	3.3%	4.2%	2.01	2.10	59.6%	59.2%	0.7%	1.78
ABBV	AbbVie	Health Care	2-Feb (Bef-mkt)	3.2%	4.4%	1.93	2.73	79.5%	69.0%	0.8%	2.53
ADP	Automatic Data Processing	Industrials	31-Jan (Bef-mkt)	3.8%	5.0%	2.41	2.11	35.3%	34.6%	0.9%	2.17
AFL	Aflac	Financials	31-Jan (Aft-mkt)	2.5%	3.8%	1.91	1.59	2.1%	2.2%	1.7%	4.97
ALGN	Align Technology	Health Care	31-Jan (Aft-mkt)	12.2%	14.7%	3.29	2.57	144.1%	125.0%	2.1%	1.38
AMD	Advanced Micro Devices	Information Technology	30-Jan (Aft-mkt)	8.3%	7.0%	2.43	0.77	71.0%	70.5%	2.8%	0.59
AMZN	Amazon	Consumer Discretionary	1-Feb (Aft-mkt)	6.1%	9.0%	2.73	1.35	128.2%	122.7%	0.9%	1.75
BA	Boeing	Industrials	31-Jan (Bef-mkt)	4.2%	4.2%	1.74	-0.86	119.5%	117.1%	1.7%	0.88
BMJ	Bristol-Myers Squibb	Health Care	2-Feb (Bef-mkt)	4.7%	2.7%	2.15	1.55	86.3%	74.9%	1.6%	2.02
BSX	Boston Scientific	Health Care	31-Jan (Bef-mkt)	2.9%	2.1%	1.56	0.52	173.5%	150.6%	0.9%	1.99
CBOE	CBOE Global Markets Charter	Financials	2-Feb (Bef-mkt)	2.5%	2.6%	1.62	2.05	15.3%	15.9%	0.4%	0.60
CHTR	Comcast Communications	Communication Services	2-Feb (Bef-mkt)	6.1%	4.9%	2.21	9.23	224.4%	174.9%	13.1%	11.91
CI	Cigna	Health Care	2-Feb (Bef-mkt)	4.3%	4.0%	1.96	6.45	198.7%	172.4%	1.2%	2.00
CLF	Cleveland-Cliffs	Materials	29-Jan (Aft-mkt)	5.6%	6.4%	1.70	-0.04	0.5%	0.5%	5.0%	2.51
CLX	Clorox	Consumer Staples	1-Feb (Aft-mkt)	5.6%	7.3%	2.69	1.03	5.7%	7.7%	3.5%	4.03
CVX	Chevron	Energy	2-Feb (Bef-mkt)	2.1%	3.7%	1.43	3.00	57.4%	66.9%	2.8%	5.09
DHR	Danaher	Health Care	30-Jan (Bef-mkt)	4.6%	4.0%	1.53	1.87	157.3%	136.5%	0.9%	2.08
GLW	Corning	Information Technology	30-Jan (Bef-mkt)	4.2%	3.4%	1.85	0.39	26.3%	26.1%	1.6%	2.61
GM	General Motors	Consumer Discretionary	30-Jan (Bef-mkt)	4.5%	3.5%	1.65	1.05	130.8%	125.1%	8.8%	6.69
GOOG	Alphabet	Communication Services	30-Jan (Aft-mkt)	5.2%	5.9%	2.53	2.01	133.0%	103.7%	0.7%	1.74
HES	Hess	Energy	31-Jan (Bef-mkt)	2.7%	2.0%	1.06	2.46	195.2%	227.6%	2.0%	2.15
HON	Honeywell	Industrials	1-Feb (Bef-mkt)	2.8%	3.5%	1.96	2.62	88.4%	86.6%	0.9%	2.11
IP	International Paper	Materials	1-Feb (Bef-mkt)	3.6%	3.1%	1.62	0.35	32.0%	35.1%	2.6%	3.17
MA	Mastercard	Financials	31-Jan (Bef-mkt)	3.3%	2.5%	2.06	3.06	178.4%	185.2%	0.7%	2.14
MDLZ	Mondelez	Consumer Staples	30-Jan (Aft-mkt)	3.0%	1.9%	1.96	0.77	114.5%	155.2%	1.1%	2.51
