

A close-up photograph of a lit sparkler against a dark background. The sparkler is positioned diagonally, with its handle in the upper right and its tip in the lower left. A dense, bright burst of golden-yellow sparks erupts from the tip, radiating outwards in all directions. The sparks vary in length and intensity, creating a dynamic and festive visual. The handle of the sparkler is dark and textured, with some sparks visible near the base.

Trend Watch

Oversold, High Value

January 2023



A Letter From Our Founders

We're kicking off the New Year with positive momentum!

On the consumer front, that is.

Early signs reveal that traders and investors are feeling more confident.

In fact, mentions from investors trading (and investing in) stocks are off to the strongest start we've seen in years.

It's a powerful sign to see trading activity build, as it speaks to growing consumer confidence in the overall market and economic state.

It also means the market is ripe for opportunity.

Right now, we're focusing on high-value names that appear to be oversold.

Meaning, shares are down significantly at the same time that LikeFolio's proprietary consumer metrics and macro trends showcase the potential for long-term growth.

Here are five names we're watching that we think the market may be underestimating.

Enjoy,

Andy and Landon Swan

High-Value, Oversold Stocks



Nvidia (NVDA)

Nvidia is positioning itself well for the long game, especially when it comes to artificial intelligence and super computing. In the near term, success with its RTX 40 series line may surprise investors.



Fiverr (FVRR)

Freelancing is here for the long haul, and Fiverr stands to be a major beneficiary. Users increasingly report turning to the platform to access specialized skills to save valuable time and, more importantly, money.



Amazon (AMZN)

Amazon is feeling the near-term pain of slowing growth in its core businesses, eCommerce and cloud infrastructure. However, these pains are likely to subside alongside economic improvement.



Shopify (SHOP)

Consumer mentions of using one of Shopify's services, including checking out as a consumer or building a robust eCommerce site and fulfillment network as a merchant, are rising again, and rising fast. With happiness high and eCommerce as relevant as ever, Shopify appears poised for unexpected levels of growth.

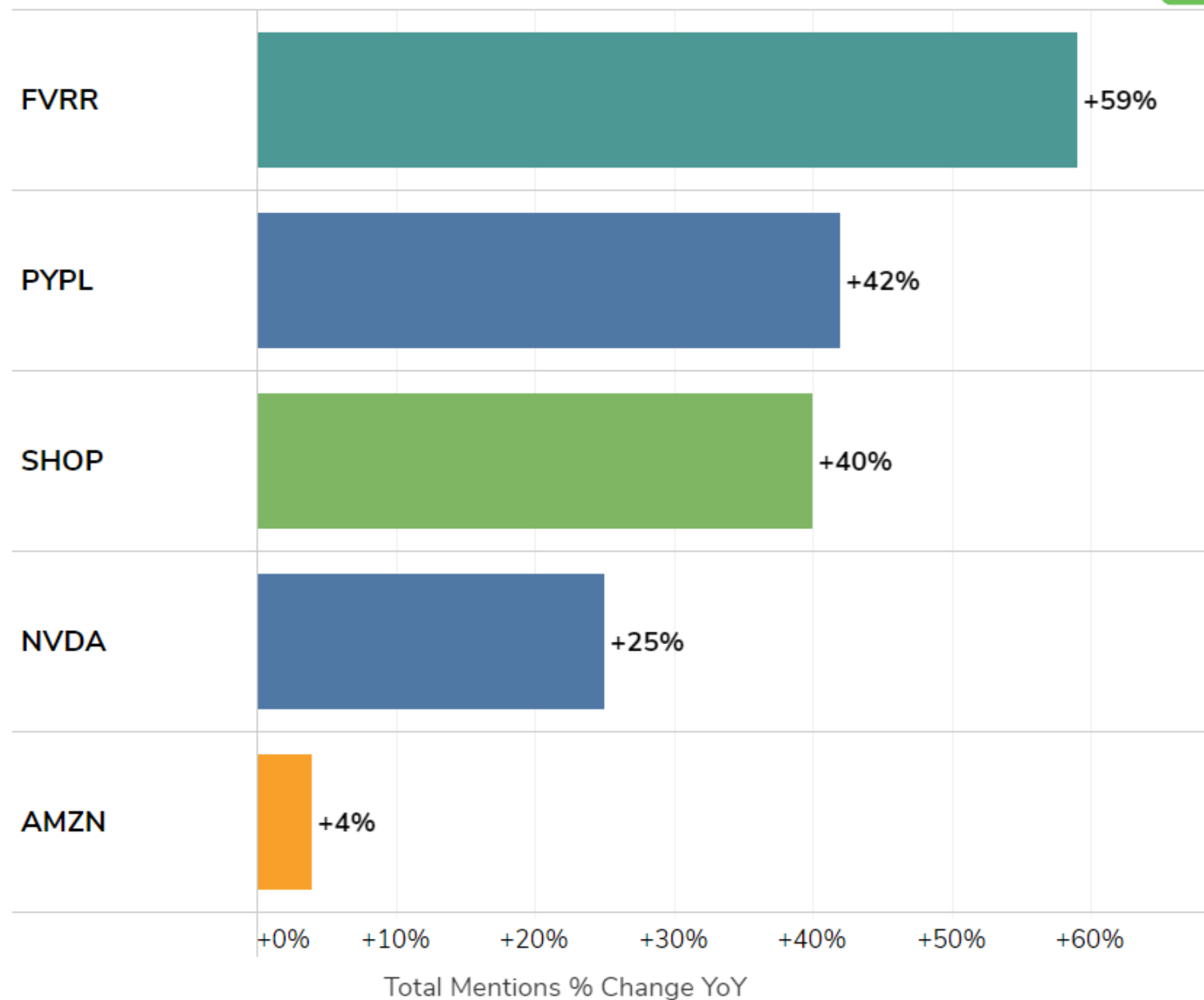


Paypal (PYPL)

PayPal is focused on improvements and expansion, carefully tailoring its digital payment tools to meet consumer expectations (mobile purchases, single point-of-sale) and partnering with big players (AAPL). Sentiment recovery following a policy scandal looks positive.

High-Value, Oversold Stocks

YoY Change in Total Mentions, 90-day Moving Average



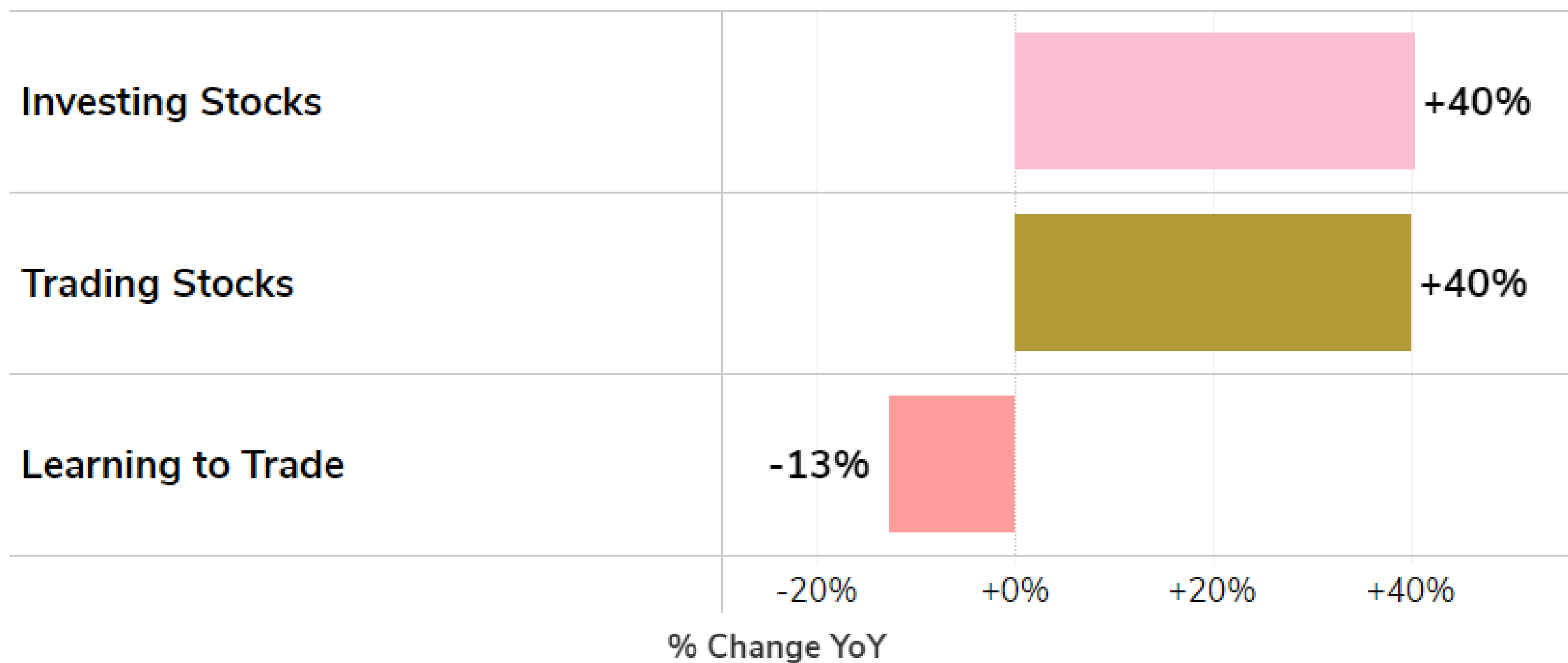
Trend Watch





Trend Watch: Rising Investor Confidence

YoY % Change, 90-day Moving Average



Macro Trend Watch:

LikeFolio data shows traders and investors are getting back in in the game. Mentions of investing in and trading stocks have risen significantly year-over-year (YoY). This is an early indicator that investor outlook is shifting more bullish, long-term.

In addition, the insight that fewer new traders are entering the market tells us this activity is driven by more experienced traders and investors.

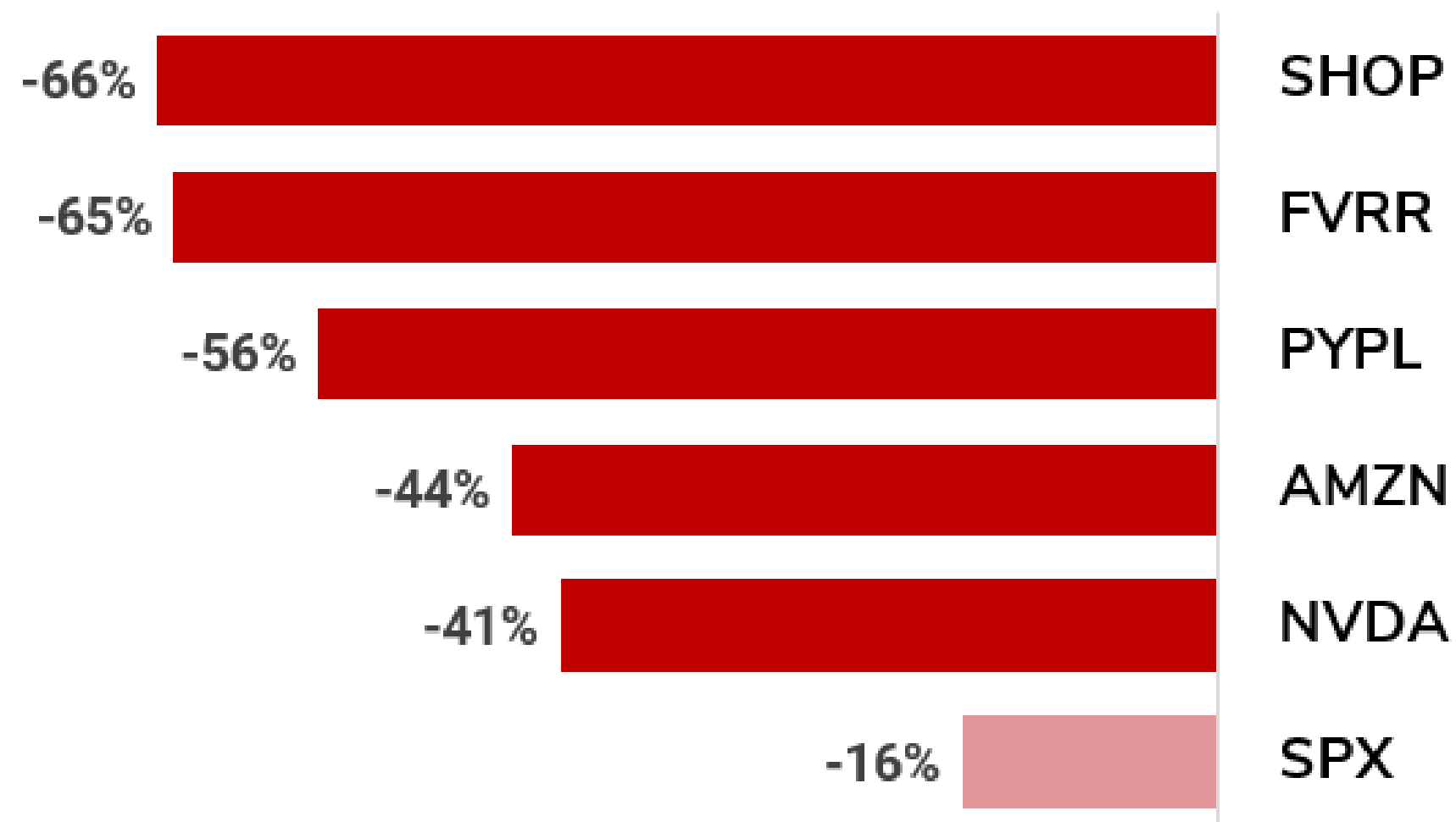


Stock Performance vs. S&P 500 YoY

Date of Reference: Jan. 10, 2023



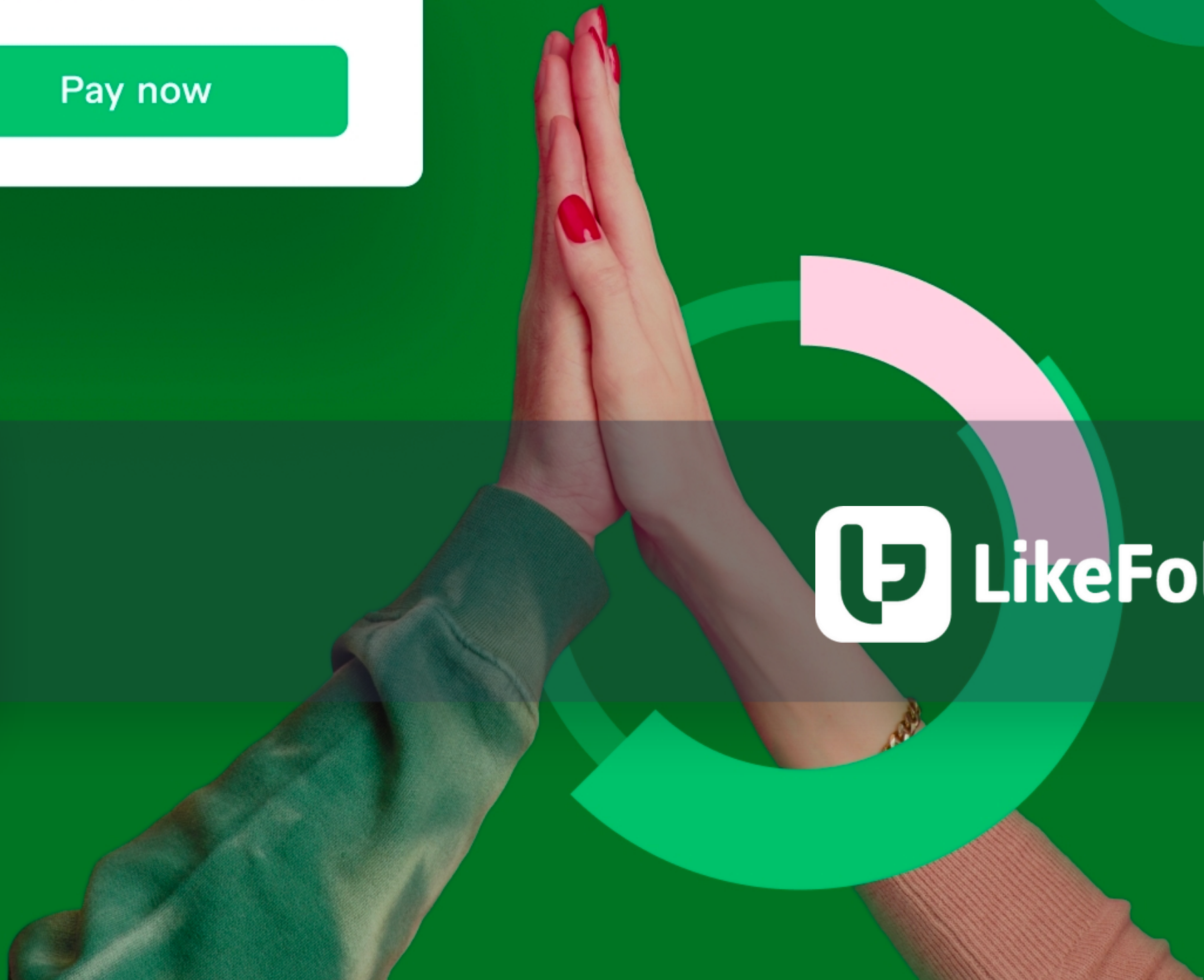
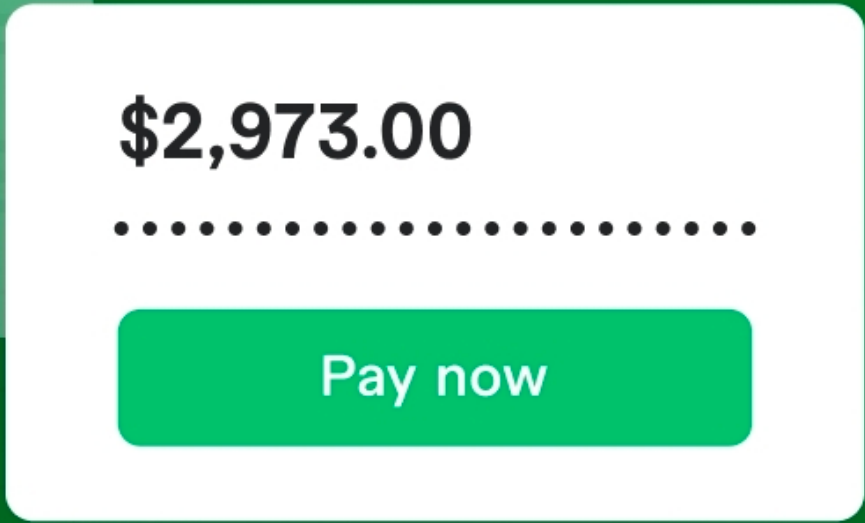
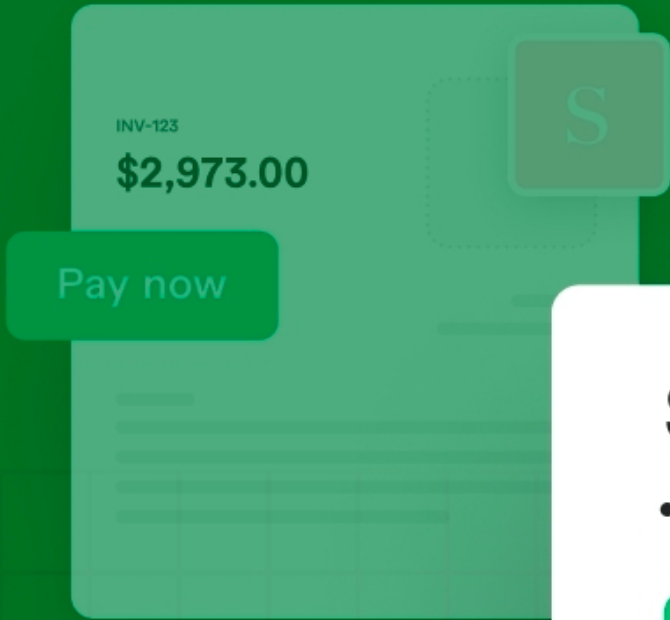
Trend Watch: Relative Market Weakness



