



Inside Today's Blitz

- Credit Suisse to be Acquired by UBS
- FDIC Prepares Breakup of SVB
- Coordinated Central Bank Action
- **PDD** Misses, **KRTX** Positive FDA results;
- Barron's Positive on Banks
- **DLTR** Pulls Eggs

MARKET OUTLOOK

Futures are down about four points to trade around the 3942 area. The early portion of the night was quiet and led to the high print of 3978.25. Pressure mounted toward the end of the Asian session, culminating with the low set at 3897.25 before the bounce that brought the market back to the current level.

European stocks are down but off the lows on concerns over a deepening banking crisis and an impending recession. Financials are in focus after UBS (-7%) acquired Credit Suisse (-58%). The sour response has created a ripple effect across the sector, with Commerzbank, Deutsche Bank, Societe Generale, ING Groep, HSBC, and Standard Chartered down 3-5%.

Asian stocks ended Monday on a lower note. The Bank of Japan is taking part in a coordinated central bank action to improve dollar liquidity through swap lines. China's President Xi said that a peaceful resolution to the conflict in Ukraine needs to comply with the UN charter during his visit to Moscow. The People's Bank of China made no changes to its one-year and five-year loan prime rates.

Calendar

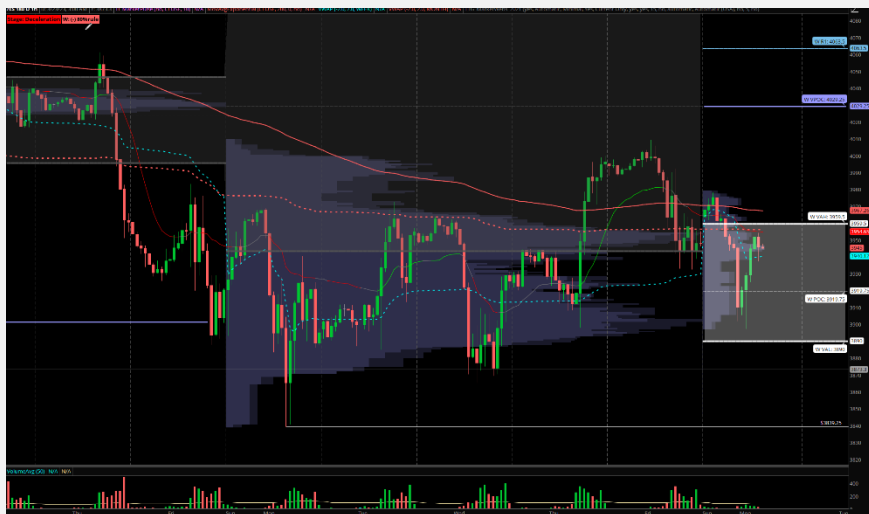
Today... Quiet day with no Econ data, 6-month Bill Auction

Tomorrow... Existing Home Sales, Earnings from ONON, CSIQ, NKE, GME, ARRY

Overnight Markets

Description	Price	Change
Natural Gas	2.466	-1.95%
Copper	3.939	1.93%
Oil (WTI)	69.14	0.90%
Silver	21.985	1.35%
Gold	1935.9	0.68%
US Dollar	104.17	-0.23%
VIX	23.4	1.78%
Bonds	114.23	0.47%
Bitcoin	26,875	7.00%
Ethereum	1,754	3.88%

Technical View



Key Levels to Watch

S&P Futures (ES_F) traded in a wild range overnight starting Sunday higher by 25 and hitting the 3975 level before selling off with Europe markets lower and testing the 3900 big support from last week. Weekly value area low at 3890 is also support with the POC at 3920 acting as a line in sand while resistance is up at 3959.50 and then 3975 and 4000 the big round number overhead. Above that would target 4030 as a naked VPOC.

Economic Data

- U.S. Consumer Sentiment** Unexpectedly Drops In March, Inflation Expectations Dip. The report said the consumer sentiment index slid to 63.4 in March from 67.0 in February. Economists had expected the index to be unchanged.

