



Inside Today's Blitz

- Trump's Condition Improves, Could be Discharged to WH Today
 - Paris, UK Lockdowns Could be Announced Soon as COVID Continues to Surge
 - Biden Jumps to 14-Point National Lead in Latest WSJ/NBC Poll
- MYOK** to be bought by **BMJ** in \$13B deal; **LVMH** may be targeting **Richemont**; **XPO** looking to sell EU Supply Chain business; **Nexi/SIA** to merge; **NEC** to buy **Avalog** for \$2.2B; **GPN** exploring **Netspend** sale for \$2B; **K+S** looking to sell Morton's Salt for \$3B; theaters eyeing more shutdowns in US

Market Outlook

Futures indicating a strong open for the morning with the **Dow** up 60 bps, the **S&P** up 59 bps, and the **Nasdaq** up 94 bps. The energy group is very strong with **WTI** up 4% and **Brent** up 3.5%.

Gasoline is up over 4.25%. **Natural Gas** is up 3.3%. Precious metals are flat with **Silver** outperforming up around 20 bps. The **dollar** is down 20 bps. **Bonds** are down around 40 bps. A boost to sentiment this morning being driven by two main things today. First, the President's condition has improved since Friday despite a confusing, misleading and sometimes contradictory press conference on Saturday. POTUS could be discharged as soon as today. Elsewhere, stimulus talks remain hopeful with some reports of a potential deal framework this week. And while a full package still feels like a post-election story, Pelosi could continue to push smaller carve-outs for approval this week including an airline package. Finally, M&A heating up again today with a

number of deals in Europe reportedly in advanced talks while we had another big biotech deal with **BMJ** buying **MYOK** for \$13.1B in cash.

Asian markets are higher this morning, albeit a thin market with China remaining closed on Holiday. Hong Kong was higher by 1.32%. The Nikkei was higher by 1.23% with strength in value over growth. Rails were a standout with **East Japan Railway**, **West Japan Railway** and **Central Japan Railway** all up around 5% after the government launched a campaign to boost domestic tourism. European markets are higher as well today. The DAX is up around 70 bps while the FTSE up around 80 bps. British engineering firm **Weir Group** up 16% as they reached a deal to sell their O&G business to Caterpillar. **BP**, **Shell**, and **Tullow** all up around 2% with oil. Steelmakers are also higher with **ThyssenKrupp** and **ArcelorMittal** strong, the former up 6.5%. **K+S** is up around 17% after reports they are close to selling their US unit. **Cineworld** is down 31% after shuttering theaters in the US and UK. **Greencore** is down 7% as the maker of convenience food guided weak for the remainder of the year.

Calendar

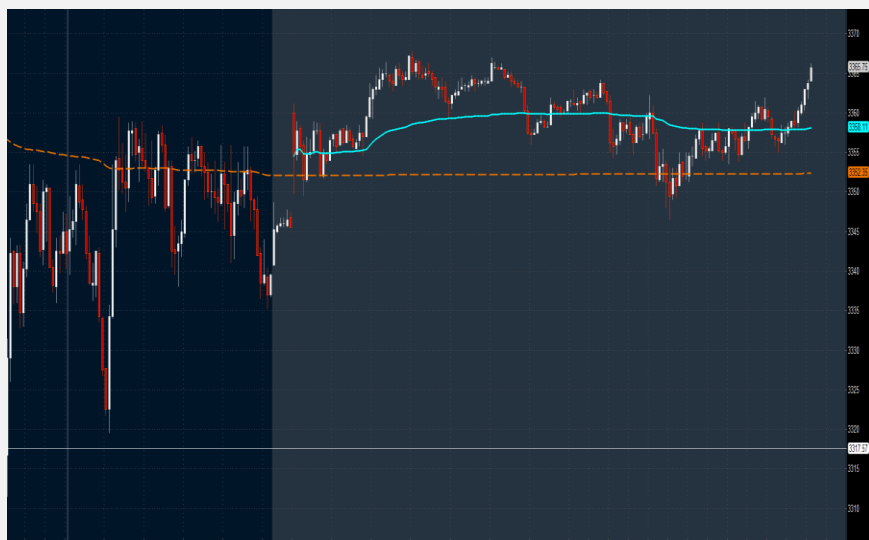
Today... Fed's Evans speaks, Fed's Bostic speaks, Markit Services PMI, ISM Services PMI; **Analyst/Roadshow Days:** NVDA, ADBE, GLPG, NDSN, ALB; **Conferences:** Chardan Genetic Medicines (ABUS, ALNY, DRNA, DTIL, FIXX, LOGC, MRNA, NTLA, SELB, SGMO)