Macro Trend Watch:

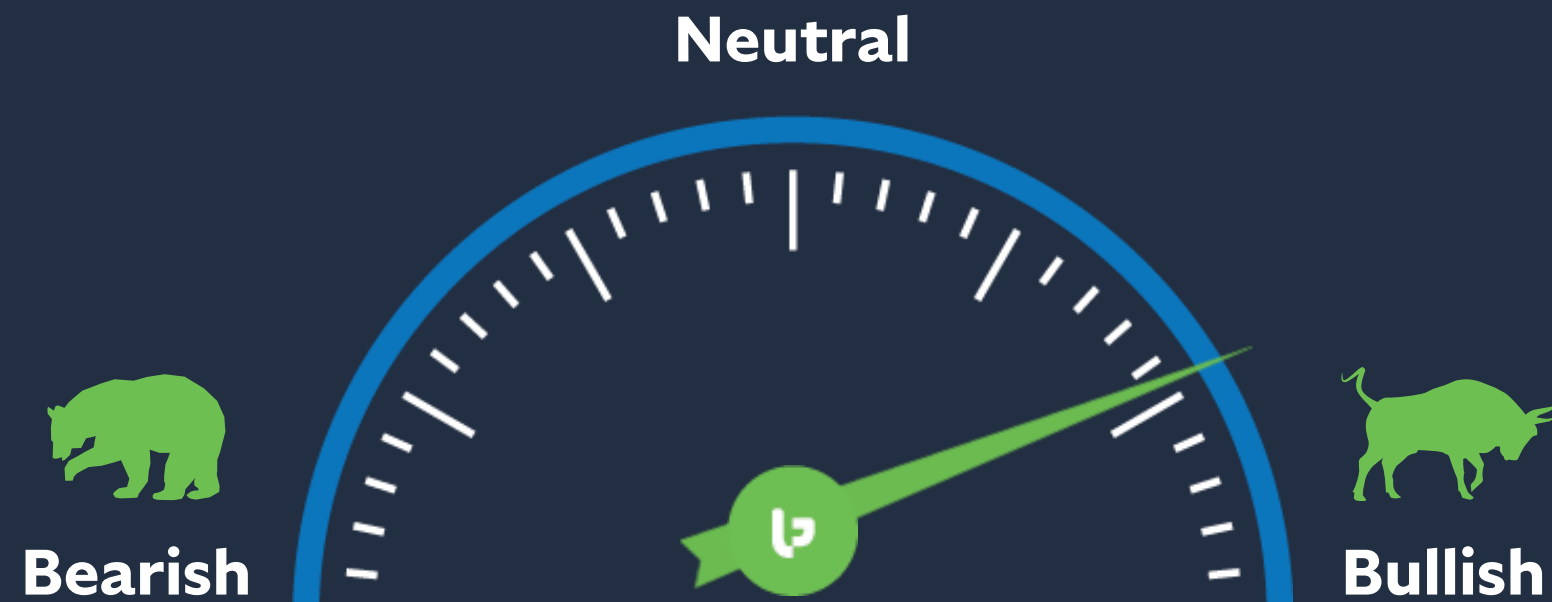
The S&P 500 serves as an excellent benchmark for analyzing the health of the U.S. market and understanding where individual equities stand. The S&P is down around -16% YoY (at the time of analysis, Jan. 10). In contrast, the five names featured in this report have shed more than -40% in value in the same time frame. This means these stocks are greatly underperforming the larger market. However, each boasts improving consumer metrics, suggesting divergence is building (divergence in this instance is defined as the difference in stock performance vs. consumer metrics).





Key Points

FVRR: *Fiverr*



fiverr.

Global Web Visits:
+6% YoY

Global Unique Audience:
+14% YoY

Purchase Intent:
+59% YoY

Actionable Trade Ideas

Simple

Purchase shares of FVRR at \$37 or below.

Option Play

Buy FVRR Jan. '24 30/50 Call Spread @ \$6.00

Max Gain: FVRR trading above \$50 on Jan. 19, 2024: +\$1,400 per contract

Max Loss: FVRR trading below \$30 on Jan. 19, 2024: -\$600 per contract

Risk Management

****ON ALL TRADES**, it is important to use proper risk management to correctly allocate and protect your capital.

We believe this stock could gain by more than 100% within the next two years.



Andy's Pick

Company Updates: FVRR

Fiverr is a popular online global marketplace that connects freelancers and businesses for digital services. Its goal is to "revolutionize how the world works together." Fiverr's Talent Cloud helps companies connect with skilled professionals worldwide across more than 550 categories (3D design, digital marketing, content creation, video animation, architecture, etc.).

Strong Q3 results were highlighted by both revenue (+11% YoY) and adjusted EPS (+11% YoY) at the high end of internal expectations and the Street. FVRR streamlined its workforce in July 2022 contributing to a 250bps adjusted EBITDA margin expansion. Core Promoted Gigs and Seller Plus offerings contributed to a continued expansion of the take rate to 30%. Active buyers grew 3% to 4.2 million, and "spend per buyer" increased 12% to \$262. FVRR went on a 37%, three-day run from the day of the report and has since pulled back significantly.

Fiverr recently expanded into project management via Project Partner for Fiverr Business buyers. The value-added service supports the execution of large projects and a seamless experience on the platform.

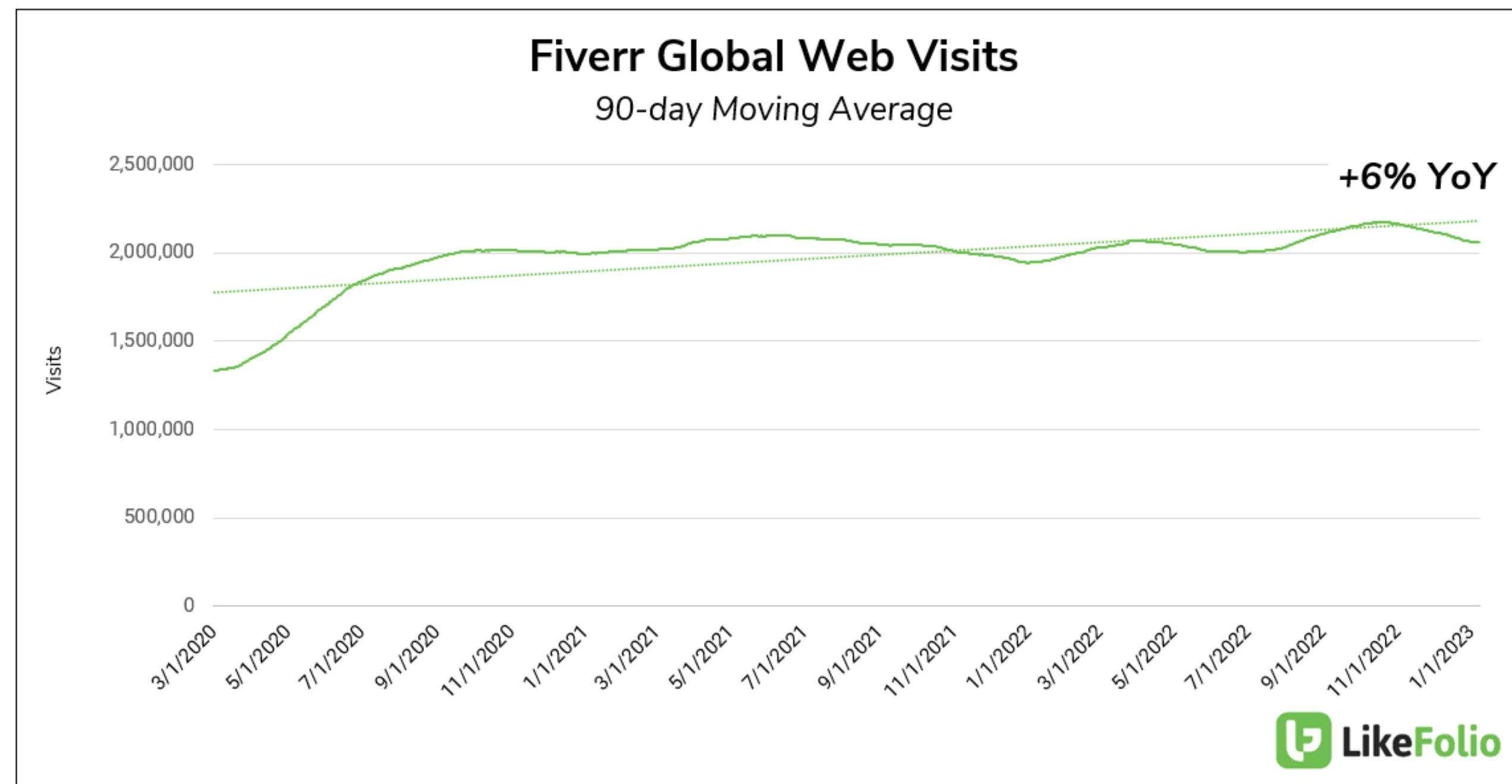
Last month Fiverr launched a Recession Resource Hub called "The Lift" for small to medium businesses and entrepreneurs to help them navigate a challenging economic period. It features on-demand articles and guides from business experts related to financial assessment, business strategy, talent outsourcing, and marketing tactics.

An estimated 97% of freelancing is still done offline, giving FVRR an enormous growth opportunity. With only 3% online, FVRR refers to freelancing as 'an old school business'. The U.S. market alone, combining independent skilled creative, technical, and professional services, is \$247 billion. A study found that 36% of the entire U.S. workforce performs freelance work.





FVRR: Global Page Visits



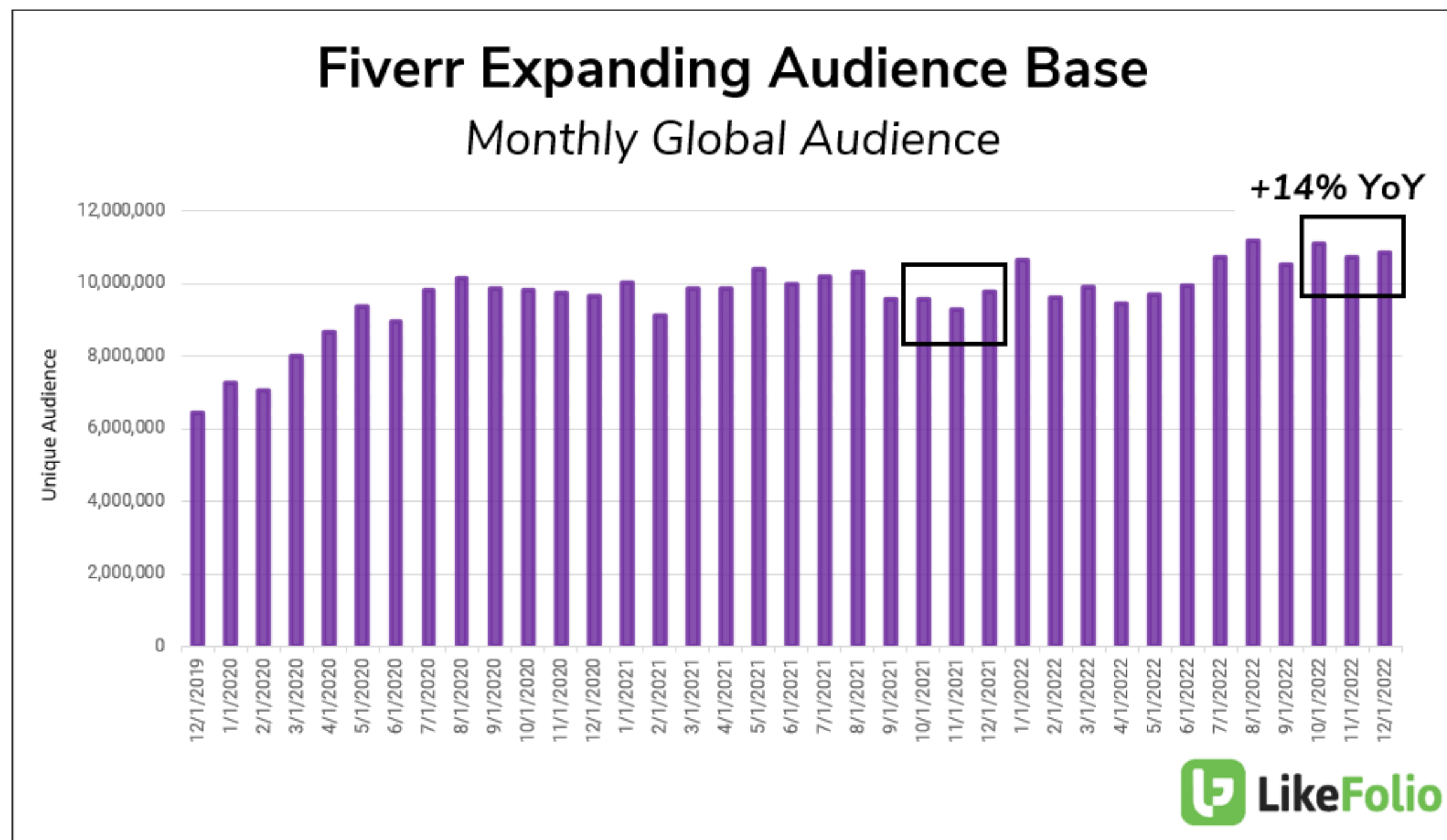
Key Takeaway:

Fiverr freelance adoption rocketed at the onset of the pandemic, and the platform has maintained its high usage rate. Global web visit growth has slowed but shows continued upward progress, with visits through January rising +6% on a YoY basis.





FVRR: Global Unique Audience



Key Takeaway:

Fiverr's audience base is expanding at an accelerating pace.

Fiverr's global unique audience grew by 14% YoY, comparing October to December 2022 versus 2021. This is a noted improvement versus the prior three-month period, where YoY growth was +8% YoY.





FVRR: Purchase Intent



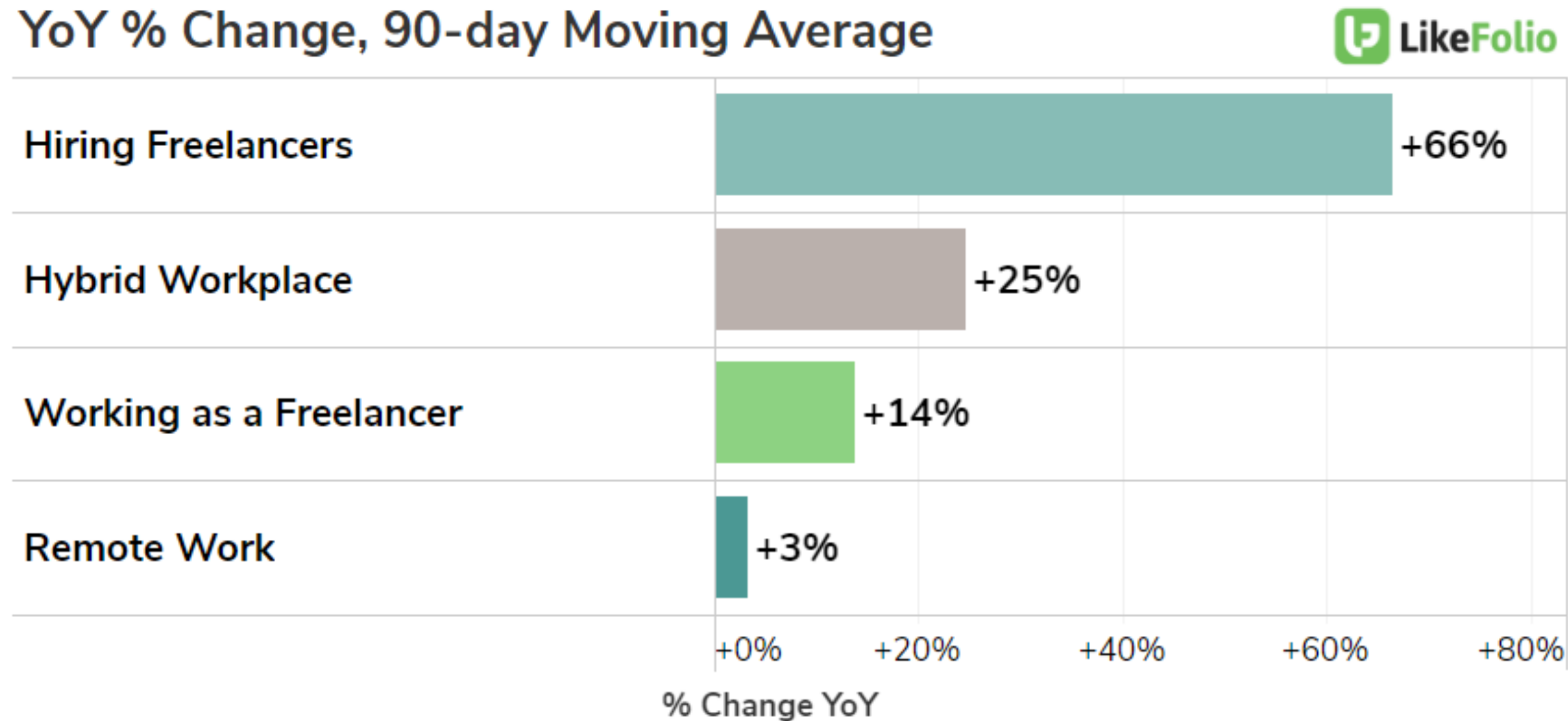
Key Takeaway:

Consumer mentions of using Fiverr are at all-time highs despite the stock's sell-off over the last two years. Demand has risen by +59% YoY, driven by mentions from consumers using Fiverr to save time and leverage a specific skillset for a project underway.