Macro News

- Bank Crisis** - UBS buys Credit Suisse for \$3.2 billion as regulators look to shore up the global banking system. The terms of the deal will see Credit Suisse shareholders receive 1 UBS share for every 22.48 Credit Suisse shares they hold. The Swiss National Bank also pledged a loan of up to 100 billion Swiss francs (\$108 billion) to support the takeover.
- FOMC** – The Central Bank meets Wednesday and is mostly expected to increase rates another 25 bps on March 22. The 50 bps posited last week is now out the window and while many Fed watchers believe Powell and Co should pause, that too is very unlikely given credibility factors. Of more importance, though, will be Powell's press conference and the FOMC's new projections, and especially the dot plot. Analysts expect Chair Powell reiterate the Fed's work is not done and that fighting inflation is still job 1. But with the stressed in the financial markets, his tone is likely to be more cautious than would have otherwise been the case.

Movers

Gainers: NYCB +13.6%, PACW +5.7%, ABR +4.1%, BANF +2.8%, EFXT +1%, RCLB +0.8%

Losers: CS -58.6%, FRC -19.3%, PDD -14.1%, BBY -13.6%, TTCF -5.2%, UBS -4.7%, LADR -2.1%, SMMT -1.8%

Insider Buying

REI, SCHW, LILA, PEB, WMT, BRO, VST, WEST, VERA, ENVX, CNC, CPRI

IPO Calendar

No Notable IPOs

MARKET HEALTH AND STATS CHECK

INDICATOR	SIGNAL
NYSI	BEAR
WEEKLY MACD	BEAR
8/21 WEEKLY MA	BULL
CUMULATIVE A/D 89-EMA	BEAR
NEW HIGH/LOW CUMULATIVE 10-MA	BEAR
UP/DOWN VOLUME RATIO 150-MA	BEAR
TOP OF BOOK DEPTH	NEUTRAL
YTD EQUITY FLOWS	-\$15B
IMPLIED ERP	4%
P/E	18X
2023/2024 EPS GROWTH EST.	0%/10%
S&P SHORT INTEREST	1.60%

- **FDIC** - preparing for breakup of Silicon Valley Bank (SIVB) after failing to secure a buyer.
- **China** - US and Europe are highly skeptical of Chinese President Xi's claim that his trip to Russia to meet with Putin is a "peace mission."
- **Central Banks** - Coordinated central bank action to enhance the provision of U.S. dollar liquidity. The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank are today announcing a coordinated action to enhance the provision of liquidity via the standing U.S. dollar liquidity swap line arrangements.

Sentiment, Hedge Funds and Positioning

- **CNN Fear and Greed Index** – The measure closed Friday at 25 which is in Extreme Fear territory for the second straight week after hitting 20 last week. Levels below 25 have often been times where it marked bottoms in the overall market when looking out several weeks.

Stock-Specific News

Barron's Recap

- **JPM, C, BAC, WFC, GS, MS** Banking giants will benefit from turmoil, due to cheap stocks and hefty dividend yields.
- **BANF** BancFirst seen as positive opportunity
- **TRVG** featured positive as Trivago's Secret Weapon: Inflation Driving Comparison Shopping
- **NEM** positive view on the gold miner
- **VIRT, LOB, AGM, DAR** Small Cap Stocks to consider amid the downturn

Consumer Goods (XLP)

- **RBA** Chief Revenue Officer Kari Taylor will be leaving the company effective April 3
- **DLTR** pulls eggs from shelves due to high cost
- **F, GM, BMWYY, VWAGY** Automakers in China are cutting prices

Consumer / Business Services (XLY)

- **BBBY** to hold a special meeting of shareholders to seek approval for a reverse stock split
- **NYT** Labor tensions increasing at New York Times

Hawk Database

NEM has seen bull flows as gold breaks out. Friday buyer of 2500 Sept \$45 calls

On the Chart

GM back at the December lows where it bounced from and now oversold for snapback rally

- **MANU** Jim Ratcliffe wants to bid for Manchester United and conduct a U.S. expansion
- **NFLX** Netflix advertising supported streaming service reached 1 mln users, according to Bloomberg

Financials (XLF)

- **GS** preparing claims against Credit Suisse (**CS**) debt.
- **ABR** approves share repurchase authorization up to \$50M
- **LADR** files mixed securities shelf offering
- **BRK.B** Warren Buffet has been speaking to members of the Biden administration about banking issues.
- **CS** Some Credit Suisse clients might want to move wealth assets following UBS deal.
- **FRC** Tom Barrack advising First Republic Bank on its options
- **MA** acquired cloud-based cybersecurity company Baffin Bay Networks to better help businesses deal with the increasingly challenging nature of cyber-attacks. Baffin Bay Networks, based in Sweden, adds to Mastercard's multi-layered approach to cyber security and helps to stop attacks, while mitigating exposure to risk across the ecosystem. The acquisition further strengthens Mastercard's broader services offerings and value beyond the payment transaction.

