



Inside Today's Blitz

- Japan Service Sector Surges, Inflation Slow
- Yellen Assures US Bank System is Backstopped
- Eurozone Flash PMI Jumps to 54.1
- **GD** Contract; **DB** CDS Surges;

MARKET OUTLOOK

Futures are indicating a weak open as European bank weakness coupled with concerns of rising rates weigh on markets, the USD strong and a flight to safety continues with Gold staying strong and Bonds rallying sharply. Oil is getting crushed on worries of a slowdown/recession and the VIX up 7% this morning, a week out from a large quarterly options expiration. US data this morning comes into focus with Flash PMI, strong numbers out of Japan/Eurozone but the new orders outlook sees weakness down the road. Banks and

Energy look to be the weakest groups into the open, a theme present most of 2023.

European stocks fell for a second straight session on Friday, with banks coming under selling pressure once again on a Bloomberg report that Credit Suisse Group and UBS Group AG are among the banks under scrutiny in a U.S. Justice Department probe for potentially helping Russian oligarchs evade sanctions. JD Wetherspoon soared 6 percent on posting turnaround results in its first half. S&P Global Eurozone PMI Composite rose to 54.1 in March vs. 51.9 estimated and 52.0 previous. U.K. retailers enjoyed a stronger-than-expected month in February, while a measure of consumer confidence climbed slightly in March.

Asian stocks ended broadly lower on Friday as concerns about the banking crisis persisted despite comments from regulators that they would take additional steps as needed to support the financial system. Chinese shares fell notably as heavily indebted Evergrande Group announced its long-awaited debt restructuring. Japanese shares ended slightly lower after a survey showed manufacturing activity in the country contracted for a fifth straight month in March. However, a key measure of inflation eased as expected in February, helping ease pressure on the Bank of Japan to immediately tighten policy.

Calendar

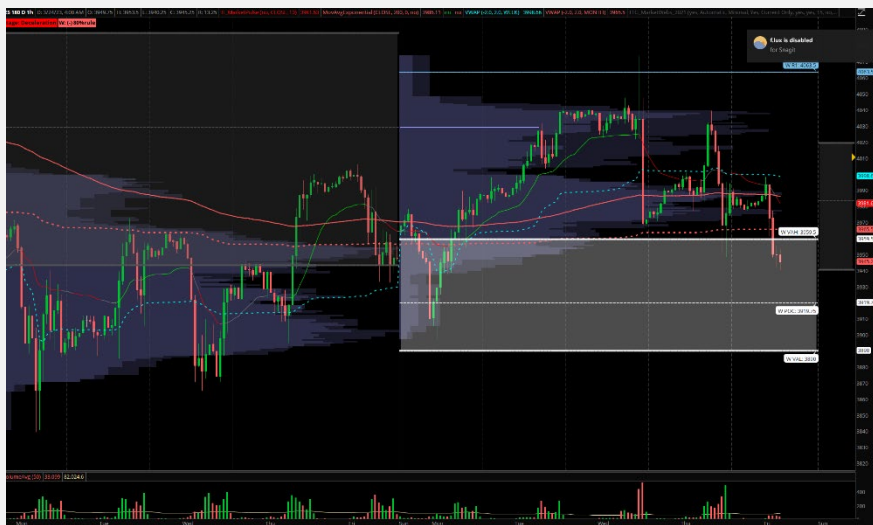
Today... Durable Goods, Flash Manufacturing PMI, Services PMI; Japan CPI and PMI, Australia PMI, UK Retail Sales and Consumer Confidence, Eurozone PMI, UK PMI

Next Week... It will be a quiet week for earnings with top reports due from CTAS, PAYX, MU, LULU, BNTX, WBA, MKC, SNX, CCL and FUTU. The Macro calendar also slows with US data focused on Housing early in the week and GDP later in the week. On Friday we have quarterly options expiration, Personal Income/Spending, and PCE Prices.

Overnight Markets

Description	Price	Change
Natural Gas	2.2	2.15%
Copper	4.0625	-1.50%
Oil (WTI)	67.2	-3.95%
Silver	23.34	0.35%
Gold	1997.2	0.10%
US Dollar	103.2	0.65%
VIX	24.25	7.40%
Bonds	116.85	0.75%
Bitcoin	28,175	-1.30%
Ethereum	1,795	-2.00%

Technical View



Key Levels to Watch

S&P Futures (ES_F) are slipping lower overnight and retesting yesterday's lows near 3950 and under that key monthly VWAP support at 3965. The weekly value area also being breached can point to a move lower into weekly POC at 3920 and then 3900 and 3890 few key levels at the bottom of value. Upside resistance is at the large 4000 line and has been a tough ceiling to clear this week. Daily POC is at 3995 just below there and was the o/n high.