Trend Watch: Flexible Policies Support Freelance



Macro Trend Watch:

Some pandemic lifestyle changes are stickier than others. A key example of this is a hybrid (and more remote) work place. This flexible working environment, supported by digital collaboration tools, serves as a major tailwind for freelance platforms. Consumer mentions of working as a freelancer have risen by +14% YoY, and mentions of hiring freelancers have risen at an even steeper clip: +66% YoY. We see this tailwind sticking around for years to come.





FVRR: Providing Value to Users



Travis @travismakes · Jan 5

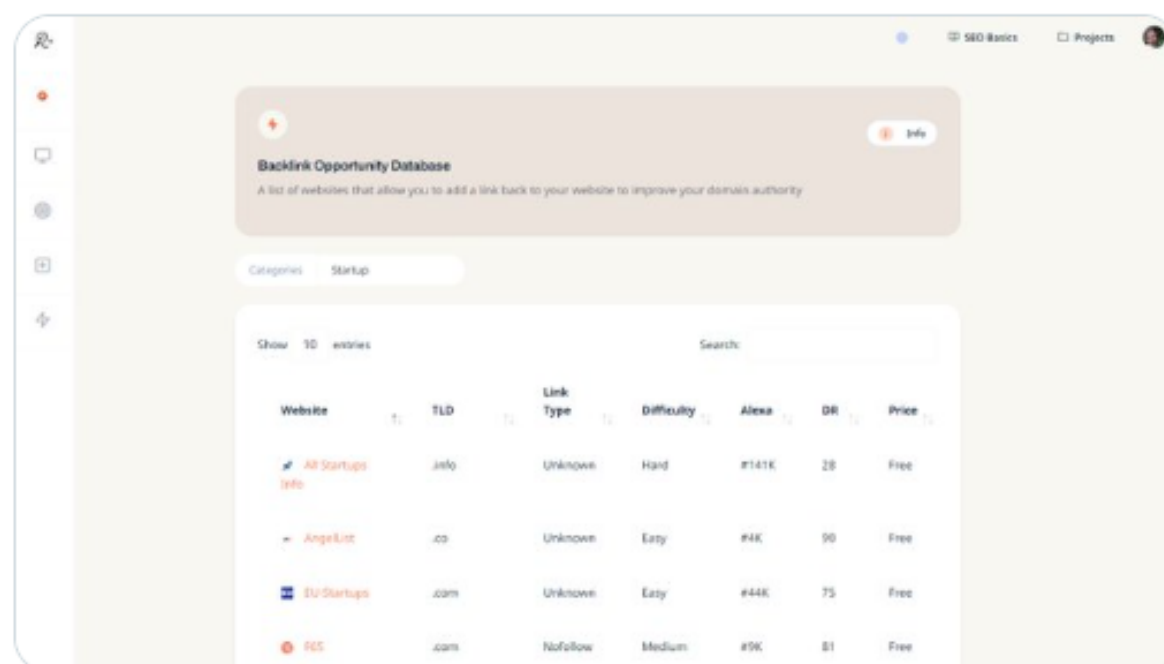
I spent ~10 days over 3 months trying to code this basic AJAX datatable function.

I finally gave up and **hired** someone on **Fiverr** to do it.

It took him a day and cost me \$150.

I have to constantly remind myself about the value of my time.

[#buildinpublic](#)



1,331 8 21



Meredith Tucker @Meredith_author · Dec 27, 2022

Where do you get your book covers? Do you hire someone, use pre-made ones or design them yourself?

35.9K 209 34 223



Leah Marie Brock (WITHIN MY SKIN is on AMAZON!) @LeahMBrock

Replying to @Meredith_author

I hired an artist on Fiverr! I don't have the skills to make a quality cover myself, nor did any of the premade options I looked at click with me.

1:09 PM · Dec 27, 2022 · 166 Views



THOMAS VELI @thomasveli · 1h

Most of the **time** I like to do things myself and be self-sufficient, but some skills are just out of my scope. Just hired my first VFX editor. Can't wait to see how this one turns out 🙌

Also shoutouts [@fiverr](#) 🙌



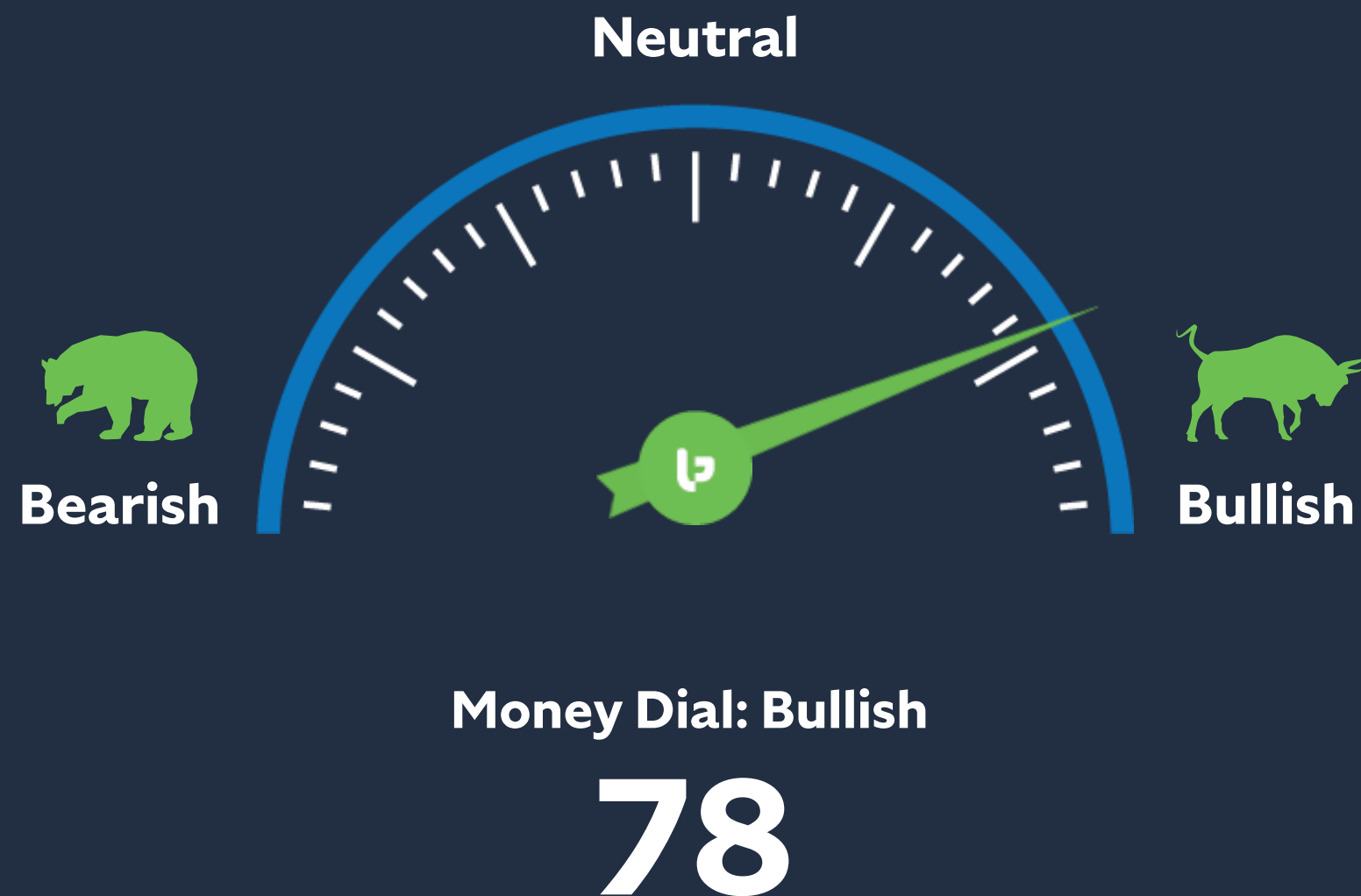
A person is sitting on a grey couch, using a laptop. The laptop screen displays a website with several product listings. The person's hand is holding a credit card. The background is a bright, sunny outdoor scene with a white fence.

SHOP



Key Points

SHOP: Shopify



Sentiment:
78% positive, -4% YoY

Mentions:
+40% YoY

Global Web Visits:
+27% YoY

Actionable Trade Ideas

Simple

Purchase shares of SHOP at \$40 or below.

Option Play

**Buy SHOP Jan. '24 35/45
Call Spread @ \$4.50**

Max Gain: SHOP trading above \$45 on Jan. 19, 2024
+\$550 per contract

Max Loss: SHOP trading below \$35 on Jan. 19, 2024
-\$450 per contract

Risk Management

****ON ALL TRADES**, it is important to use proper risk management to correctly allocate and protect your capital.

We believe this stock could gain by more than 80% within the next two years.



Landon's Pick

Company Updates: SHOP

Shopify provides a cloud-based commerce platform that allows small and medium-sized merchants to deliver an integrated physical and online marketplace. Customers get a single view of multiple sales channels -- websites, mobile, physical retail, social media storefronts, and online marketplaces. SHOP president Harvey Finkelstein characterized Shopify as the "central nervous system" that powers millions of businesses globally.

Shopify beat consensus revenue and non-GAAP loss expectations in Q3. Revenue growth accelerated to 22% from 16% in Q2, and the net loss per share improved sequentially to -\$0.02. Gross Merchandise Volume (GMV) for Shopify merchants in Q3 grew faster than GMV for the broader U.S. online and offline retail markets. Management has a plan to return the company to non-GAAP profitability, although it warned of more losses ahead as it shifts to a more sustainable business model. The post-pandemic slowdown in online sales hurt SHOP in 2022 and inflation is hurting discretionary spending, creating a challenge for SHOP merchants.

SHOP completed a \$2.1 billion acquisition of fulfillment technology provider Deliverr in July to boost its fulfillment operations. The integration of Deliverr software, which reduces the complexity of fragmented supply chain management, streamlines logistics to provide simplicity and scale. The Shopify fulfillment network is designed to simplify logistics from "port to porch," shipping products from overseas manufacturers to U.S. ports and then onto home delivery in two days or less (competitive with Amazon).

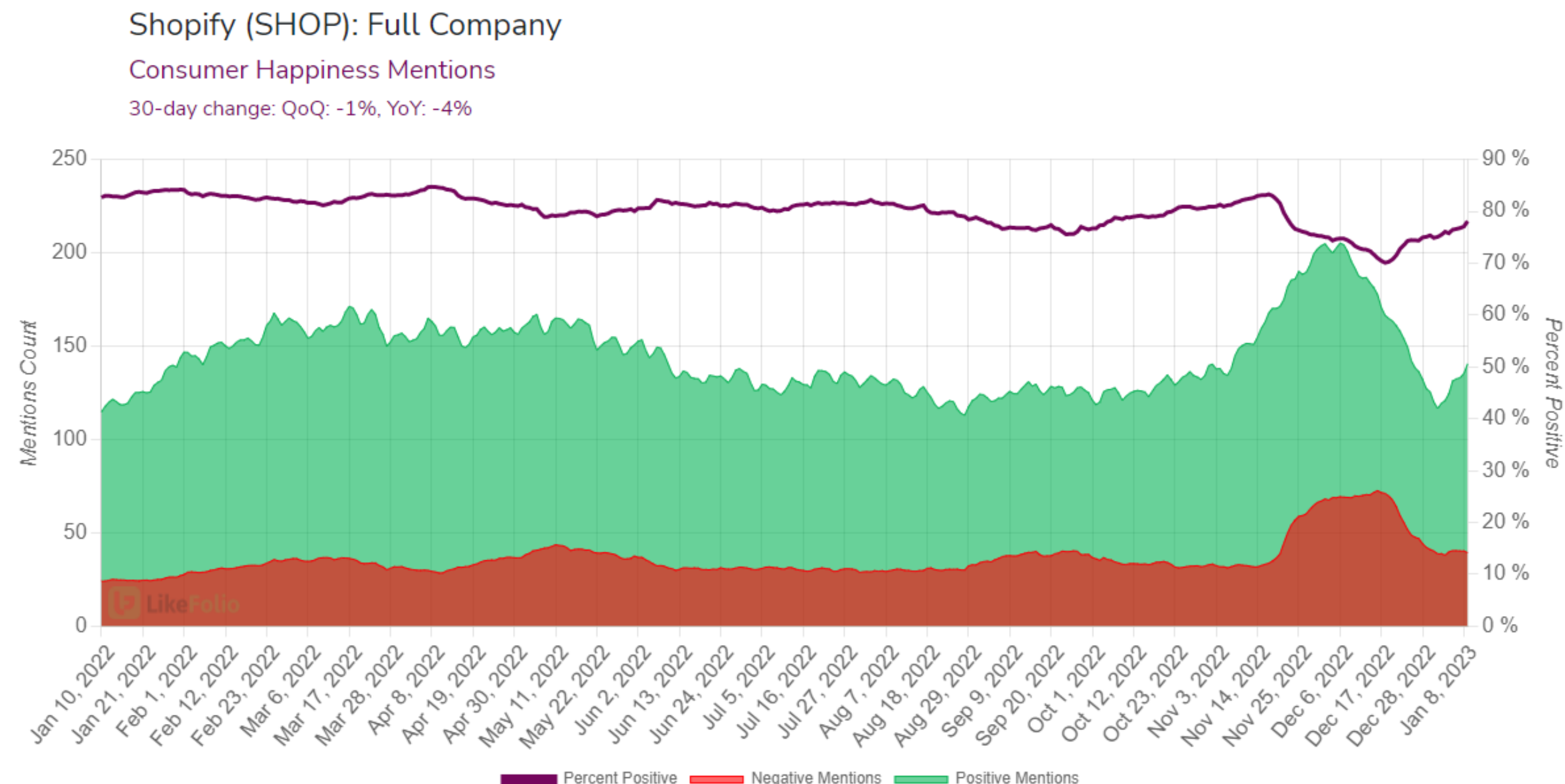
Also in Q3, SHOP launched Shopify Collabs, a sales channel that helps merchants find and collaborate with influencers and creators. Shopify Collabs generated approximately 50 million organic impressions across social channels in less than two months.

Shopify Merchants set records for both Black Friday sales (\$3.4 billion) and Cyber Monday sales (\$7.5 billion). The stock gapped up and ran to \$45 on the Cyber Monday news but has since retreated to the mid-\$30s.





SHOP: Sentiment Improving



Key Takeaway:

Shopify Sentiment is recovering following feedback related to the platform's hands-off censorship policy. Consumer happiness level is 78% positive, extremely high for a digital service provider. Most negative sentiment recorded late last year was politicized in nature and in response to Shopify's decision to maintain services to a "Libs of TikTok" account, with the company citing: "We host businesses of all stripes and sizes, with various worldviews." This event appears to be a flash in the pan versus long-term ding to customer satisfaction.



SHOP: Mentions

Shopify (SHOP): Full Company

Mentions Count

90-day change: QoQ: +26%, YoY: +40%



Key Takeaway:

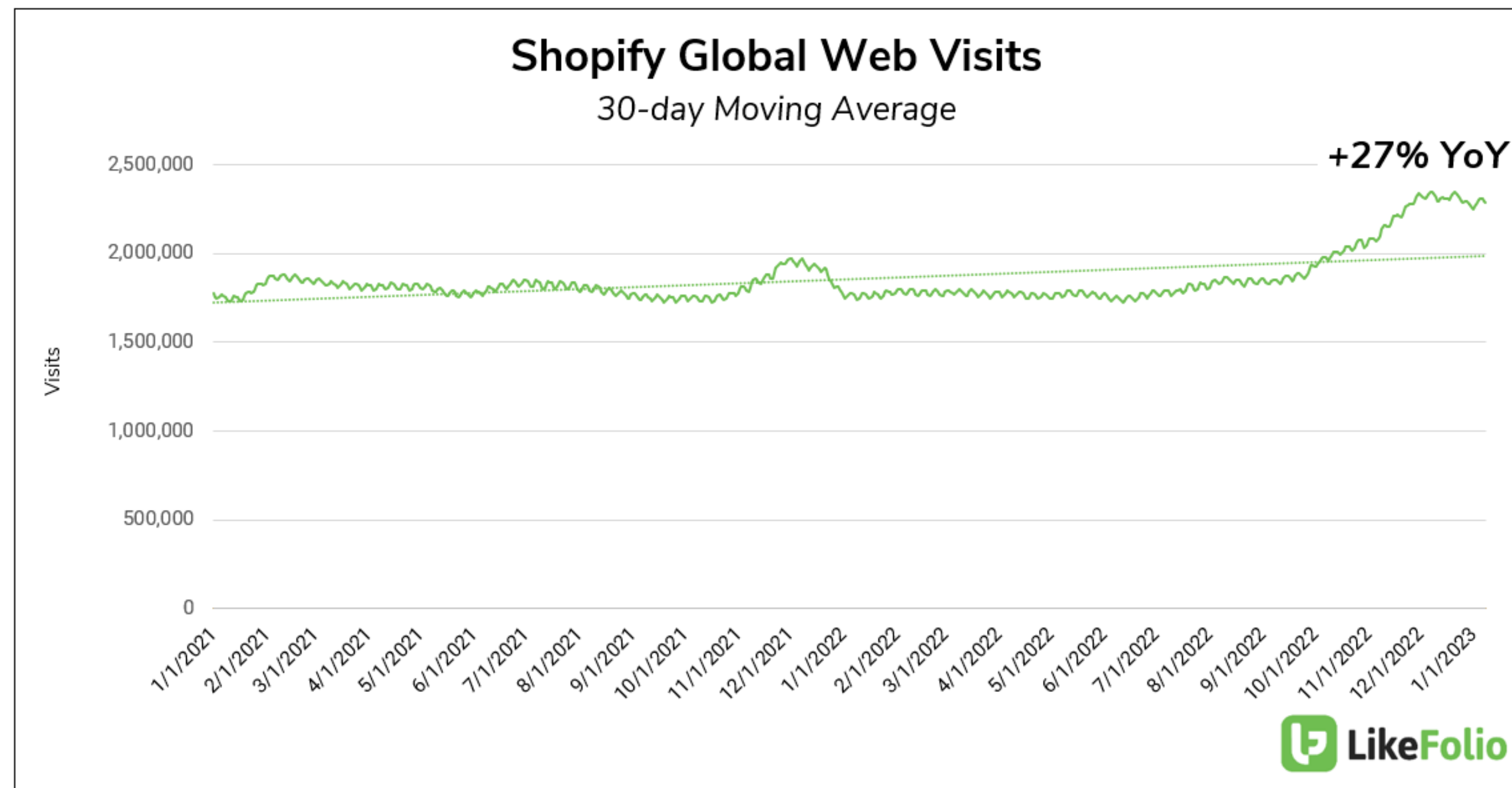
Shopify platform buzz is rising, nearly reaching peak-Covid levels following its holiday boom.