Healthcare (XLV)

- **KRTX** announces positive results from phase 3 emergent-3 Trial of KarXT in schizophrenia
- **REGN, SNY** report Dupixent (dupilumab) Late-Breaking Data at AAD Show Significant Improvements in Signs and Symptoms of Moderate-to-severe Atopic Hand and Foot Dermatitis
- **TAK** Announces Positive Results in Phase 2b Study of Investigational TAK-279, an Oral, Once-Daily TYK2 Inhibitor, in People with Moderate-to-Severe Plaque Psoriasis
- **ABBV** reports Late-Breaking Results of Study Evaluating 52-Week Efficacy and Safety of SKYRIZI® (risankizumab) in Plaque Psoriasis Patients With a Prior Suboptimal Response to IL-17 Inhibitor Therapy
- **NKTX** files for \$350M mixed securities shelf offering
- **NVCT** files for \$150M mixed securities shelf offering
- **NVTA** files for 111,627,888 share common stock offering by selling shareholders, relates to convertible notes offering
- **EXAS** files for 5,171,577 share common stock offering by selling shareholders, relates to convertible notes offering

Hawk Database

KRTX has seen May \$180 short puts hold in OI showing confidence in a floor at that level

Industrials (XLI)

- **BA** was awarded a \$1.95B modification to US Army contract for the Apache AH-64E
- **CP** reaches tentative collective agreement with the Teamsters Canada Rail Conference Maintenance of Way Employees Division
- **RKLB** to launch pair of satellites on an Electron mission for BlackSky (BKSX) through global Spaceflight, Inc. on March 22
- **LMT, NOC, GD, LHX** Senate expected to pass bill that remove war powers for military force in Iraq

On the Chart

CP getting near a large breakout from value are above 80 and has room to 85-90

Materials & Energy (XLB, XLE, TAN)

- **CENX** files for \$350M mixed securities shelf offering
- **GVA** purchased the high-quality aggregate-producing Brunswick Canyon quarry and asphalt plant in Carson City, Nevada.
- **SLI** announced today the commencement of a drilling program at its South West Arkansas Lithium Project to support the forthcoming Preliminary Feasibility Study.

Technology (XLK)

- **MSFT** aiming to introduce mobile application store
- **META, DWAC** Former President Trump posted on Facebook for the first time
- **HPE** announced that it has entered into a definitive agreement to acquire OpsRamp, an IT operations management company that monitors, observes, automates and manages IT infrastructure, cloud resources, workloads and applications for hybrid and multi-cloud environments, including the leading hyperscalers.

Communications & Utilities (XLU, XLC)

- **FYBR** Parent: Ares Mgmt discloses 250,000 share purchase on Mar 15 and 81,208 share purchase on Mar 16

Analyst Notes

Upgrades

- **UNM** raised to Buy from Hold at Jefferies
- **USB** raised to Outperform from Neutral at Baird
- **KMB** raised to Hold from Sell at Deutsche Bank
- **CAG** raised to Hold from Sell at Deutsche Bank

- **LYB** raised to Buy from Hold at Deutsche Bank
- **DOW** raised to Buy from Hold at Deutsche Bank
- **PTLO** raised to Buy from Hold at Stifel
- **EGP** raised to Buy from Neutral at Mizuho
- **NYCB** raised to Outperform at Keefe
- **UBS** raised to Buy from Neutral at BAML
- **ENPH** raised to Outperform from Market Perform at Raymond James
- **PEP** raised to Market Perform from Underperform at Bernstein
- **WRK** raised to Buy from Neutral at Citi
- **META** raised to Buy from Hold at Edward Jones
- **VFC** raised to Buy from Hold at Williams
- **NRG** raised to Buy from Neutral at BAML
- **VRSK** raised to Neutral from Sell at Redburn
- **ASPN** raised to Buy from Hold at Benchmark
- **BN** raised to Outperform from Neutral at Credit Suisse
- **CLF** raised to Peer Perform from Underperform at Wolfe
- **X** raised to Peer Perform from Underperform at Wolfe
- **KR** raised to Buy at Northcoast after Albertsons-fueled pullback

Sympathy Mover

FSLR has been the best solar stock so may get some action on the ENPH upgrade.