MET	MetLife	Financials	31-Jan (Aft-mkt)	2.6%	2.2%	1.49	2.09	159.2%	165.4%	1.5%	2.31
META	Meta	Communication Services	1-Feb (Aft-mkt)	6.7%	14.9%	2.63	6.31	187.7%	146.3%	1.3%	1.70
MO	Altria	Consumer Staples	1-Feb (Bef-mkt)	2.4%	2.5%	1.64	1.16	64.3%	87.2%	1.0%	1.78
MPC	Marathon Petroleum	Energy	30-Jan (Bef-mkt)	3.4%	3.5%	1.32	2.76	15.3%	17.8%	3.0%	3.64
MRK	Merck	Health Care	1-Feb (Bef-mkt)	2.2%	2.4%	1.43	-0.11	48.8%	42.4%	0.8%	2.39
MSFT	Microsoft	Information Technology	30-Jan (Aft-mkt)	4.4%	4.6%	2.39	2.74	127.4%	126.4%	0.7%	2.08
MTCH	Match	Communication Services	30-Jan (Aft-mkt)	9.4%	7.2%	2.56	0.50	96.3%	75.0%	4.8%	2.01
NUE	Nucor	Materials	29-Jan (Aft-mkt)	4.7%	5.2%	2.01	2.83	57.5%	63.1%	2.2%	3.59
PFE	Pfizer	Health Care	30-Jan (Bef-mkt)	4.1%	1.7%	1.67	-0.28	54.2%	47.1%	1.0%	1.12
PHM	PulteGroup	Consumer Discretionary	30-Jan (Bef-mkt)	4.7%	4.1%	1.75	3.20	66.0%	63.1%	2.6%	2.73
PSX	Phillips 66	Energy	31-Jan (Bef-mkt)	2.6%	2.1%	1.33	2.36	16.4%	19.1%	2.1%	3.00
PTON	Peloton Interactive	Consumer Discretionary	1-Feb (Bef-mkt)	14.6%	17.0%	2.00	-0.22	171.7%	164.3%	17.4%	3.85
QCOM	Qualcomm	Information Technology	31-Jan (Aft-mkt)	5.7%	5.9%	2.48	2.35	66.0%	65.6%	1.4%	1.86
REGN	Regeneron Pharmaceuticals	Health Care	2-Feb (Bef-mkt)	2.8%	3.2%	1.44	10.38	301.1%	261.4%	1.0%	1.63
SBUX	Starbucks	Consumer Discretionary	30-Jan (Aft-mkt)	5.3%	5.9%	3.18	0.93	80.8%	77.3%	1.6%	2.31
SOFI	Sofi	Financials	29-Jan (Bef-mkt)	16.8%	10.9%	2.75	0.00	5.5%	5.7%	18.7%	3.45
SWKS	Skyworks Solutions	Information Technology	30-Jan (Aft-mkt)	5.2%	4.5%	2.12	1.95	7.9%	7.9%	4.2%	3.66
TMO	Thermo Fisher Scientific	Health Care	31-Jan (Bef-mkt)	4.0%	3.2%	1.80	5.63	124.1%	107.7%	0.9%	1.97
TSCO	Tractor Supply Company	Consumer Discretionary	1-Feb (Bef-mkt)	4.2%	3.3%	1.80	2.22	165.6%	158.4%	14.1%	11.19
UPS	United Parcel Service	Industrials	30-Jan (Bef-mkt)	5.2%	5.3%	2.60	2.49	57.6%	56.4%	1.8%	3.51
WHR	Whirlpool	Consumer Discretionary	29-Jan (Aft-mkt)	6.3%	4.6%	2.24	3.61	119.7%	114.5%	11.1%	6.90
WOLF	Wolfpack	Information Technology	31-Jan (Aft-mkt)	17.1%	16.3%	2.58	-0.63	239.0%	237.3%	18.1%	5.69
XOM	Exxon Mobil	Energy	2-Feb (Bef-mkt)	2.2%	2.8%	1.42	2.23	57.1%	66.6%	2.2%	4.29