Shopify mentions are highly correlated to company revenue, at .73. These mentions have increased by +26% QoQ and +40% YoY, bolstered by a strong Cyber Monday showing for its merchants.





SHOP: Global Web Visits



Key Takeaway:

Shopify global web visits are rising, significantly outperforming during the holiday shopping season despite a slow down in e-commerce activity on a larger scale.

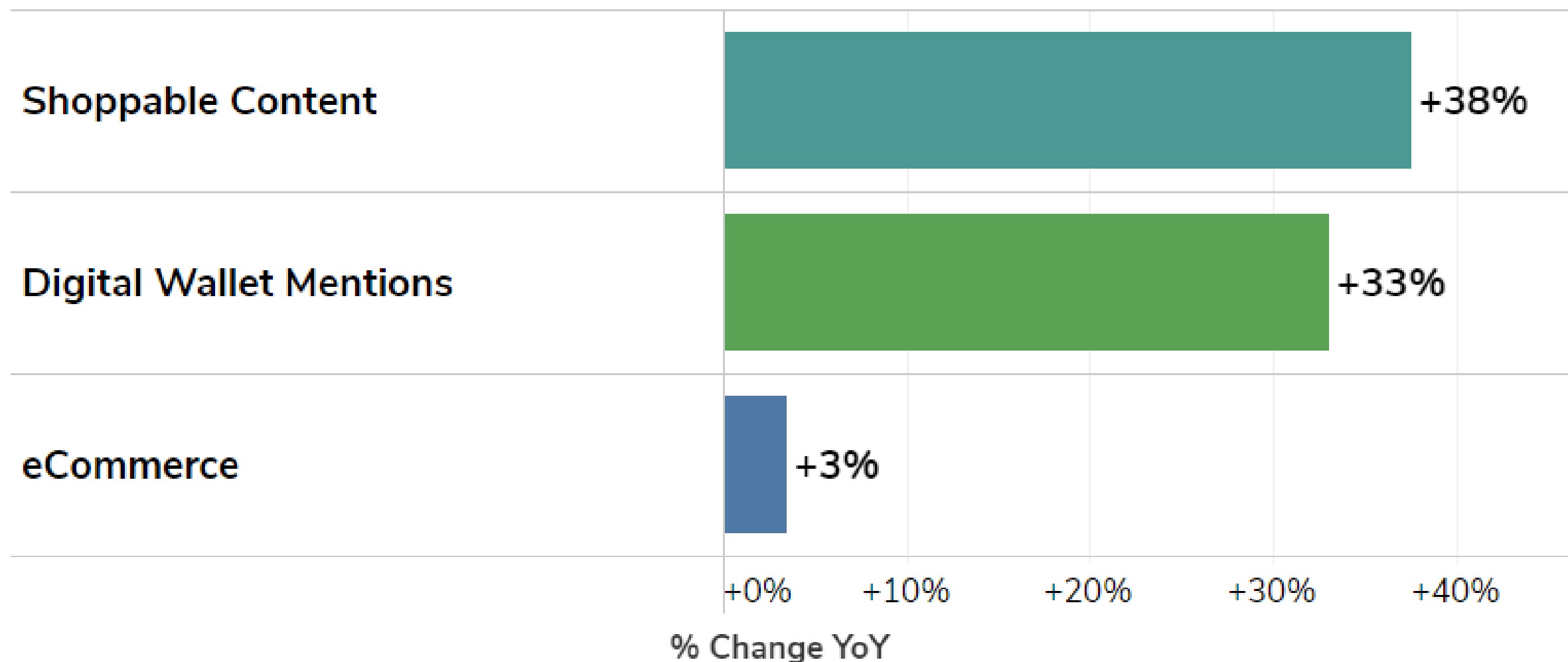
Global web visits have increased by +27% YoY, a noted acceleration versus the company's prior-year performance.





Trend Watch: Digital Commerce

YoY % Change, 365-day Moving Average



Macro Trend Watch:

Shopify provides multiple digital-service touchpoints for merchants and consumers. Merchants can use Shopify's eCommerce base to build their own digital storefront and conduct transactions. Consumers can use Shopify's convenient check-out service, Shop Pay, to autofill info and speed up the transaction process while they're shopping on a site. Shopify also powers transactions and shops within social media sites, including Instagram, Facebook, TikTok, and Pinterest.





SHOP: Increasingly Preferred Platform



Sam Yunus @SalmanNawab_ · Jan 8

Replying to @Hina_HMofficial

What would you prefer, wordpress or shopify? Just question

46 1 1 1



Hina Manzoor (UI/UX designer) @Hina_HMofficial · Jan 8

Replying to @SalmanNawab_

It depends upon the scope of projects and the clients budget. I work on both.

11 1 1 1



Sam Yunus @SalmanNawab_ · Jan 8

Replying to @Hina_HMofficial

What is more fast, scalable and flexible?

6 1 1



Hina Manzoor (UI/UX designer)

@Hina_HMofficial

Replying to @SalmanNawab_

Shopify

8:02 AM · Jan 8, 2023 · 3 Views



JLEO

@jleovisions

Having a Shopify store as a freelancer is a must right now. The way the economy is atm clients prefer to pay for commissions in 4 interest free biweekly payments thru shop pay 🤔

11:00 AM · Dec 22, 2022 · 2,193 Views



Mike Shaver

@shaver

Replying to @harleyf and @Mattel

“We guarantee Shop Pay will improve your checkout conversion by 5% over your standard checkout, or you get 5 bps back.” This is so strong, I love it.

2:34 PM · Jan 3, 2023 · 1,809 Views



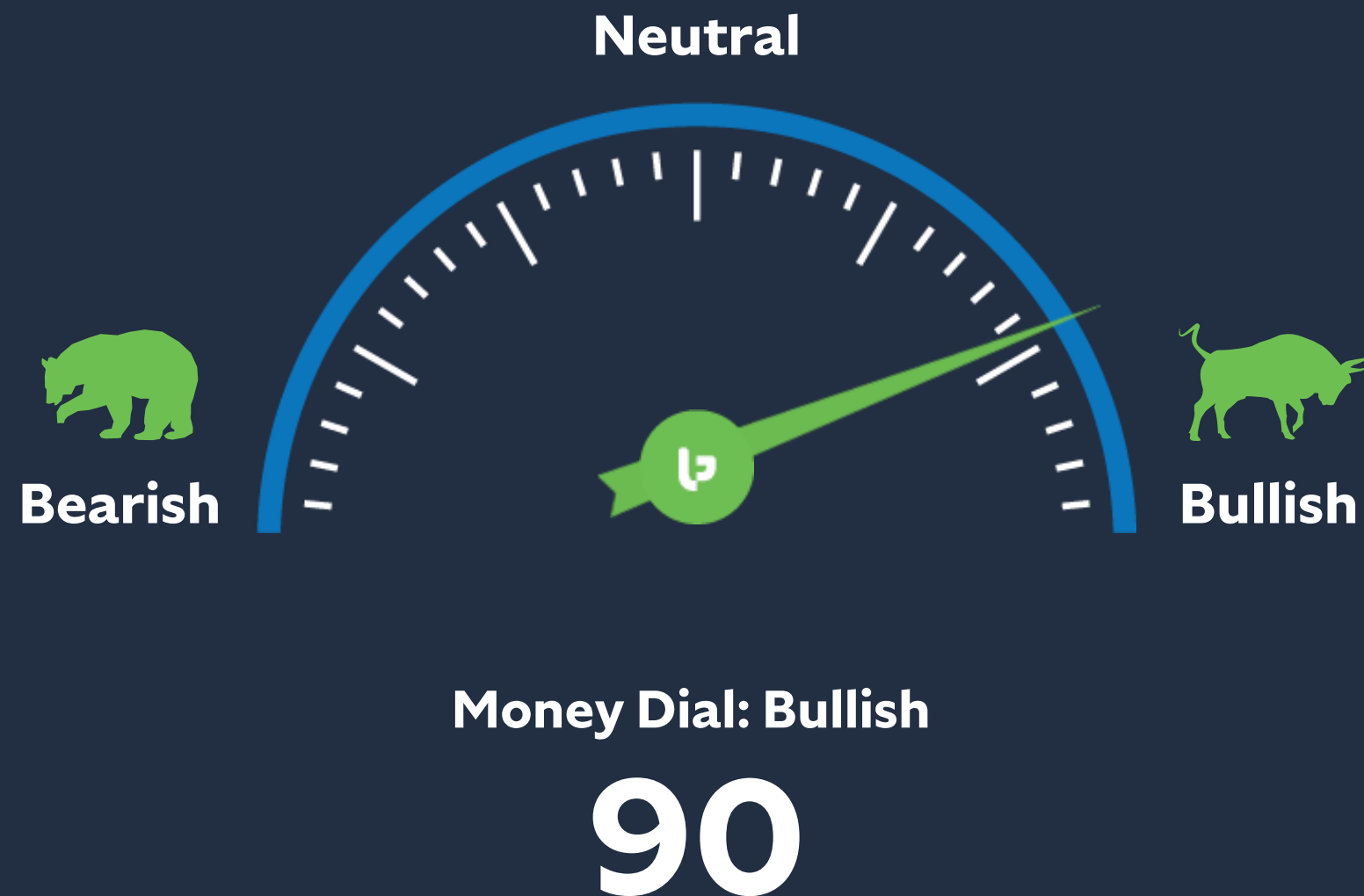


NVDA

 **LikeFolio**

Key Points

NVDA: Nvidia



Global Unique Audience:
+13% YoY

Global Web Visits:
+5% YoY

Purchase Intent:
+28% YoY

Actionable Trade Ideas

Simple

Purchase shares of NVDA at \$180 or below.

Option Play

**Buy NVDA Jan. '24 150/160
Call Spread @ \$5.50**

Max Gain: NVDA trading
above \$160 on Jan. 19,
2024: +\$450 per contract

Max Loss: NVDA trading
below \$150 on Jan. 19,
2024: -\$550 per contract

Risk Management

****ON ALL TRADES**, it is important to use proper risk management to correctly allocate and protect your capital.

We believe this stock could gain by more than 60% within the next two years.



Landon's Pick

Company Updates: NVDA

NVIDIA, which invented the GPU in 1999, is a leader in GPU-accelerated computing. It engineers and manufactures some of the world's most advanced chips, systems, and software for a wide range of industries. The company's AI-based technology aims to reinvent modern graphics, power the metaverse, and power sciences. It has widespread applications in gaming, professional visualization, data centers, robots, autonomous vehicles, cybersecurity, logistics optimization, medical imaging, and video analytics. More than 35,000 companies are using the NVIDIA AI platform.

NVIDIA reported mixed Q3 results, beating on revenue (-17% YoY) but missing on adjusted EPS (-50% YoY). Recent results have been impacted by weakness in the gaming business (revenue down -51% YoY) and channel partners electing to run off inventory rather than restocking due to macro headwinds. NVDA posted record revenue in the data center and automotive categories. The number and scale of public cloud computing and ISPs deploying NVDA AI technology continues to grow. The stock moved higher on the report mainly because management suggested the company could soon return to stronger growth and ran to \$187 by mid-December before the recent \$40 pullback (tax-loss selling?).

While PC gaming gets much attention, the data center business is NVDA's key growth market in conjunction with the digital transformation. Data center revenue grew 31% YoY in Q3 despite the U.S. government's restrictions on China and lingering supply chain disruptions. With that said, long-term growth trends in PC gaming are still solid despite the current slowdown led by the growing popularity of eSports and NVDA's GeForce NOW subscription service.

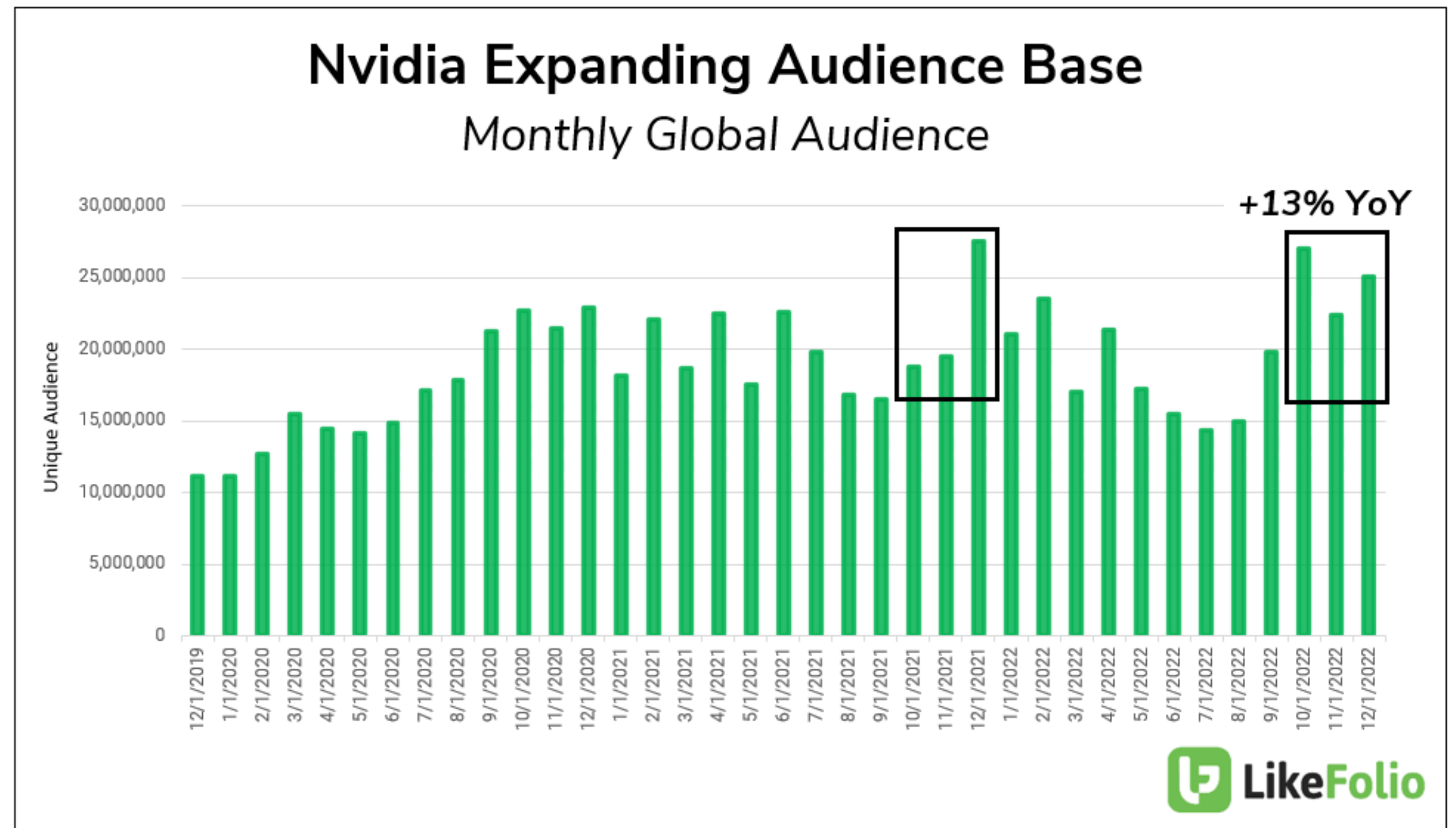
NVDA announced a collaboration with Microsoft to build an advanced cloud-based AI supercomputer to help enterprises train, deploy, and scale AI state-of-the-art models. Nvidia is deployed in 72% of the world's top 500 supercomputers.

Nvidia is ramping new platforms and developing new products that management considers to be the foundation for the next phase of growth. These include Ada Lovelace RTX graphics, Hopper AI computing, Bluefield DPU & quantum networking, Orin for autonomous vehicles, and Omniverse. NVDA has an \$11 billion automotive design win pipeline through 2028. NVDA showcased its DRIVE ecosystem for self-driving cars at last week's CES. The Volvo EX90 electric SUV, set for deliveries in early 2024, will use NVDA technology.





NVDA: Global Unique Audience



Key Takeaway:

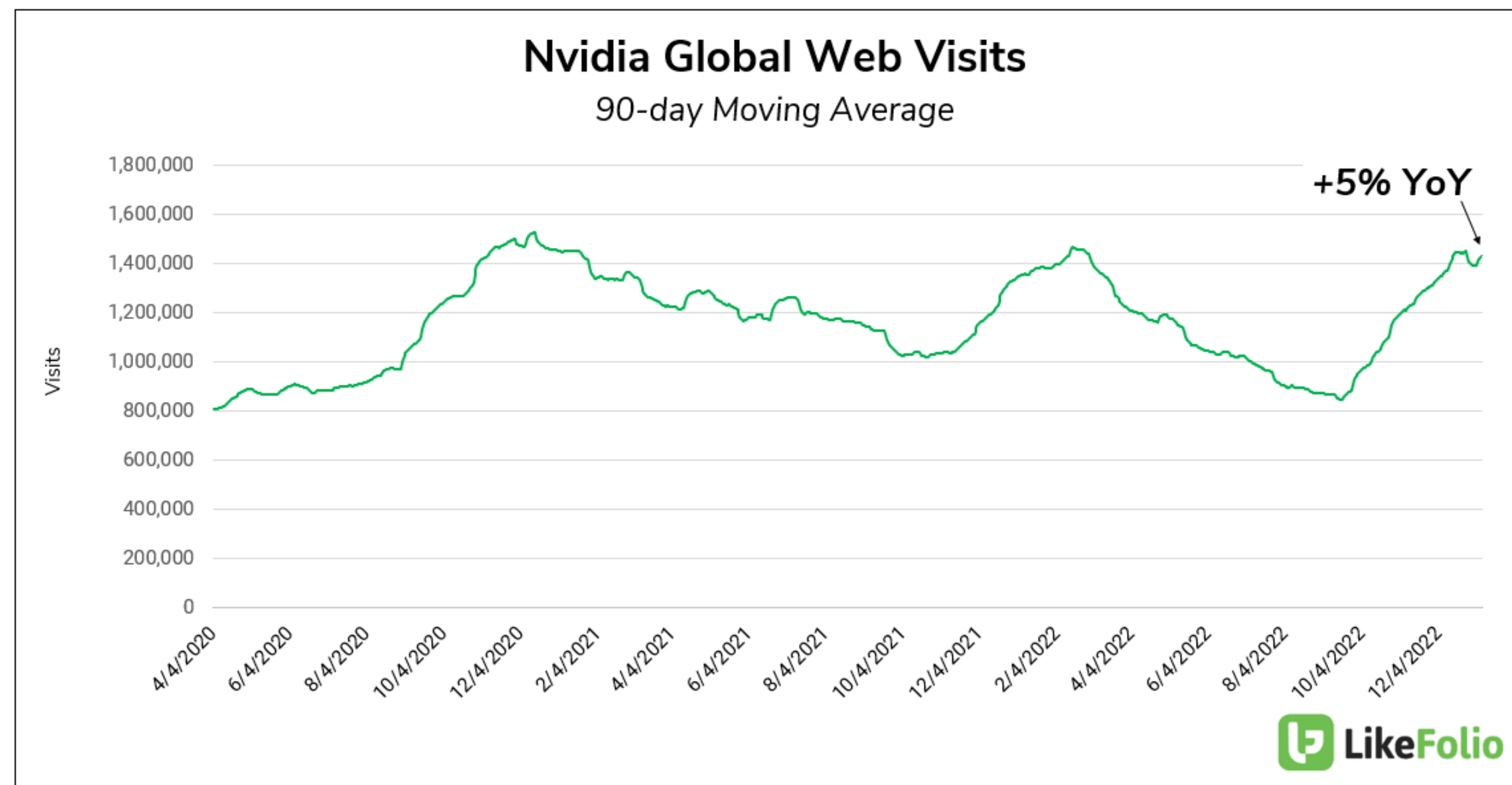
Nvidia's global audience is growing again.