Downgrades

- **UNVR** cut to Hold from Buy at Fermium Research
- **UBS** cut to Underperform from Market Perform at Keefe
- **LFCR** cut to Equal Weight from Overweight at Stephens

Initiations

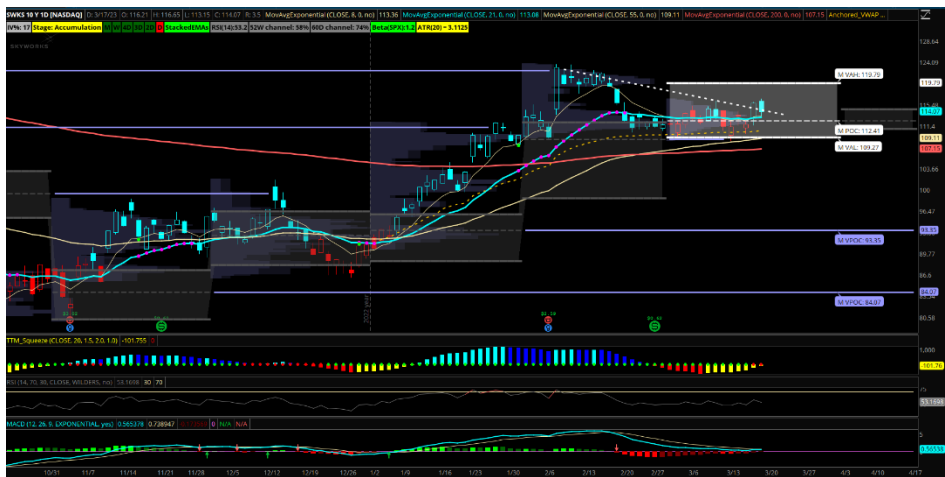
- **ROP** started Buy at Truist
- **PLD** started Buy at Mizuho
- **DELL** started Buy at Goldman
- **HPQ** started Neutral at Goldman
- **HPE** started Neutral at Goldman
- **ESAB** started Neutral at BAML
- **FERG** started Overweight at JPM

Other Notes

- **EOG** lowered to \$122 from \$160 at Citi
- **PXD** lowered to \$193 from \$232 at Citi
- **CRSP** lowered to \$55 from \$63 at Citi
- **MHK** lowered to \$103 from \$109 at Credit Suisse
- **MSFT** raised to \$295 from \$280 at Evercore
- **AMD** raised to \$115 from \$100 at Raymond Jam

Trade Ideas

Skyworks Solutions (SWKS) shares are hitting the Ready to run scan as MACD nearing a bull cross and prices bounced off the monthly value area low last week and closed back over the 8/21 EMA's and clearing a small trendline from the recent highs. A tech name that can see upside continuation with the Semi sector strong lately and SWKS has a upside target at 119.79 top of value while a bigger picture breakout is likely setting up into April for a move to 130 and beyond.



Technical Scans

Inside Week Candle: JNJ, UNH, WMT, ABBV, PFE, PDD, GE, SE, SNOW, CL, EQIX, TCOM, ALGN, O, BIIB, BJ, ZM, DKS, ALC, VST, PCTY, EXAS, INCY, TXG, ASAN

