



## Earnings: 2 Hot Stocks to Watch This Month

### Description

As earnings season ramps up, two companies worth watching will be semiconductor company **Texas Instruments** ([NASDAQ: TXN](#)) and online marketplace **eBay** ([NASDAQ: EBAY](#)). The two companies' stocks have been soaring; both have risen 38% year to date.

The two companies are scheduled to report their latest quarterly results in less than two weeks. Texas Instruments releases its quarterly update on Oct. 22 and eBay will report the following day.

Given these stocks' robust performance recently, investors will expect solid financial results. Here's what investors should watch for.

### Texas Instruments

Texas Instruments' stock attracts many [dividend investors](#) thanks to its strong financials and lucrative business model, so it's no surprise that investors will be watching the company's revenue and earnings per share (EPS) closely. For Q3, management guided for revenue between \$3.65 billion and \$3.95 billion.

This revenue would be well below revenue in the year-ago period of \$4.26 billion. Of course, this is expected: The company, which operates in the cyclical semiconductor industry, is in the middle of a down cycle.

Management says down cycles in its industry typically last four to five quarters. However, there are never any guarantees. The company forecasts that EPS for the period will be between \$1.31 and \$1.53, also below EPS of \$1.58 in the year-ago period.

Investors should also look for comments from management during Texas Instruments' earnings call about its thoughts on the current cycle. Does management believe a return to revenue growth is on the horizon?

## eBay

The success of eBay's platform is due to its active buyers. Therefore, this is one metric worth checking on every quarter.

In Q2, the company's base of active buyers increased 4% year over year, to 182 million. While this was in line with year-over-year growth in the key metric in Q1, the company saw an acceleration in the sequential growth of its active buyers. eBay added 2 million active buyers sequentially in Q2. This compares to 1 million sequential additions in Q1. In Q3, investors should look for growth in active buyers to be in line with the 4% year-over-year growth it has seen in recent quarters.

Further, investors should look for more progress in the company's managed payments — a service that helps sellers manage their payment options. The program has seen impressive adoption since its launch in the fall of 2018.

Management noted in its [second-quarter earnings call](#) that it's seeing accelerated adoption of the service, with \$636 million in payments already processed and over 6,000 participating sellers. "Managed payments continues to exceed expectations," said eBay CEO Devin Wenig in the company's second-quarter earnings release. Can the new service keep up its impressive early momentum?

Texas Instruments will report its quarterly results on Tuesday, Oct. 22, and eBay will share its latest quarterly figures on Wednesday, Oct. 23.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Syndicated

### TICKERS GLOBAL

1. NASDAQ:EBAY (eBay Inc.)
2. NASDAQ:TXN (Texas Instruments Incorporated)

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