Tomorrow... Chairman Powell speaks, Fed's Harker speaks, Fed's Bostic speaks, Fed's Kaplan speaks, Trade Balance, JOLTS Job Openings; **Earnings Before the Open:** PAYX; **Earnings After the Close:** LEVI; **Analyst/Roadshow Days:** YEXT, PSTG, HRL, LOW, DCI

Overnight Markets

Gasoline	1.1727	4.38%
Oil (WTI)	38.6	4.20%
Natural Gas	2.519	3.32%
Euro	1.1772	0.35%
Silver	24.09	0.23%
Gold	1904.7	-0.15%
US Dollar	93.68	-0.25%
Copper	2.968	-0.32%
Bonds	175.19	-0.40%

Technical View



Key Levels to Watch

It was a rather quiet night for S&P futures after gapping modestly higher on Sunday. We have really been stuck in a range between 3365 and 3352 and moving towards the highs into the US open. Thursday morning's highs up around 3388 in focus on further upside. Overnight VWAP is around 3358 and recent multi-day range. We continue to hold up above the 8-EMA.

Economic Data

- **Japan** services PMI 46.9 vs 45.6 prior
- **South Korea** services PMI 49.8 vs 48.5 prior
- **Taiwan** services PMI 55.2 v 52.5 prior
- **Singapore** retail sales -8.4% vs -6% estimates

Macro News

- **EU, UK** negotiators accelerate talks on a trade agreement, says Bloomberg. The self-imposed deadline is just weeks away
- **Spain** is becoming the new epicenter for COVID in Europe, says Bloomberg. The government is struggling with a second wave
- **Italy** may reimpose some COVID restrictions, says Reuters
- **BOJ's Kuroda** says the growth/inflation outlook in Japan will remain very high due to the pandemic, per Reuters
- **Biden's lead** jumped to 14 points Nationally in the latest WSJ/NBC poll while Reuters has a 10-point lead

Movers

Gainers: MYOK 60%, REGN 5%, XPEV 5%, LI 3.8%, NIO 3.4%

Losers: CNK -4%

Insider Buying

UEPS, KMX, FGNA

13F/13G Watch

IPO Monitor

FuboTV (FUBO) plans to raise \$150M at \$1.4B valuation; Live TV streaming platform

Aziyo Bio (AZYO) plans to raise \$50M at \$177M valuation; Commercial-stage regenerative medical product maker

Stock-Specific News

Barron's Wrap

- **Video games above to get another boost.** The next-gen consoles coming have already seen huge demand selling out in hours. U.S. videogame sales are forecast to rise 19% this year, according to research firm IDC, to \$45.6 billion. (**ATVI, EA, TTWO**)
- **Albemarle (ALB), SQM** the best plays on lithium. The companies are set to be winners among the coming EV boom
- **Terex (TEX) a cheap bet on recovery.** Cheap small-cap industrial with a strong balance sheet and the potential for profit growth

Radar Focus

ALB a recent radar write up with size put sales in the December \$80 strike, over 5000X