Nvidia's global audience base expanded in the past three months, growing by +13% YoY. This bucks a prior trend of relative weakness, where its audience base contracted by -7% YoY.





NVDA: Global Web Visits



Key Takeaway:

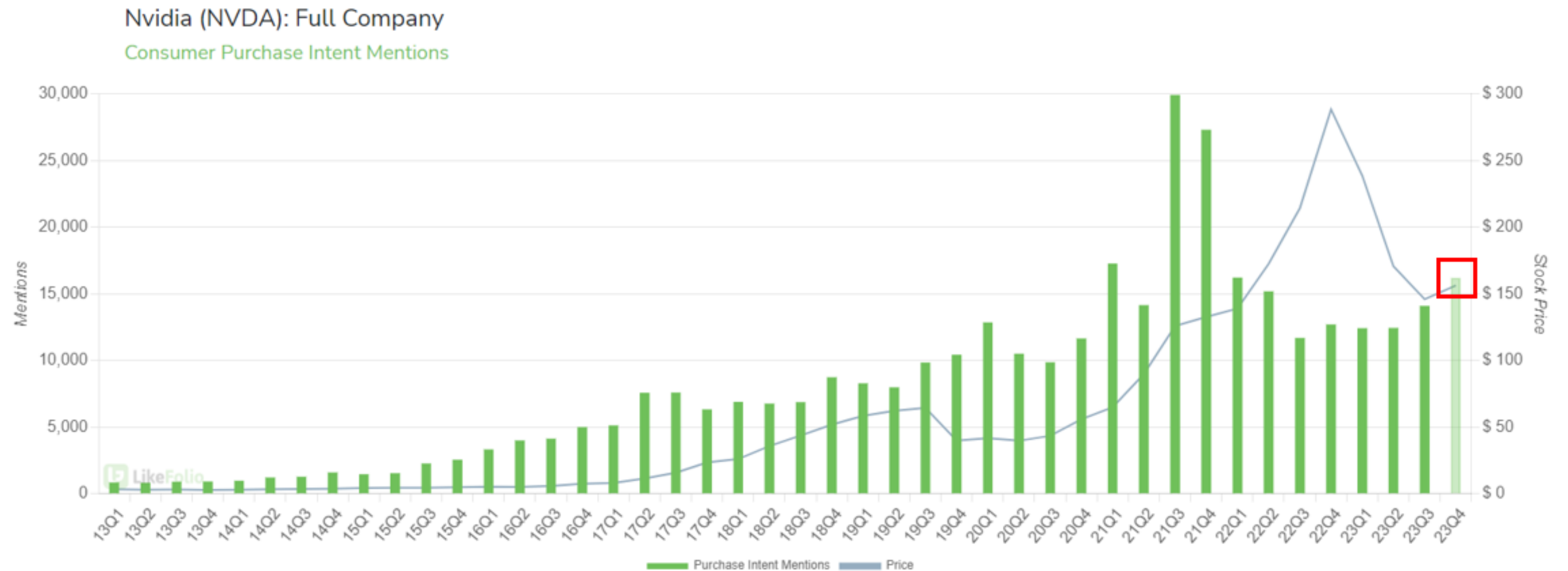
Nvidia web traffic displays reversal of prior weakness.

Global web visits have increased by +5% YoY, a noted improvement versus the prior quarter trends, revealing traffic -4% lower YoY. Some of this improvement can be attributed to relief in overseas markets. In November, Nvidia began offering a [new advanced chip for China](#) that fell under the U.S. export threshold enacted to prevent powerful AI technology from landing in the hands of China's military.





NVDA: Purchase Intent Building



Key Takeaway:

Purchase Intent for Nvidia's GPUs and Graphics Cards is ramping in the 4th quarter (ends Jan. 29), on pace to increase +28% YoY. This is driven by strong consumer demand for Nvidia's new RTX 40 series GPUs, launched in October. The company will release its 40 series laptops in February. Company-wide demand growth in Q4 is an acceleration versus growth levels LikeFolio recorded in Q3 (+21% YoY).

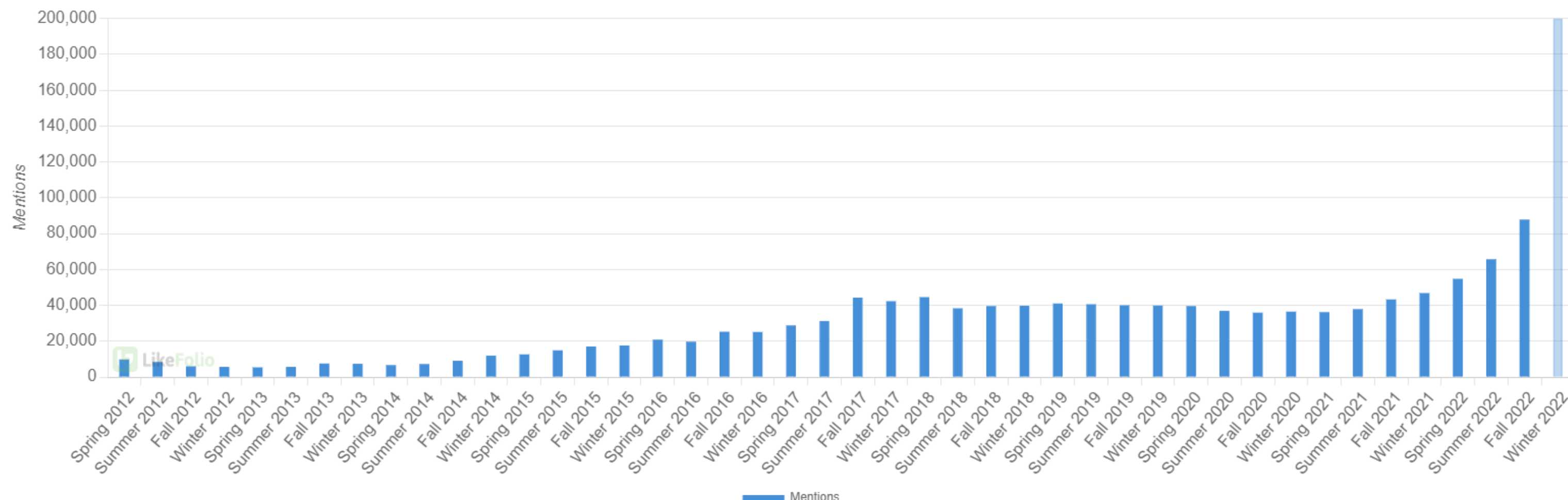




Trend Watch: Artificial Intelligence

Artificial Intelligence: Mentions Count

Consumer conversations related to artificial intelligence, including actual usage and forward-looking applications.



Macro Trend Watch:

Consumer interest in Artificial Intelligence applications is exploding, driven of late by the introduction of ChatGPT. This is an area where Nvidia has operated for decades, dreaming up in 1993 the chips and graphic cards that now power some of the most powerful AI technology. Most recently, Nvidia is reportedly working on integrating AI into its display driver optimization process. If true, this would be a massive jump ahead of peers like AMD and Intel.

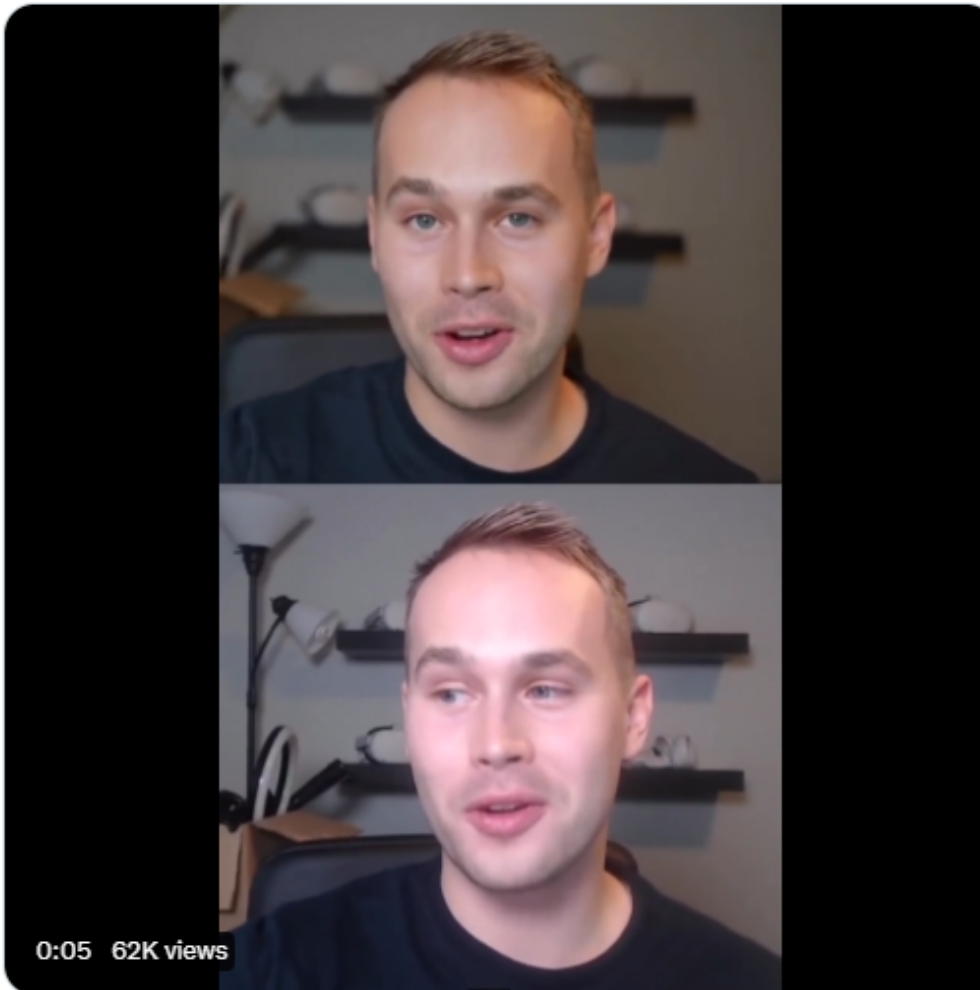


NVDA: Artificial Intelligence Tailwinds



Del @NaughtyDog @TheCartelDel · Jan 6

The new @Nvidia "Maxine" uses AI to post process your head and eyes towards the camera at all times. So you can read or be distracted and still look engaged.



0:05 62K views

265.6K 46 293 1,077



CapFrameX @CapFrameX · Jan 8

[Rumor] Nvidia is working on AI optimized drivers. Release maybe this year (Q1).

- ▶ Up to 30% more performance
- ▶ Average improvement ~10%
- ▶ No info about specific gen

Take this with a grain of salt. If true Nvidia drivers will be real "fine wine".



Futurist Forever @FuturistForever · Jan 4

Nvidia's latest AI tech can upscale old blurry YouTube videos

Image: Nvidia

Nvidia has turned its AI upscaling technology on a new target: blurry web video. Announced this week during its CES 2023 presentation, RTX Video Super Resolution is designed to upscale video watche...



The Transcript @TheTranscript_ · Jan 4

Impact of AI in gaming:

"AI will change gaming forever...over 250 released games & creative apps...have turned to AI-powered DLSS 3 to boost performance. DLSS 3 is being adopted by developers faster than any prior Nvidia Tech with 50 released or soon-to-be-released titles" [\\$NVDA](#)



Kim Muro
@WorldTrendsInfo

Electric robot tractors powered by Nvidia AI chips are here: [#ArtificialIntelligence](#) [#IoT](#) [#IoE](#) CC: [@MikeQuindazzi](#) [theverge.com/2022/12/1/2348...](#)



9:28 AM · Jan 6, 2023 · 466 Views





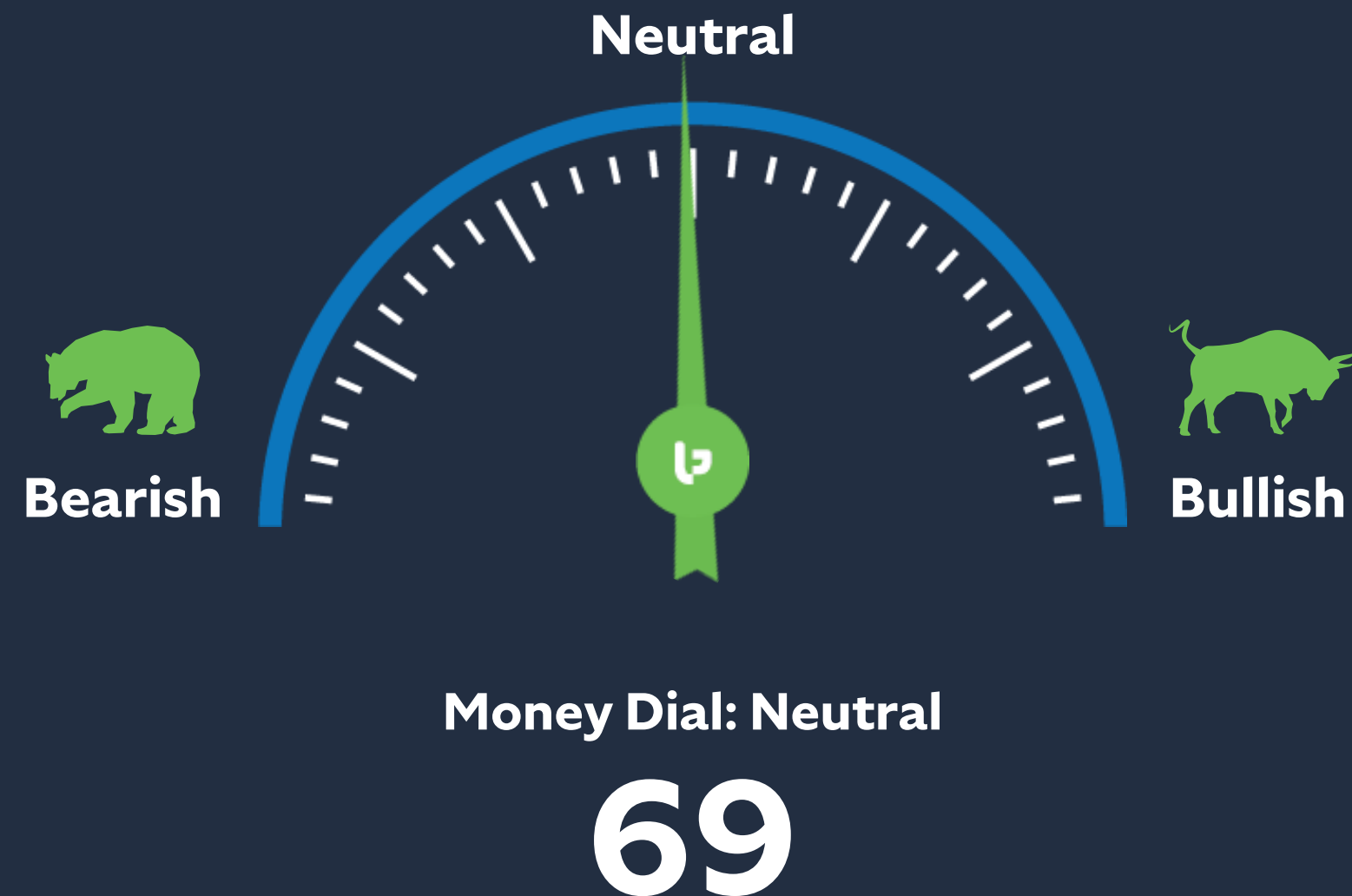
AMZN



LikeFolio

Key Points

AMZN: Amazon



amazon

Global Visits:
-10% YoY

Unique U.S. Audience:
Flat YoY

Mentions:
+4% YoY

Actionable Trade Ideas

Simple

Purchase shares of AMZN at \$100 or below.



Andy's Pick

Option Play

**Buy AMZN Jan. '24 85/90
Call Spread @ \$3.00**

Max Gain: AMZN trading
above \$90 on Jan. 19, 2024
+\$200 per contract

Max Loss: AMZN trading
below \$85 on Jan. 19, 2024
-\$300 per contract

Risk Management

****ON ALL TRADES**, it is important to use proper risk management to correctly allocate and protect your capital.

We believe this stock could gain by more than 50% within the next two years.

Company Updates: AMZN

Amazon is the top U.S. eCommerce retailer and one of the top sites globally. Its Prime membership is a key differentiator, giving customers free shipping and access to exclusive media content (music, video, books). It is also the global leader in cloud-based infrastructure-as-a-service (IaaS) platforms. Amazon's other leading products are the Kindle reader and Echo and Dot digital voice assistants.

Amazon reported stronger Q3 profits than in Q2 that topped the Street (but were down -8% YoY) and missed on revenue, which was up 15% YoY. The stock sold off -8% on cautious holiday-quarter guidance and slowing revenue growth in AWS and other non-retail businesses like subscriptions and advertising. The results reflected ongoing weakness in online shopping amid a consumer shift from goods to services, along with higher costs (labor, logistics).