Source: BofA Securities, Bloomberg, FactSet. Data as of 26-Jan-2024. The column "earnings straddle premium vs 3m avg." compares the current cost of next week's straddle with the average cost of the weekly straddles over the last 3m. Fund holdings as of 31-Dec-2023.

BofA GLOBAL RESEARCH



Methodology

Starting from the universe of Russell 1000 stocks expected to report earnings during the week of 29-Jan (and which have listed weekly options), we rank the stocks based on:

- *Option-based measures*: how expensive vs history are calls and puts expiring on the Friday after earnings
- *Fundamental measures*: how this quarter's BofA EPS estimates compare to the Bloomberg consensus
- *Positioning measures*: how heavily owned or shorted the underlying stocks are

To be included, stocks must have weekly options that trade on average more than \$1 million notional per day.

Stocks rated Buy/Neutral by BofA fundamental analysts are included in the Long Calls and Short Puts screens. Stocks with BofA Underperform ratings are included in the Short Calls and Long Puts screens.

The inputs to the screens are the following:

- **Option-based measures**: how cheap or expensive options are going into earnings.
 - *Implied move vs history*: A stock's implied move around this quarter's earnings release, compared to the realized moves on earnings days in the last 8 quarters (or however many quarters a stock has been listed for, if less than 8). Realized moves are the 1-day moves from the close prior to the earnings announcement to the following close.
 - *Earnings straddle premium*: The cost of a straddle expiring Friday of earnings week, compared to the average cost of that stock's weekly straddle over the last 3 months
- **Fundamental BofA estimates**: how the stocks' BofA EPS estimates compare to other firms' estimates (Bloomberg consensus).
 - The BofA EPS Score column is formatted such that a higher number yields a higher ranking. In other words, a high BofA EPS vs consensus yields a higher ranking in the Long Calls and Short Puts screens, and a lower ranking in the Long Puts and Short Calls screens.
- **Positioning measures**: how heavily owned or shorted the underlying stocks are.
 - *Fund holdings*: A stock's average weight in fund holdings (from 13F reports, compiled by FactSet), relative to stocks in both the same sector and the Russell 1000 index (average of the two)
 - *Short interest*: A stock's estimated short interest as a percentage of float (reported with a 2-day lag), relative to stocks in both the same sector and the Russell 1000 index (average of the two)

The scores for each category and the aggregate score are computed as follows:

Options Score:

- **Long calls**: average[-(Implied move vs history), -(Earnings straddle premium)]
- **Long puts**: average[-(Implied move vs history), -(Earnings straddle premium)]
- **Short calls**: average[+(Implied move vs history), +(Earnings straddle premium)]
- **Short puts**: average[+(Implied move vs history), +(Earnings straddle premium)]s



BofA EPS Score:

- **Long calls:** + BofA EPS estimates vs consensus
- **Long puts:** - BofA EPS estimates vs consensus
- **Short calls:** - BofA EPS estimates vs consensus
- **Short puts:** + BofA EPS estimates vs consensus

Positioning Score:

- **Long calls:** average[-(Fund holdings), +(Short interest)]
- **Long puts:** average[+(Fund holdings), -(Short interest)]
- **Short calls:** average[+(Fund holdings), -(Short interest)]
- **Short puts:** average[-(Fund holdings), +(Short interest)]

Aggregate Score is the average of *Implied vol Score*, *BofA EPS Score*, and *Positioning Score*.

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