Consumer

- **LVMH may be walking away from Tiffany (TIF) to bid for Richemont,** says WashPo. Richemont would be a much bigger prize for Arnault who is looking for a dominant position in luxury
- **Regal Cinemas** likely suspending operations at all US locations reports the WSJ
- **GAN** signs 10 year agreement with **WYNN** to be enterprise software platform for its Internet sports betting and Internet casino gaming business in the State of Michigan
- **Cineworld** confirmed they will shutter all theater locations in US, UK for foreseeable futures, says Reuters
- **Alibaba (BABA)** will buy a 10% stake in Duty-Free retailer **Dufry**, per Bloomberg. The capital raise will help bolster the balance sheet
- **KO** is discontinuing some brands like Zico as it streamlines portfolio, per WSJ. The company may also drop less popular versions of Coke
- Education tech companies **Skillsoft, Global Knowledge** in talks to go public via SPAC, says Bloomberg. Churchill Capital had been reportedly in talks with **TopGolf**
- **Sports ratings have sunk in 2020**, says FT. The crowded schedule in the Fall due to COVID has pushed down viewing figures and threatened ad revenues

Inside the Hawk Database

GPN a lot of bull flow into the name including recent buyers in the December \$180 calls over 9000X

Financials

- **Global Payments (GPN) in talks to sell their Netspend** unit for more than \$2B, says Reuters. The company began marketing Netspend to buyers last month
- **Nexi to Buy SIA** in stock deal to create European payment giant, writes Bloomberg. Combined company to have €15B market cap.

OptionsHawk Market Blitz

- **NEC near deal to buy Avaloq for \$2.2B**, per Bloomberg. Avaloq provides banking software to private institutions looking to underpin their digital and wealth management platforms
- Spain's **Unicaja** is in talks to merge with **LiberBank**, says Reuters

Healthcare

- **Regeneron (REGN)** confirms COVID-19 antibody cocktail provided to POTUS; **GILD** remdesivir also given to Trump
- **Bristol Myers (BMY) to buy Myokardia (MYOK)** for \$225/share or \$13.1B. This is a 61% premium to Friday's close
- **Bridge Bio (BBIO), Eidos (EIDX) to merge**. The deal values EIDX at \$73.26/share
- **BMY** says FDA approves Opdivo with Yervoy for mesothelioma; BMY also notes CheckMate -915 study with Yervoy did not result in RFS improvement
- **JNJ** CEO is downplaying talk of a COVID vaccine in 2020, says Reuters. Gorsky said by early 2021 "we should be in a position to begin reviews with regulatory authorities to see if our vaccine is in fact safe, effective"
- **HMSY** is exploring options including a sale, says Bloomberg
- Blood plasma supplier **Biotest AG** is in talks for a private equity investment, says Bloomberg

Sympathy Mover

CYTK likely higher today with the MYOK deal, a pipeline comp and saw some bullish spreads open on Friday

Energy & Materials

- **Vale (VALE) is in talks with Tesla (TSLA), other EV makers over Canadian nickel**, says Reuters. Analysts have warned of a potential supply deficit for nickel
- **K+S** confirms it is in talks to sell **Morton Salt** for \$3.2B to Kissner, says Bloomberg. The company is divesting assets after the company's bet on a Canadian potash project backfired
- **CAT** will buy the Oil and Gas division of **Weir Group** for \$405M
- **TRGP** announces \$500M Buyback
- **SU** cutting 15% of workforce in the next 18 months, says Reuters
- Battery-maker **Romeo** in talks to go public via SPAC, says Bloomberg
- **Veolia** commits to not going hostile for **Suez**, per Bloomberg
- Swedish polymers group **Hexpol** sees Q3 well above forecast; the company has big exposure to the automotive industry

Inside the Hawk Database

VALE size buyers of the November and October \$11 calls lately, over 12,000X each

Industrials

- **Icahn, key investors willing to sell Navistar (NAV) to VW for \$50/share**, per NYP. Other top holders may prove to be a roadblock as they look for a higher bid
- **XPO Logistics (XPO) is restarting sale talks for their EU Supply Chain business**, per Bloomberg. The unit could fetch up to \$4.5B
- **Airbus** says the outlook for aviation has deteriorated more, per Reuters. The slowdown comes as air travel remains at a fraction of normal levels due to the pandemic
- **FTV** raises Q3 revenues view above Street
- **UAL** will expand capacity in November
- **XPEV** reports Q3 deliveries increased 266% to 8,578 vehicles