Amazon had its biggest holiday shopping weekend yet in 2022. During the "Turkey 5" period from Thanksgiving to Cyber Monday, consumers bought a record number of products on Amazon. The best-selling categories were Home, Fashion, Toys, Beauty, and Amazon Devices. The best-selling items were Echo Dot, Fire TV Stick, and Apple AirPods.

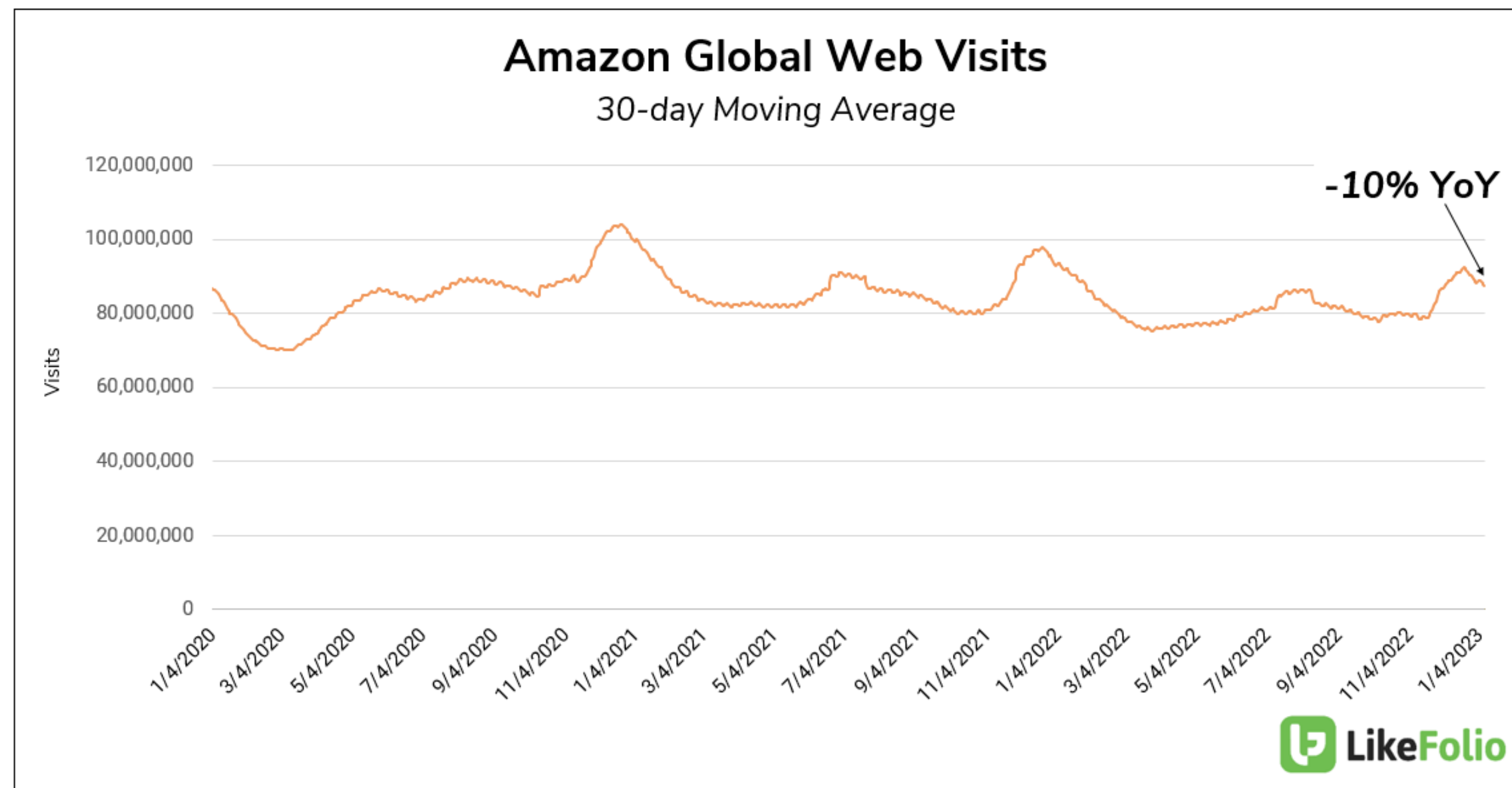
AWS (formerly headed by CEO Andy Jassy) is a high-margin growth driver and Amazon's key profit center. Although Q3 AWS results disappointed investors (revenue +27% versus 33% in Q2), the business has tremendous long-term growth prospects tied to cloud computing and IaaS. In recent years, cloud spending has represented a growing share of companies' IT budget and is expected to continue to do so as big banks and other companies migrate data and software from private data centers to the cloud. Cloud customers are also increasingly turning to cloud companies like AWS for unique tools and capabilities that help them manage and analyze data. In late-November 2022 AMZN launched a supply chain software service as an addition to AWS to help businesses track and manage cargo flows.

Earlier this month Amazon announced plans to layoff 18,000 employees, or 5% of the company's corporate workforce (just over 1% of its total workforce). The cuts focus on the company's retail and recruiting segment, and are an attempt to weather "uncertain and difficult economies."





AMZN: Global Web Visits



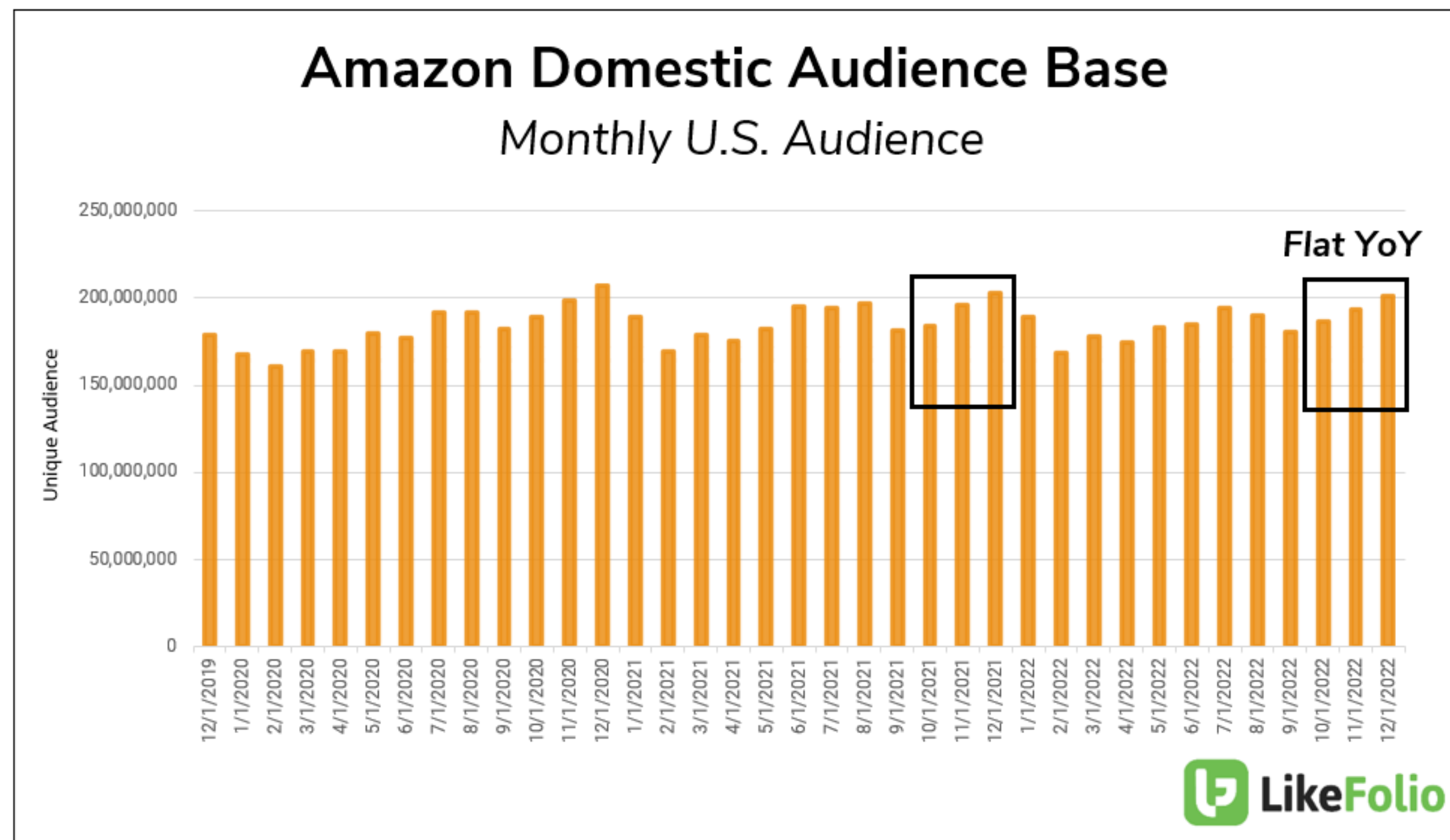
Key Takeaway:

Amazon global web visit counts include visits to the company's retail shopping site, as well as visits to its cloud-based services like AWS. Comprehensively, these visits fell by -10% YoY. This loss of momentum mirrors warnings from the company of weak holiday sales due to eCommerce and slow downs in cloud service growth, and may be baked in to recent stock performance.





AMZN: U.S. Unique Audience



Key Takeaway:

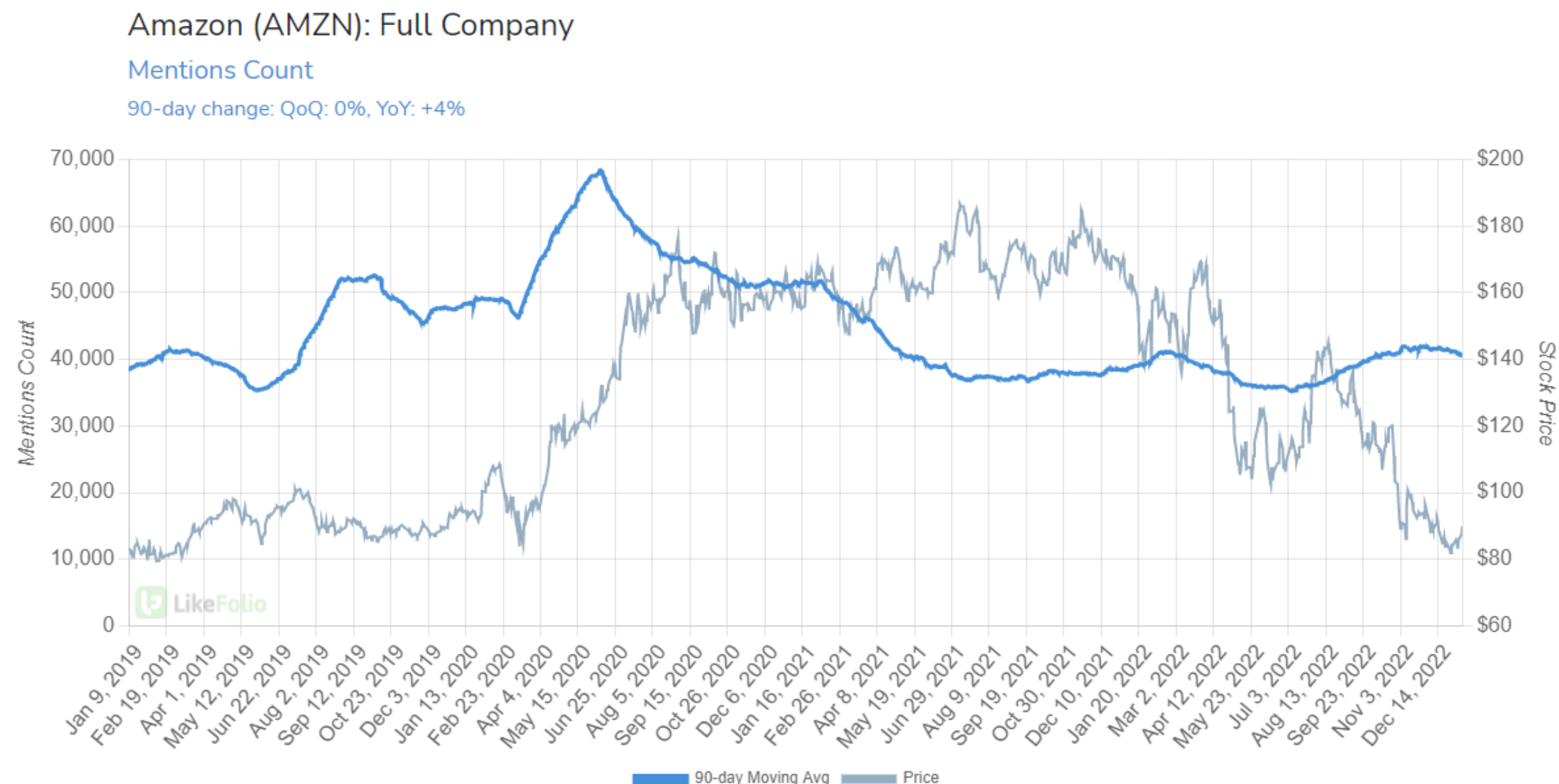
Amazon's domestic userbase is stable.

The eCommerce giant's monthly U.S. userbase has remained comparatively flat in the last three months... and this audience base is massive. While consumers may be pulling back on some eCommerce spending, data doesn't suggest a massive audience flee from its platforms or services.





AMZN: Mentions



Key Takeaway:

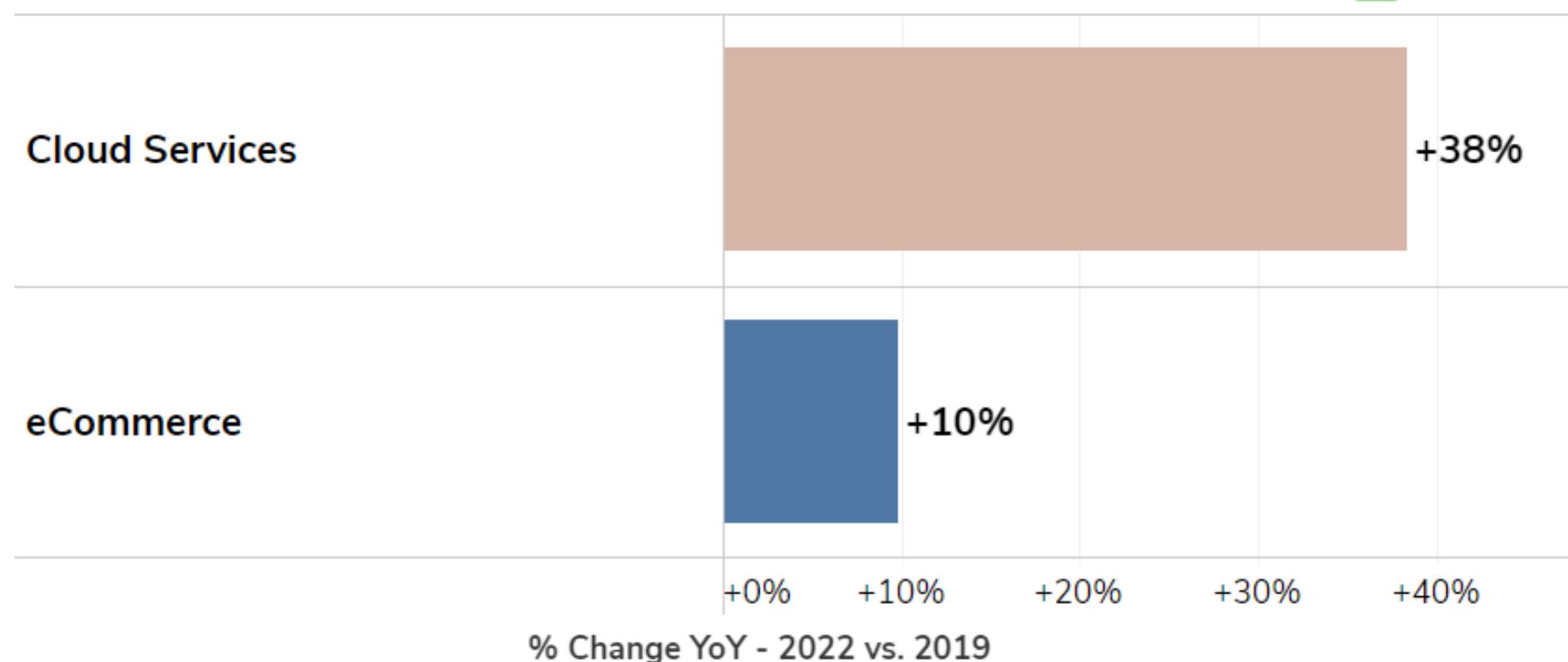
Company-wide Amazon mentions remain +4% higher YoY, despite a massive sell-off in the company's stock. Mentions in the 4th quarter came in +7% higher YoY, which may yield better results than the market is anticipating.



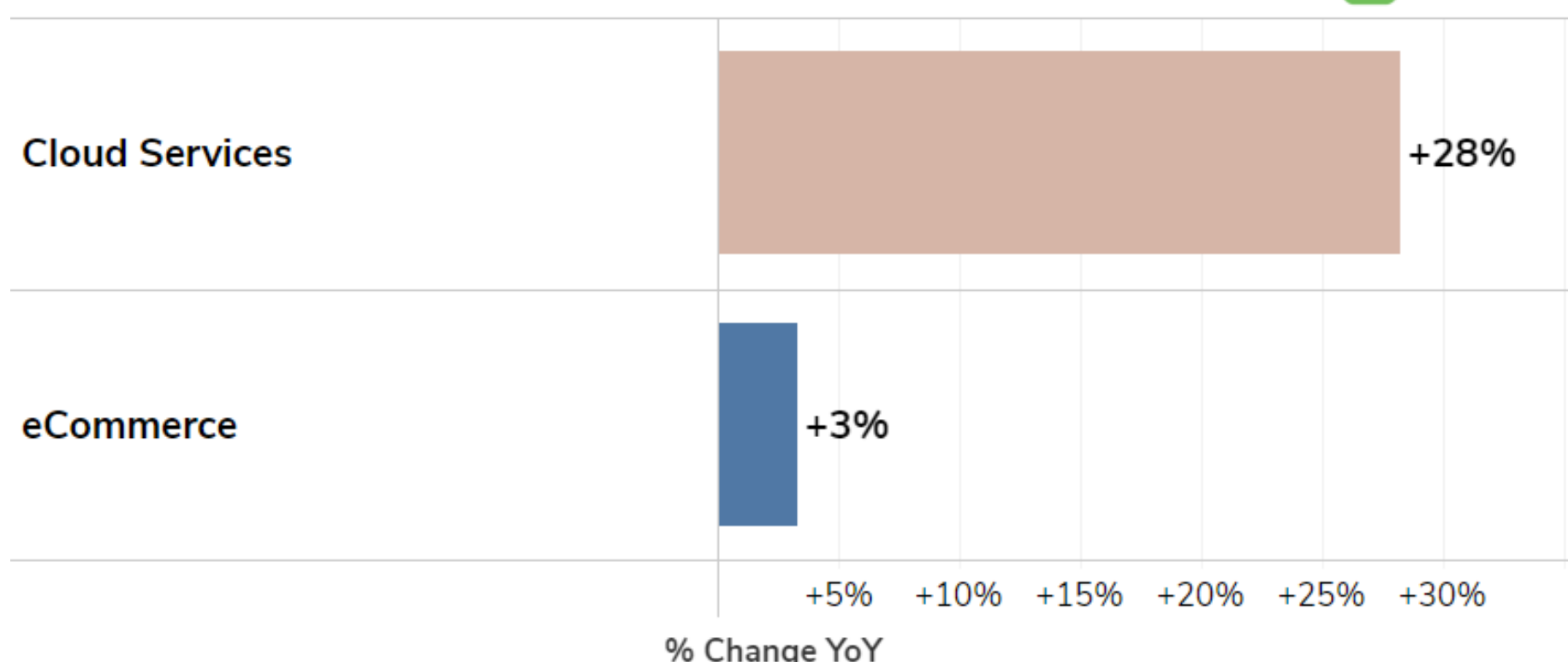


Trend Watch: Long-term Growth Drivers

3 Year % Change, 365-day Moving Average



YoY % Change, 365-day Moving Average



→ **Near-term Slow-Down**

Macro Trend Watch:

Ecommerce and cloud service growth is slowing down... but both segments are still growing.