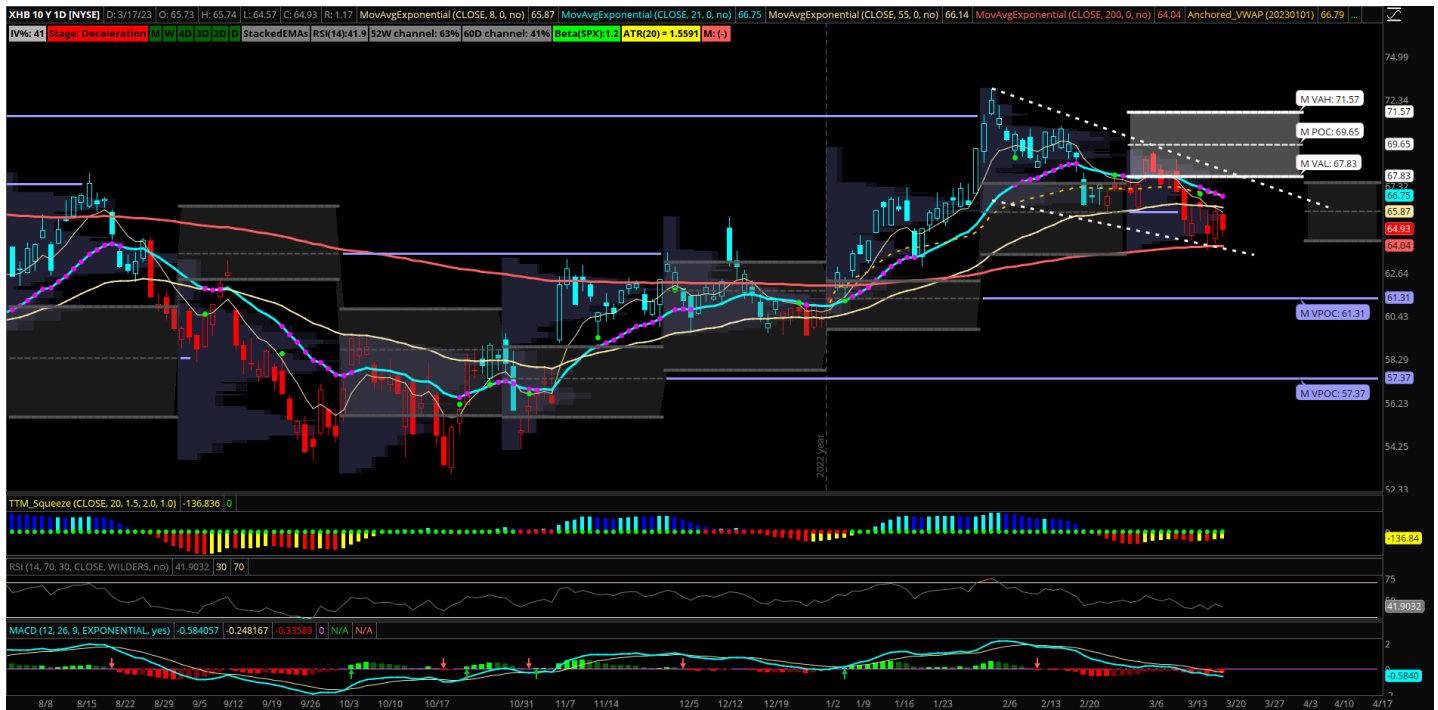
Bullish MACD Cross: HD, COST, AZN, NKE, DHR, CP, INTU, ADBE, KLAC, MNST, HCA, SHW, KDP, BIIB, PINS, TSN, PKI, XP, GMAB, TYL, ATO, CAG, DASH

13/34 EMA Bull Cross: GOOG, PEP, TXN, INTC, PDD, WM, BIDU, FNV, WEC, DASH, ZTO, TW, COO, SWAV, ONON, AGI, PLTK, OMCL, EVOP

ETF Sector Corner: Homebuilders Setting up into Seasonal Strength

SPDR S&P Homebuilders ETF (XHB)- This ETF is focused on the U.S. homebuilding industry, and as such offers exposure to a corner of the domestic economy that tends to be cyclical in nature. In addition to pure play homebuilders, this fund includes companies related generally to the homebuilding industry, such as Pier One. For investors seeking exposure to the homebuilding industry—or the closest thing to it available in an ETF wrapper—we think XHB is the best option out there. This fund is more cost efficient than other options such as PKB or ITB, and the equal weighting methodology ensures exposure is spread evenly across component companies.