Inside the Hawk Database

XPO buyers recently in the November \$85 calls over 2000X

Tech/Telecom

- **AT&T (T) CEO says \$85B HBO bet will pay off in long-run**, per WSJ. HBO MAX is off to a slow start but the company has said it plans to bundle HBO Max's movies and TV shows with wireless and broadband packages to keep cellphone users happy and to attract new home-internet customers
- **Facebook (FB) says a breakup of Instagram is a non-starter**, per WSJ. The comments come in the wake of rising antitrust threats
- **AOSL** guides Q1 revenues \$148-\$152M vs. \$136M
- **Airbnb is eyeing a December listing**, says Reuters. The company is looking to raise \$3B
- **Samsung is ramping up 5G equipment efforts**, says FT. The company is looking to win market share lost by Huawei
- **Freee K.K.** shares have surged 300% in Japan on cloud-based accounting demand, Bloomberg profiles the company
- China's **SMIC** says the US is putting export restrictions on its suppliers, per Bloomberg
- **Rovio** CEO will depart at year-end, says Reuters

On the Chart

AOSL with a big gap higher in August on earnings and recent re-test of the range has been strong; shares have room back to \$15+

Analyst Notes

Upgrades

- **DOCU** upgraded to Overweight at MSCO, firm sees COVID-19 tailwinds driving strong new customer acquisition and believes customers won't return to paper processes after going digital
- **INTU** raised to Overweight at MSCO, a shift in strategic focus from customer base growth to "a formula more heavily weighted towards growth in revenue per customer" should not change the long-term growth profile of the company but should unlock material margin expansion
- **REGN** raised to Overweight at Cantor, the analyst believes investors are still underappreciating Dupixent as a growth driver in both the near and long-term. Additionally, Young thinks REGN-COV2 could be another unappreciated near-term revenue driver in 2021 after seeing early data
- **ST** raised to Outperform at Cowen, the analyst believes that with momentum building in electrification and a "major opportunity" in China, Sensata should see positive estimate revisions and material upside.
- **JELD** raised to Overweight at Wells Fargo, channel checks across Windows and Doors and end-markets suggest Jeld-Wen has improved its Windows manufacturing operations as contacts suggest the company's product quality control issues are a thing of the past
- **LBRT** raised to Overweight at Barclays, the firm expects lower 48 production to start to "meaningfully" decline by year end, providing a catalyst for an increase in rigs and completions crews in the 2H of 2021
- **ATUS** raised to Outperform at Bernstein, the firm believes the company's underlying fundamentals bottomed earlier in 2020 and he sees its investments expanding in 2021
- **PII** raised to Outperform at Baird, In an incredible summer for Polaris as consumers shunned crowded spaces for the outdoors, the pandemic attracted more people to the brand and surging demand depleted dealer inventory, which sets up a healthy replenishment cycle
- **HMHC** upgraded to Neutral at Citi
- **CCOI** upgraded to Neutral at RJF
- **OKE** raised to Overweight at Wells Fargo
- **HP** upgraded to Neutral at Barclays

Inside the Hawk Database

INTU size buyers in the January 2022 \$340 calls lately, over 650X at \$34 to \$45

On the Chart

ST small flag forming above its 8- and 20-MA, a breakout above \$45 setting up for a run at \$50+

Downgrades

- **T** cut to Underweight at KeyBanc, the firm's Key First Look Data suggests deterioration in DirecTV subs and ARPU in August and that AT&T wireless postpaid ARPU is declining month-over-month, suggesting trade down and limited service revenue improvement in Q3
- **DNKN** cut to Neutral from Buy at BTIG, same-store sales will continue to recover at a rapid pace, but the decline in franchise cash flow this year could lead to more muted unit growth in 2021
- **ACC** downgraded to Neutral at Keybanc, firm sees limited positive catalysts to drive the stock higher in the near-term and sees downward pressure to 2021 estimates and uncertainty around the company's dividend policy
- **BLD, IBP** cut to Hold at Benchmark