And both segments are Amazon's bread and butter via its Prime offerings and AWS services. We'll continue to monitor the progression of these trends alongside Amazon's execution and market positioning in each segment. For now, Amazon is the marketshare leader in cloud infrastructure (34% marketshare in 22Q3). Amazon also commands nearly 40% of the U.S. eCommerce market -- the next closest retail player is Walmart with just over 6%.



AMZN: Courting Small Businesses



Entrepreneur
@Entrepreneur

...

"We'll continue innovating and investing in new features and tools to help merchants of all sizes succeed—and give Prime members the shopping benefits they love, whether it's on Amazon or beyond."



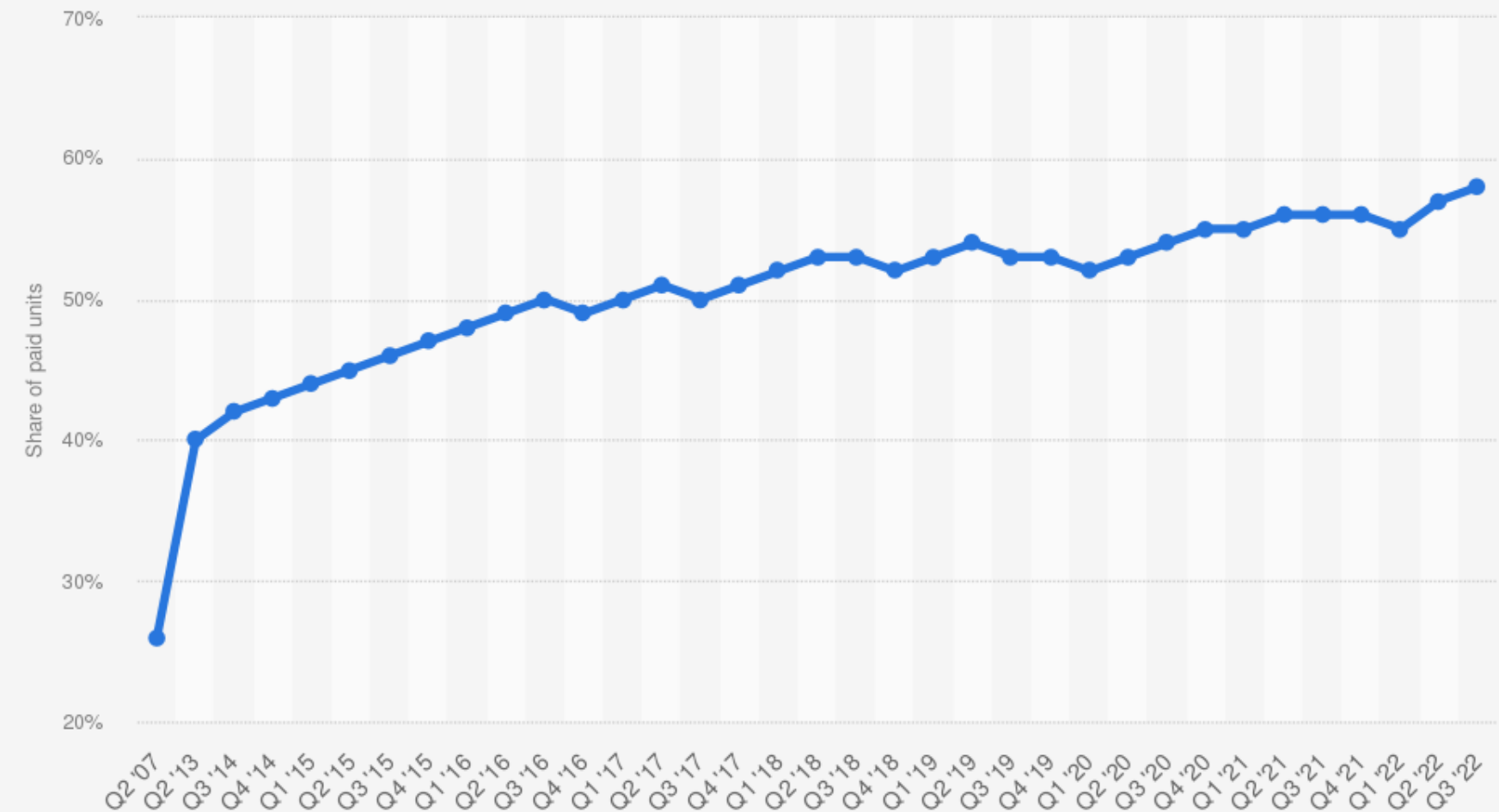
entrepreneur.com

Amazon Expands 'Buy With Prime' for All Small Businesses

The once invite-only program, which launched in April 2022, helps small businesses by allowing consumers to use their Amazon accounts to check out ...

12:45 PM · Jan 11, 2023 · 1,389 Views

Share of paid units sold by third-party sellers on Amazon platform from 2nd quarter 2007 to 3rd quarter 2022



Source
Amazon
© Statista 2022

Additional Information:
Worldwide; Q2 2007 to Q3 2022



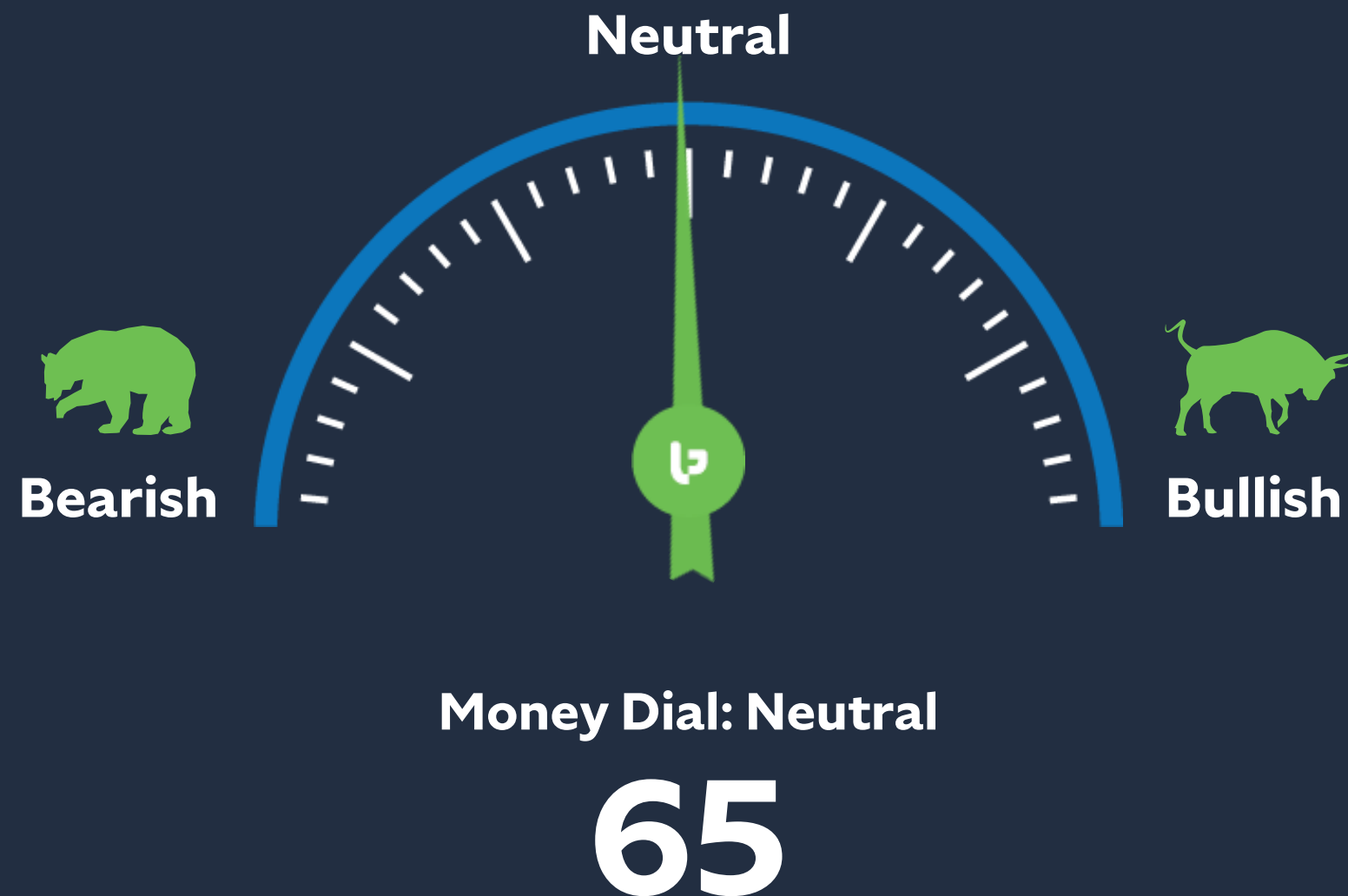


PYPL



Key Points

PYPL: PayPal



Unique U.S. Audience:
-8% YoY

Global Web Visits:
-14% YoY

Sentiment:
74% Positive, +5% YoY

Actionable Trade Ideas

Simple

Purchase shares of
PYPL at \$85 or
below.

Option Play

**Buy PYPL Jan. '24 110/135
Call Spread @ \$3.40**

Max Gain: PYPL trading
above \$135 on Jan. 19,
2024: +\$2,160 per contract

Max Loss: PYPL trading
below \$110 on Jan. 19,
2024: -\$340 per contract

Risk Management

****ON ALL TRADES**, it is
important to use proper
risk management to
correctly allocate and
protect your capital.

We believe this stock
could gain by more than
100% within the next two
years.



Landon's Pick

Company Updates: PYPL

PayPal's tech platform enables digital and mobile payments between consumers and merchants, globally making commerce more convenient, affordable, and secure. It accepts payments directly from merchant websites, mobile apps, and physical retail through PayPal, PayPal Credit, Venmo, and Braintree. PayPal has more than 429 million active accounts across more than 200 markets and is accepted at more than 75 of the top 100 U.S. retailers. It is differentiated from Mastercard/Visa in that its network enables users to pay and be paid for merchandise or services. Venmo is now live as a payment option for U.S. Amazon.com customers.

Q3 revenue (+11% YoY) and EPS (-3% YoY) beat the Street. EPS improved sequentially for the second consecutive quarter and is forecast to do so again in Q4. Q3 total payment volume grew +9%, and the number of payment transactions increased +15%. Management raised its '22 EPS guidance by 4% at the midpoints and said it expects net new active accounts to expand by 8 to 10 million in 2022 (versus a 49 million increase in 2021). PayPal's addition of 122 million net new active accounts from 2020-2021 had a pull-forward effect tied to the pandemic but gives it a much higher customer base from which to derive increased payment volumes in the future.

PYPL recently launched an all-in-one Point-of-Sale (POS) solution for U.S. small businesses (following a launch in Europe) going head-to-head with Square. The PayPal Zettle Terminal accepts cards, contactless payment, digital wallet, and PayPal or Venmo QR codes. It starts at \$199 and additional features can be purchased.

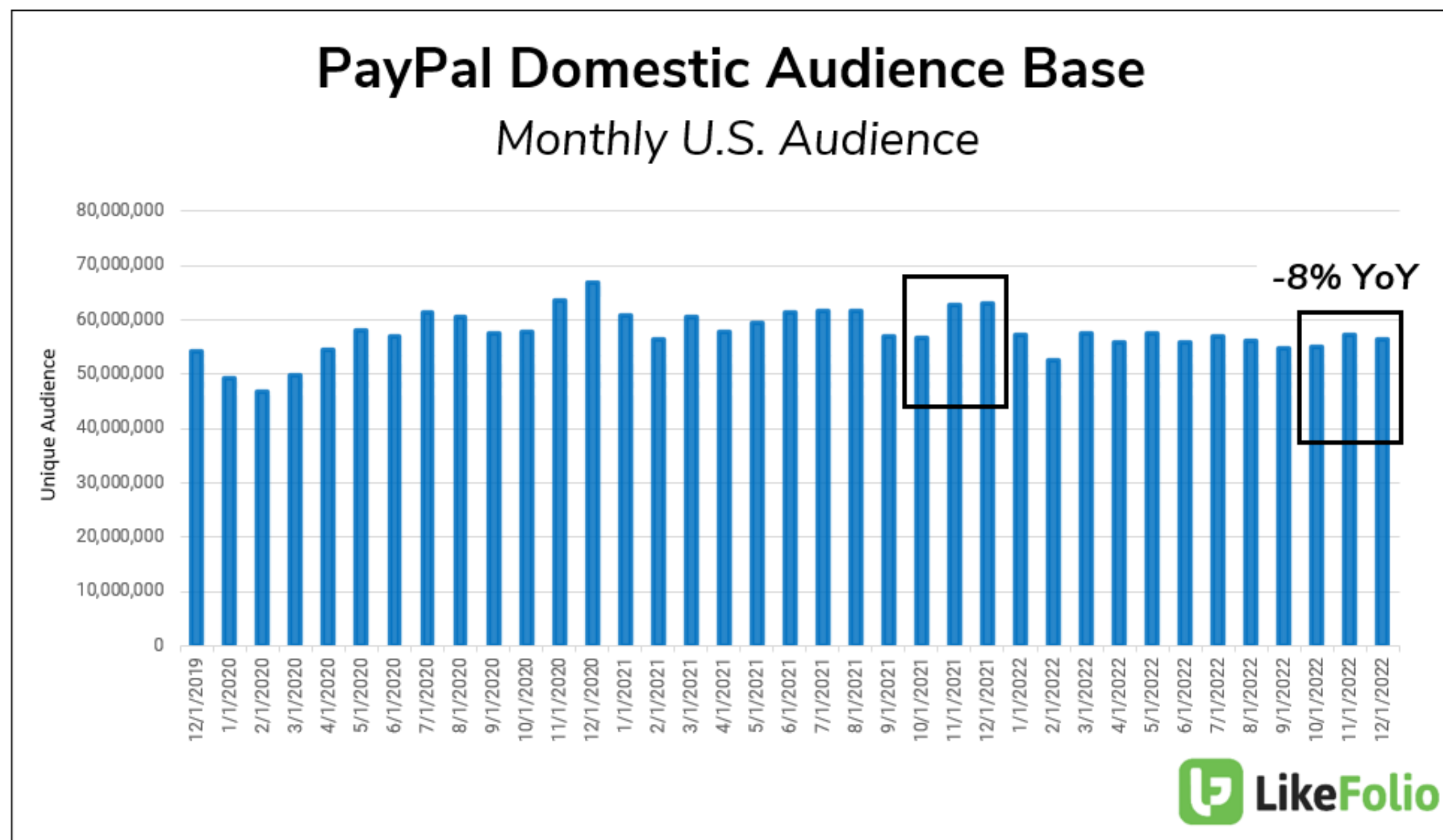
PayPal is working with Apple to enhance its offerings for PayPal and Venmo. It plans to leverage Apple's Tap to Pay on iPhone technology, enabling its merchants to accept contactless cards and mobile wallets including Apple Pay. It plans to add Apple Pay as a payment option on merchant platforms. In 2023 U.S. customers will be able to add PayPal and Venmo-branded cards to their Apple Wallet and use them wherever Apple Pay is accepted.

PayPal's long-term growth outlook remains healthy, driven by the secular shift to digital payments. Payment volumes are expected to grow steadily as more merchants are added to the platform, transactions per customer increase, and new partnerships are formed. PayPal is adjusting its growth strategy to focus less on attaining new users and more on greater utilization by existing users. Growth is also expected to come from payments innovation. Recent product rollouts include "Buy Now Pay Later" and a cryptocurrency service. PayPal plans to make crypto available as a funding source for purchases at its 28 million merchants worldwide.