The ETF's top holdings in order of weight include **PHM, BLDR, FND, LEN, DHI, NVR, TOL, WSM, TT, MAS, CARR, LOW, OC, LII, WMS**. The ETF has 36 holdings and is equal weighted compared to its cousin ITB which is market cap weighted. The top 10 names make up 41.5% of the fund. Large caps (>\$13B) make up 31% of the index. Mid-caps (\$2.7B-\$13B) make up 64% of the fund, while Small caps (<\$2.7B) are 5%. Shares are seeing a minor pullback to the 200-day EMA the past several weeks after a strong start to the year saw shares hit the 72.50 level where there was a VPOC target waiting. With the FOMC likely nearing a interest rate pivot any dovish perceived language coming can see the homebuilders benefit as they are interest rate sensitive names and would benefit from a softening stance the 2nd half of 2023 as the Fed likely cuts rates by year end at this point now. Seasonality for the homebuilding sector kicks in starting in April and going through July historically. The XHB has seen April up 6 of the last 10 years with average gains of +2.3% with May also strong up 7 of 10 years for an average gain of +2.2% as a sector.



Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
BKU	21 APR 23 20 PUT	2,590	8,522	229.03%
NEM	15 SEP 23 45 CALL	1,517	3,668	141.79%
SCHW	19 JAN 24 75 CALL	2,843	5,347	88.08%
CCJ	16 JUN 23 24 PUT	2,529	4,536	79.36%
APO	17 JAN 25 110 CALL	3,536	6,247	76.67%
VFC	18 AUG 23 25 CALL	3,525	6,192	75.66%
SE	19 JAN 24 80 PUT	3,537	6,017	70.12%
SQ	19 JAN 24 80 CALL	5,113	8,505	66.34%
NVDA	21 APR 23 250 CALL	10,894	16,689	53.19%
HSBC	16 JUN 23 32 PUT	2,799	4,192	49.77%
BTU	20 OCT 23 22 CALL	2,540	3,466	36.46%
PTGX	21 JUL 23 15 CALL	517	657	27.08%
SRPT	16 JUN 23 100 PUT	2,809	2,920	3.95%
CBRE	16 JUN 23 75 PUT	2,917	2,913	-0.14%
FSLR	15 SEP 23 220 CALL	1,057	969	-8.33%
TFC	19 JAN 24 42.5 CALL	2,645	2,291	-13.38%
ADI	16 JUN 23 175 PUT	2,677	1,710	-36.12%
FCX	16 JUN 23 39 PUT	3,698	1,765	-52.27%
MANU	19 MAY 23 20 PUT	3,042	1,071	-64.79%

Extras

Albemarle (ALB) trade opens 750 September \$195/\$200 bull risk reversals for \$14.60 debit.

EOG (EOG) with 840 June \$102.50 bear synthetics open for \$0.90 credit

Deutsche Bank (DB) buyer of 10,000 May \$9 puts for \$0.75

Etsy (ETSY) buyer of over 4000 June \$120 calls for \$6.78

Mobileye (MBLY) late day trade opens 4300 May \$45 bull synthetics for \$1.74 credit

Bank of NY Mellon (BK) with 5600 April \$45 puts bought for \$3.60, adjusting the \$50 puts down

Capital One Financial (COF) large buy of 2250 April \$90 puts for \$5.20 and 2250 of the \$85 puts bought for \$3.40, adjusting down the \$95 puts

Akamai (AKAM) large buyers of 2500 January \$75 puts for \$8.70

Marathon Oil (MRO) buyers of 3700 January \$22 calls for \$3.65

Newmont (NEM) with 2800 June 2024 \$65 calls bought at \$3.10 and 2500 September \$45 calls bought at \$6.10 as gold breaks out of yearly value area

Snowflake (SNOW) large opening seller with a block of 1500 August \$130 puts sold at \$17

Occidental (OXY) opening seller for 1000 January 2025 \$55 puts at \$9.50 to \$9.35

What They're Saying

FDX Earnings Call. "Thanks to the hard work of the FedEx team, our third quarter earnings were ahead of our expectations in what remains a challenged demand environment. The team delivered outstanding service throughout and following peak despite significant weather disruptions across the United States. Importantly, our third quarter results also reflect our continued progress on the fundamental transformation of FedEx as we moved with urgency to realign our cost structure. Our cost reduction actions supported margin expansion at both Ground and Freight but have not yet fully offset the impact of continued pressures at Express. Results at Express came in below where they need to be and below the potential we know exist in this business. We're committed to addressing these cost imbalances, and we'll be taking further actions in the coming months, including a more pronounced readjustment of the air network. Because of the magnitude of changes, we are planning across our air network and our continued need to maintain high service levels, there's a lag in the timing of expense adjustments. We expect to see sequential progress in the fourth quarter. Overall, our efficiency efforts are gaining traction ahead of schedule, and I'm pleased that this translates into an improved earnings outlook for fiscal year '23."