Inside the Hawk Database

T size put buys in the December \$25 strike over 18,950X recently, a laggard name with the 50-day and YTD VPOC resistance above at \$29.75

Initiations

- **CRWD** assumed Buy at Goldman Sachs, the company has established itself as a technology leader in the Endpoint Security market with a "disruptive platform" that has enabled it to penetrate core markets with a high level of efficiency
- **TBIO** initiated Buy at Goldman, \$19 PT, the company's lead pipeline drug, MRT5005, generated an initial signal of clinical activity - but not yet definitive - in an ongoing Phase 1/2 cystic fibrosis trial and he awaits data from the next cohorts, representing a significant catalyst for stock
- **CRSP** started Buy at BAML, their technology platform has generated a de-risked and a potentially best-in-class curative therapy for transfusion-dependent beta-thalassemia and sickle cell disease, as well as a trio of next-gen allogeneic CAR-T therapies for both liquid and solid tumors
- **VIR** started Buy at BAML, The company's advanced set of technology platforms offers a "compelling pipeline" of next-gen infectious disease treatments, starting with hepatitis B, influenza A, and COVID-19
- **FRPT** started Overweight at Atlantic

On the Chart

CRWD nice bull flag forming under \$150 and the post-earnings highs from late August, a run higher targeting \$180

Other Commentary

- **QGEN** positive catalyst watch at Citi into Q3 earnings, company will see "significantly higher than initially anticipated" COVID testing related revenues, given the company's guidance implied a quarter-over-quarter decrease in COVID-related revenues
- **SBUX** named an 'actionable buy idea' at OpCo, \$101 PT, firm believes the company has "powerful self-help catalysts" for accelerating same-store-sales and market share gains

Inside the Hawk Database

SBUX strong flows recently into the longer-dated calls in January, April and June

OptionsHawk Market Blitz

- **SQ** target to \$185 from \$170 at Barclays; Raised to \$195 at SIG
- **MCD** target to \$250 from \$225 at BAML
- **VRTX** target raised to \$325 at BAML from \$315
- **POOL** on track for beat and raise quarter says Longbow

Trade Ideas

Calix (CALX) working out of a bull wedge on Friday after a big gap higher in July and orderly consolidation. MACD crossed over bullish on Friday and RSI breaking out as well out of a narrow range. Shares have upside in the near-term to \$21 but quality-name with upside to \$27-\$28



Daily Technical Scans

Healthiest Trends: TDOC, ETSY, BNTX, LVGO, CDAY, NET, ARES, CRL, J, FSLY, FIVN, ICLR, MYOK, HLF, DECK, VRT, PLUG, RARE, WMS, VVNT, LGIH, GTLS, TPH, GDOT, UPWK, NOVA, CDNA, AAWW, PRPL, BMI

200 MA Basing: KHC, ARE, BSX, ULTA, HEI, SCI, LEA, DCI, RYN, RXN, TRNO, VVV, HLNE, UNVR, WGO, CBT, THC

Earnings Preview

Helen of Troy (HELE) reporting earnings on Thursday before the open and one of the single best performers in the space with shares higher in nine of the last ten. The average closing move has been 4.25% and max move of 21.6% and setting up well to start the week after pulling back to YTD VPOC and bouncing a bit. A run back near \$210 into the report sets up for a big breakout move to new highs and measured run in the longer-term to \$240-\$250. The Street is looking for \$2.38/\$439.89M. The \$5.06B company focuses on consumer products like housewares, health and home, and beauty under brands like OXO, Good Grips, and PUR. Their housewares business has been seeing strong demand during the pandemic as more people stay home and cook, focus on cleaning, and organizational needs. They had some softness from store closures around REI, Dick's Sporting Goods, and Bed Bath and Beyond where they sell their product – the latter with blowout numbers last week. DA Davidson was positive on 7/10 with a \$237 PT citing a 30% increase in Health & Home and a 33% rise in e-commerce. The firm expects Helen of Troy's margins to hold up well in FY21, even though management warned about a modest margin compression due to increased investment spending. CL King called the company "a grand slam among strikeouts" as their unique product profile, distribution channels and management are not only comparatively better positioned to weather the COVID-19 crisis, but, also, to ultimately benefit from it. Shares trade 18.7X earnings, 2.9X sales, and 15.4X FCF. Short interest is elevated at 7.6% and up from 1.7% in February. Hedge fund ownership rose 9.75%.