PYPL: Unique U.S. Audience



Key Takeaway:

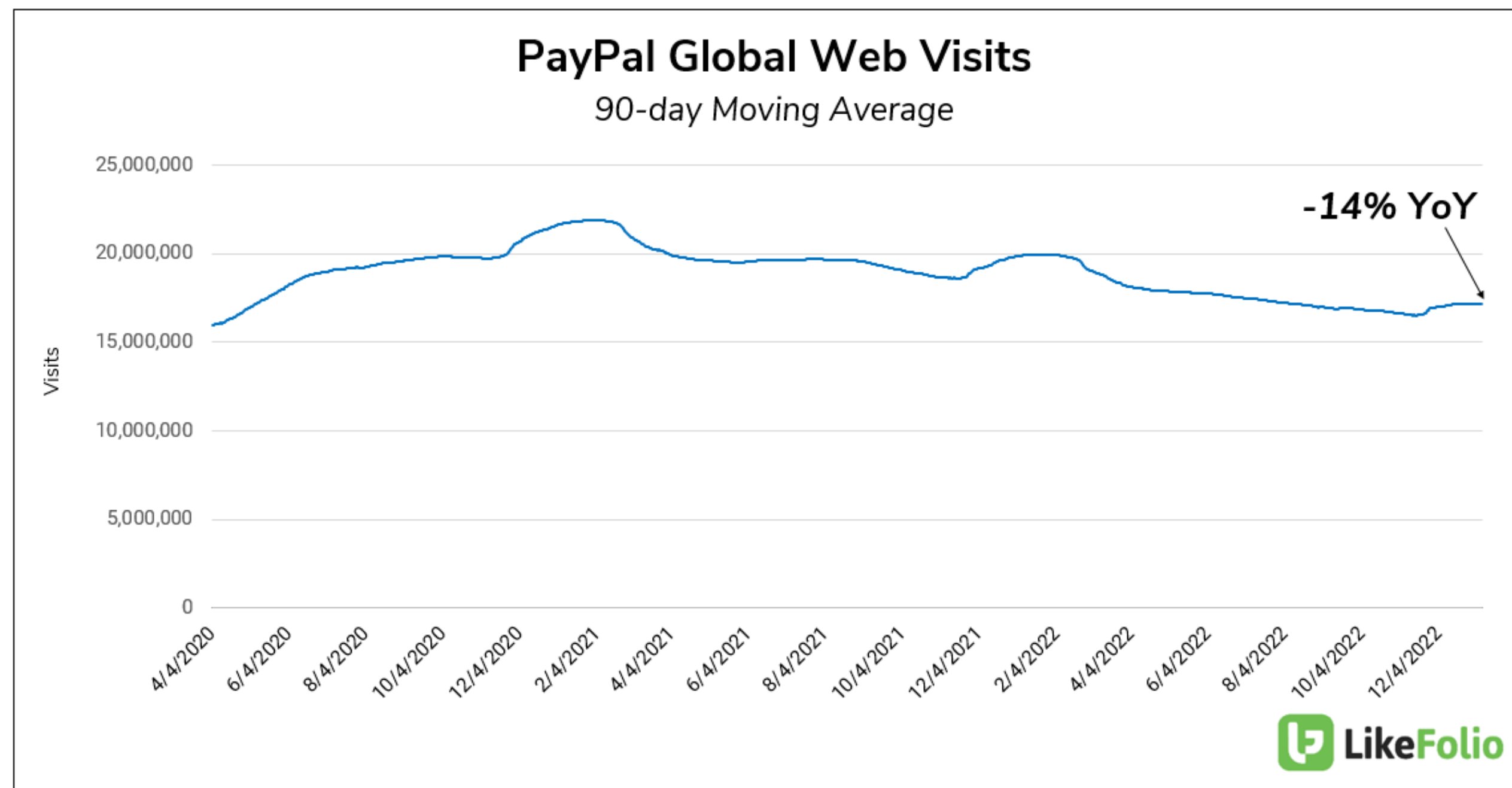
PayPal's unique U.S. audience is slipping over the last three months.

This is one area to keep an eye on, especially if metrics continue to degrade, as it could be indicative of a loss of momentum among U.S. users specifically.





PYPL: Global Web Visits



Key Takeaway:

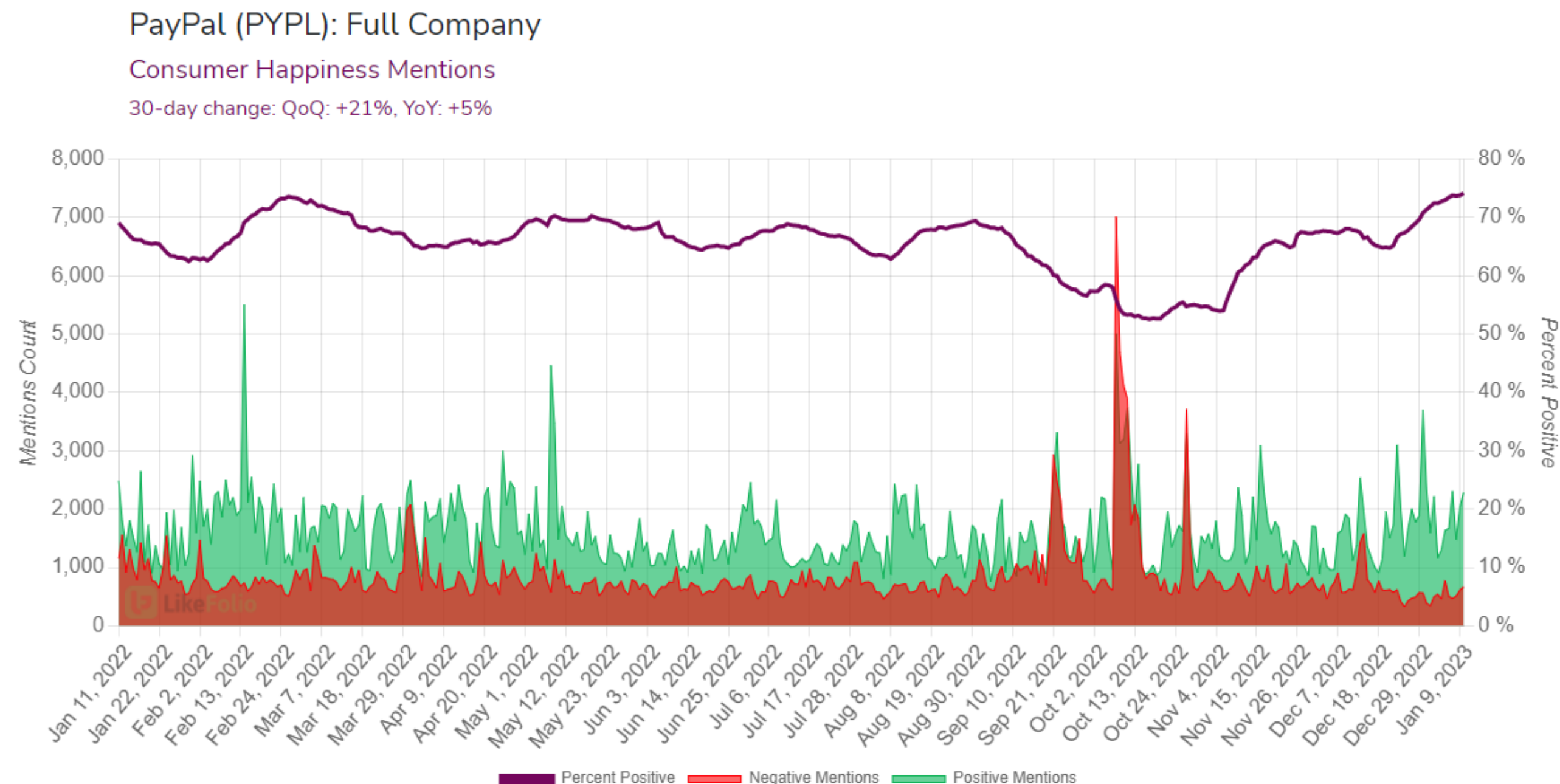
PayPal's web presense is losing steam.

While traffic remains high, visits have dropped by -14% YoY. This isn't necessarily indicative of consumers actually using a PayPal service, rather members coming to learn more about the company's offerings. However, this metric is highly correlated to revenue, so should be monitored.





PYPL: Complete Sentiment Recovery



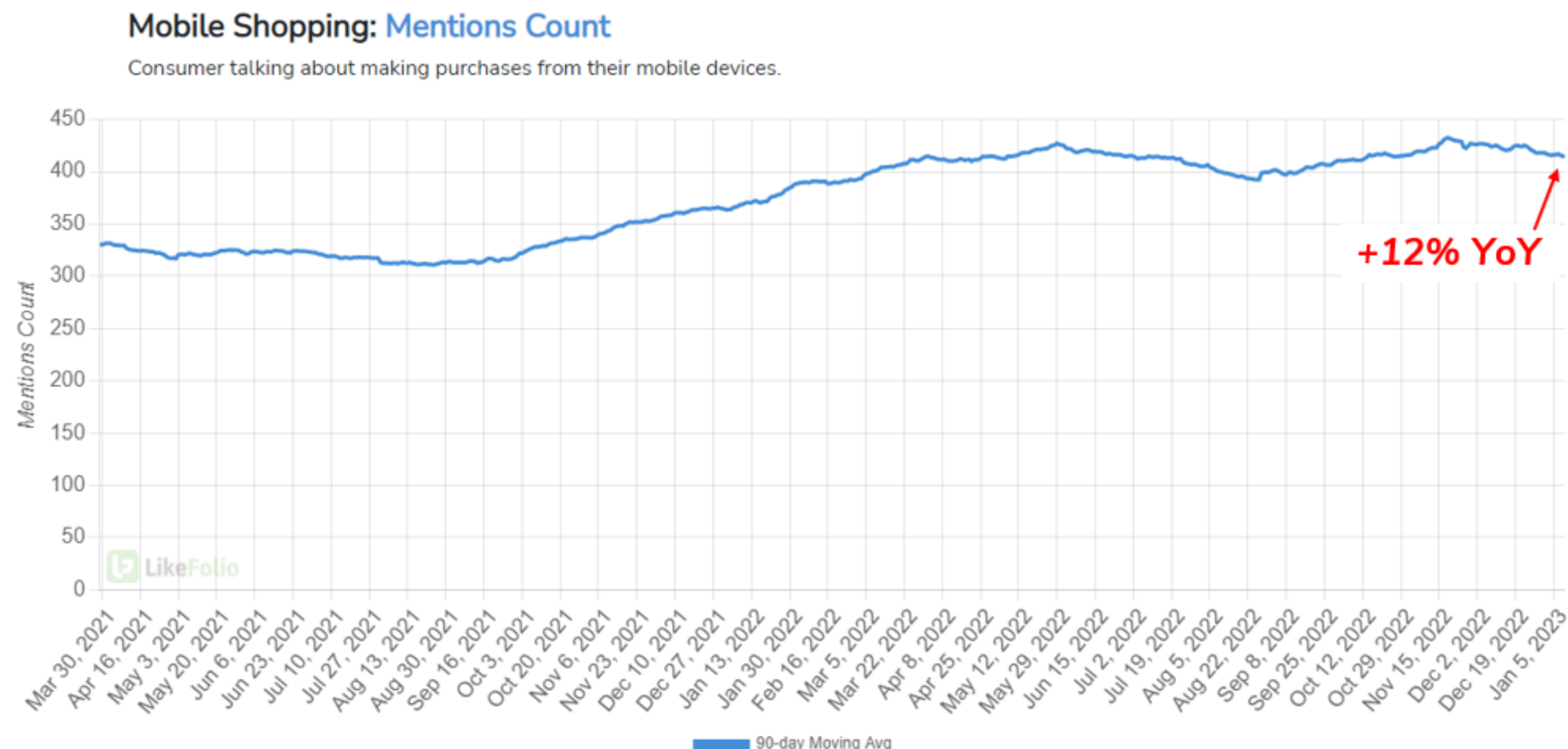
Key Takeaway:

PayPal has pulled off a significant sentiment recovery following major consumer backlash in response to censorship policies in October. Consumer happiness levels plunged following confusion surrounding the mistaken release of a misinformation policy allowing the company to ban and fine users. PayPal walked the policy back, and users appear to have forgotten. In addition, the company's social wallet brand, Venmo, is booming in satisfaction among users, with happiness levels leading all internal brands, +10% higher YoY.





Trend Watch: Mobile Shopping



Macro Trend Watch:

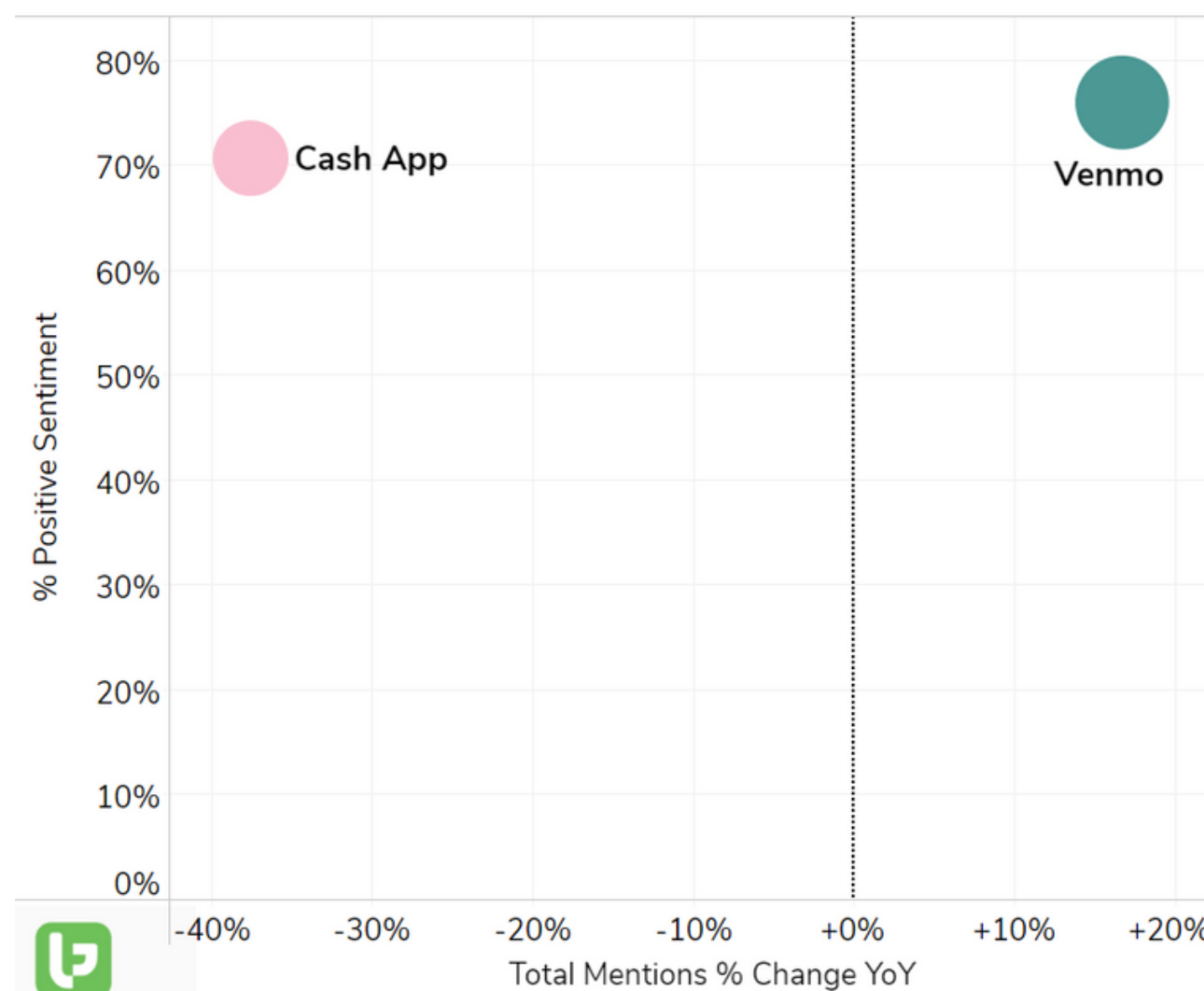
PayPal is embracing mobile commerce through improvements on its own tools and via partnerships with key players, like Apple (AAPL). On the company's last earnings call: "As consumers move toward mobile shopping, we are focused on creating the simplest mobile checkout experience possible. These enhancements include allowing customers to checkout without leaving the original merchant point of interaction. For example, our recently updated mobile SDK allows merchants to provide a seamless in-app checkout experience. We are also deploying the latest secure user authentication standard for our consumers, enabling passkeys on all iOS devices to drive speed, simplicity and conversion."





PYPL: Venmo Crushing Competition

Total Mentions vs. Sentiment, 30-day Moving Average



Sarah
@tvaddict2

Replying to @Jayecane

I prefer Venmo, because that's what most others in my life use, especially my landlord!

9:36 AM · Nov 9, 2022



Positive Vibes Only @luckyErin01 · Oct 2, 2022

I'll take either. But **Venmo is better** at getting my money to my bank faster. Takes one day vs two with CashApp lol



Kofi @blackkingkofi · Oct 2, 2022

Cash app or venmo?



3



3



Key Takeaway:

Looking ahead, data suggests Venmo will continue to be a major growth driver.

The peer-to-peer payment platform is the current favorite in the eyes of consumers, with higher happiness levels, higher chatter volume, and larger mindshare.



Trend Watch Summary: High Value, Oversold

Trader and investor confidence is on the rise.

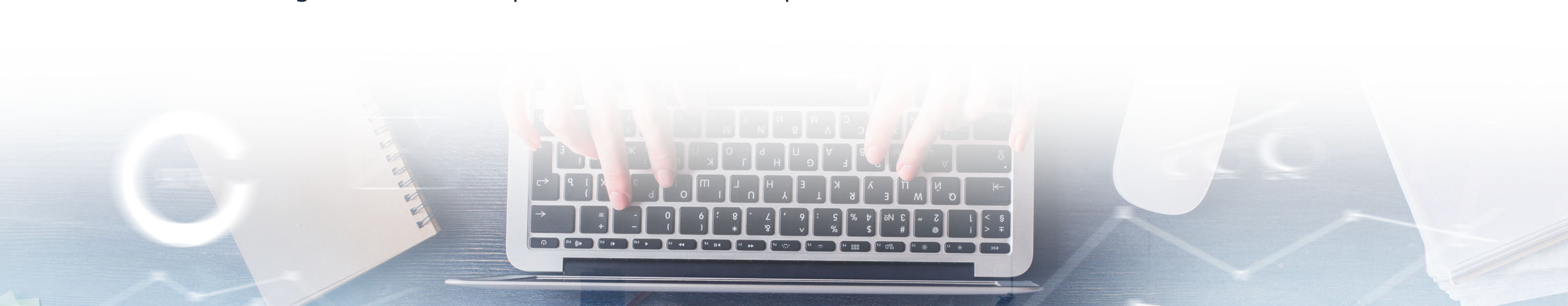
Mentions of trading and investing in stocks have increased by double digits, a noted shift in sentiment versus the prior year.

Meanwhile, many stocks have been pummeled, shares driven lower by inflationary pressure, supply chain hurdles, internal expenses, and stretched consumer budgets.

For some companies, this move lower is completely justified.

However, this report focuses on identifying companies with positive tailwinds from major consumer macro trends and improving company metrics.

Each of the five companies featured is gaining steam in at least one (or all) of these metrics. We'll keep monitoring for continued improvement in the first quarter.



Disclaimers

The material in this presentation is for informational purposes only and does not constitute an offer to sell, a solicitation to buy, a recommendation or endorsement for any security or strategy, nor does it constitute an offer to provide investment advisory or other services by LikeFolio, SwanPowers, LLC, or its employees.

This information is not investment or tax advice.

SwanPowers, LLC and LikeFolio is not an investment advisor or a broker dealer.

Investing in securities involves risks, and there is always the potential of losing all your money. Before investing in any strategy, consider your investment objectives and speak with a professional. Past performance does not guarantee future results, and the likelihood of investment outcomes is hypothetical.





LikeFolio

Copyright 2023, SwanPowers LLC