Earnings Grid

Stock	Next Earn		Open Interest	Historical Moves (8 Q)	Implied Move	Avg. 8 Q Max Move	Med. 8 Q Close Move	Sum. 8 Q Close Move	IV30 Skew	Crush	Hist Put/Call OI		SI Change (3mo)
	Date	Time									%-tile	Short Float	
FDX	3/16/2023	AMC	Bull: \$11.36M (46%), Bear: \$10.02M (40%), Stock: \$3.46M (14%)	Lower 5 of 8	4.80%	7.30%	-3.50%	-7.60%	6.11	-23.50%	93.46%	2.24%	-0.96%
BRZE	3/17/2023		No Trades Since Last Report	Lower 2 of 3, Lower last 2	6.47%	16.58%	-2.11%	-12.40%	14.07	-16.30%	72.37%	5.33%	-18.38%
PDD	3/20/2023	BMO	Bull: \$74.44M (49%), Bear: \$40.44M (27%), Stock: \$32.81M (22%), Vol: \$2.7M (2%)	Even of 8, Higher last 3	10.58%	16.12%	3.54%	30.10%	5.93	-16.40%	84.94%	1.93%	50.79%
FL	3/20/2023	BMO	Stock: \$1.92M (41%), Bull: \$1.52M (33%), Bear: \$1.24M (26%)	Higher 5 of 8, Higher last 3	10.94%	16.72%	3.02%	-8.50%	10.52	-23.80%	49.42%	11.02%	5.23%
CNM	3/20/2023		No Trades Since Last Report	Higher 5 of 5, Higher last 5	13.61%	10.23%	2.49%	17.90%	4.41	-23.80%	49.87%	13.06%	9.45%
ONON	3/21/2023	BMO	Bull: \$5.58M (56%), Bear: \$4.31M (44%)	Higher 3 of 5, Lower last 2	13.33%	15.74%	1.03%	30.70%	8.12	-19.20%	50.15%	11.27%	4.11%
CSIQ	3/21/2023	BMO	Bull: \$3.14M (100%)	Higher 7 of 8	9.32%	10.00%	2.94%	32.10%	7.86	-10.00%	98.81%	7.42%	-3.60%
NKE	3/21/2023	AMC	Bear: \$19.73M (50%), Bull: \$17.93M (46%), Stock: \$1.56M (4%)	Even of 8	7.15%	10.04%	-0.87%	6.05%	6.46	-29.90%	90.09%	1.31%	12.59%
HQY	3/21/2023	AMC	Bear: \$0.22M (100%)	Higher 5 of 8, Higher last 4	14.26%	10.57%	0.86%	-20.80%	5.53	-21.00%	27.75%	3.36%	-11.22%

Earnings Review

PDD – Misses EPS and Revenues- In 2022, we focused on strengthening our core capabilities to improve our technological know-how and bring the benefits of digitalization to society. As we enter the new year, we remain dedicated to creating value for all stakeholders through innovation. We continued our technology focus with our annual R&D spending exceeding RMB 10 billion. We will further step up our investments in technology to drive sustainable growth of our company.

FL – Beats EPS and Revenues, Guides Lower- Our team delivered a great finish to the year with strong fourth quarter results that capitalized on resilient Holiday demand and a compelling assortment and inventory position from our brand partners. We are entering 2023 with a focus on resetting the business – simplifying our operations and investing in our core banners and capabilities to position the Company for growth in 2024 and beyond. We are proud of Foot Locker's role in influencing and serving the global sneaker community, and next year, we will celebrate the 50th anniversary of the iconic Foot Locker brand. We are incredibly excited to introduce our "Lace Up" plan with a new set of strategic imperatives and financial objectives that are designed to set us up for success for the next 50 years.

Disclosures

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