What They're Saying

Pepsi (PEP) CEO Ramon Laguarta on adapting to changes in emerging markets to drive consumption... Listen, I think, international is probably the biggest opportunity we have long-term, right? I mean, the per caps in both our beverages and our snacks is very low. And we see that as our number one driver of future value for the company. We've seen the levers to drive per capita consumption. Affordability clearly is a big one for us. And we continue to make progress on adjusting our cost structures to the different market realities. And that allows us to have much more flexibility on the price points and on the – then what we decide to do with the different levels of tearing of the market. So the big enabler if you want for being a really affordable product, and that would drive per caps is our cost structures. And I think we're making great progress on adjusting a lot of the leavers off that at the end are the cost be it in the supply chain, be it in the G&A, be it in the selling and distribution. We're making great progress on adjusting the decisions we make on supply, delivery, and management for the different realities in the different developing markets. And that's driving affordability. That's driving, as you were saying, volume increase, even in a situation where a lot of those markets are suffering.

Open Interest Checks

OI Checks					
Ticker	Contract	Prior OI	New OI	OI Change	
DOCU	March \$220 Calls	337	1,814	438.28%	
TMUS	November \$120 Calls	2,434	6,201	154.77%	
WMB	November \$18 Puts	6,173	12,172	97.18%	
BABA	June \$290 Calls	1,631	3,023	85.35%	
MT	March \$13 Puts	2,827	5,236	85.21%	
ADS	December \$55 Calls	3,458	5,481	58.50%	
SPY	November \$316 Puts	10,297	16,220	57.52%	
KNX	November \$40 Calls	7,163	9,471	32.22%	
ABBV	January \$90 Calls	4,849	5,745	18.48%	
NVDA	Oct. 30th (W) \$540 Calls	2,039	1,851	-9.22%	
TWTR	October \$45 Calls	10,115	9,118	-9.86%	
SBUX	June \$87.50 Calls	3,198	2,829	-11.54%	
PINS	January \$30 Calls	5,537	4,799	-13.33%	
TWTR	Oct. 30th (W) \$47.5 Calls	8,704	6,832	-21.51%	
LULU	October \$350 Calls	4,146	2,630	-36.57%	
UPWK	November \$17.50 Calls	3,619	2,276	-37.11%	

Extras

Citi (C) with 10,000 January \$52.50 calls bought for \$1.24, spread against the \$60 and \$70 calls

Fed-Ex (FDX) the November \$230 puts sold to open 1,450X for \$5.75

OptionsHawk Market Blitz

Nautilus (NLS) the November \$22.50 calls bought 1400X up to \$1.45

Alliance Data (ADS) another 2,000 December \$55 calls bought for \$2.45, third straight day

Pfizer (PFE) the September 2022 \$33 puts sold to open for \$4.70, over 1000X

T-Mobile (TMUS) the November \$120 calls bought over 4000X

Duke Energy (DUK) opening sale of 700 January 2022 \$90 puts around \$10.85 with the recent M&A talk

Green Dot (GDOT) late surge and 400 November \$60 calls bought up to \$4.80

Sleep Number (SNBR) the October \$55 calls bought 700X for \$2.90

Nasdaq (QQQ) with 10,500 June \$250 puts bought \$19.50 as the March puts roll

Biotech (XBI) the January \$100 puts bought 3,000X up to \$5.30/\$5.35

Disclosures

Not Investment Advice or Recommendation

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