Economic Data

- **Japan** manufacturing PMI score of 48.6 in March, up from 47.7 in February
- **Japan** CPI up 3.3 percent on year in February, lower than forecasts for 3.6 percent and down from 4.3 percent in January
- **Japan** service sector edged up to the strongest in almost a decade in March as the return of Chinese tourists boosted demand
- **UK** retail sales grew at the fastest pace in four months in February on robust non-food stores sales even as high inflation eats into households' purchasing power. Retail sales volume increased 1.2 percent on a monthly basis in February versus estimates of a 0.2 percent decline
- **Eurozone** Flash PMI jumped to 54.1 in March from 52 in February, services grew strongly, manufacturing stagnated, continuing to work off a historical backlog of orders that was a legacy of the pandemic. New orders continued to contract, pointing to further weakness ahead

Macro News

- **Oil** - Oil prices fell on Friday, extending the previous day's losses, on worries about potential oversupply after U.S. Energy Secretary Jennifer Granholm said refilling the country's Strategic Petroleum Reserve (SPR) may take several years

Movers

Gainers: CURV +14.8%, HRTX +12.3%, ADMA +6.1%, HROW +5.5%, PAAS 1.5%, BIDU 2%,

Losers: SCHL -14.2%, OXM -6.7%, TALO -4.6%, YETI -2%, UBS -6%, DB -9%, SHEL -4.5%, BP -4%, MT -4%, GSK -3.8%, FRC -3.5%, DVN -3%, ASML -2.5%

Insider Buying

BRT, VTS, BW, CVGW

IPO Calendar

No Notable IPOs

MARKET HEALTH AND STATS CHECK

INDICATOR	SIGNAL
NYSI	BEAR
WEEKLY MACD	BEAR
8/21 WEEKLY MA	BEAR
CUMUALTIVE 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%

- **Yellen** - U.S. Treasury Secretary Janet Yellen sought to reassure jittery investors that American bank deposits were safe and promised policymakers had more firepower to battle any crisis even as bank stocks resumed their slide on Thursday. "The strong actions we have taken ensure that Americans' deposits are safe. Certainly, we would be prepared to take additional actions if warranted."
- **ECB** - The European Central Bank must continue to raise interest rates to fight inflation, Bundesbank President Joachim Nagel said on Friday, playing down another sell-off in bank shares as a natural extension of the recent market volatility

Sentiment, Hedge Funds and Positioning

- **NAAIM Exposure Index** rose to 53.2 for 3/22 from 41.92 the week prior, near the quarterly average
- **M&A Markets** - Some of the most prominent rainmakers in the world of corporate mergers struck a note of optimism about dealmaking on Thursday, even as they acknowledged a volatile economic backdrop had significantly impacted M&A activity. With financing having dried up for private equity-backed leveraged buyouts, buyers will have no option but to put up a lot of equity to get deals done in the near term, the conference participants said. M&A volumes declined considerably last year amid fears of faster interest rate hikes, possible recession, weaker credit markets and a tumbling stock market. The total value of deals last year fell 37% from a record high in 2021 to \$3.61 trillion, according to Refinitiv data. That is the biggest year-over-year percentage drop since 2001 when the U.S. economy fell into recession
- **Cash Positioning** - Investors are fleeing to cash in the biggest rush since the onset of the pandemic as concerns of an economic slowdown mount, according to Bank of America Corp. strategists who see equity and credit markets slumping in coming months. Global cash funds had inflows of nearly \$143 billion, the largest since March 2020 in the week through Wednesday — adding up to more than \$300 billion over the past four weeks according to the note citing EPFR Global data. Money market funds assets have soared to more than \$5.1 trillion, the highest level on record. Prior surges coincided with large Fed interest rate cuts in 2008 and 2020

Stock-Specific News

Consumer Goods (XLP)

- **MO** Reaffirms Outlook at Investor Day; goal to deliver mid-single digits adjusted diluted EPS growth on a compounded annual basis through 2028. WSJ reports that Altria is Considering Expanding Into Non-Nicotine Products

Hawk Database

MO 15K Jan. 40 calls bought in OI, potential \$43 support in play

Consumer / Business Services (XLY)

- **SCHL** authorizes \$50M buyback
- **Seven & I Holdings** - ValueAct Capital will lobby to remove four directors from the Japanese's convenience store operator's 14-member board, citing "a failed corporate strategy."
- Chinese food delivery giant **Meituan** posted a bigger-than-expected 21.4% rise in quarterly revenue on Friday as it fended off competition from powerful rivals such as Alibaba-backed Ele.me. Meituan - whose so-called super app provides services ranging from bike-sharing, movie ticketing, mapping, to food delivery and restaurant bookings
- **J D Wetherspoon PLC** swung to a profit and posted higher-than-anticipated sales in its first half, but the pub group flagged that it is still facing elevated input costs

Financials (XLF)

- **CFG** - Citizens Financial is working on a bid to acquire the private banking business of failed Silicon Valley Bank
- **SIVB** - Customers Bancorp Inc is exploring a deal for all or part of the failed Silicon Valley Bank, Bloomberg News reported on Thursday
- **DB** shares are down more than 10% overseas as the cost of insuring against default jumps
- **UBS** dropped on Friday after Bloomberg News reported that the Swiss lender is one of the banks facing a probe from U.S. authorities over whether financial professionals helped Russian oligarchs evade sanctions

Sympathy Mover

C, BAC, WFC and other US Banks likely come under pressure as well today

Healthcare (XLV)

- Australian aged-care provider **Estia Health Ltd** said on Friday it received a non-binding buyout proposal from U.S. private investment firm Bain Capital for A\$775.1 million (\$517.77 million), sending its shares to an over 3-year high
- **ILMN** - Carl Icahn has alleged that Illumina Inc directors demanded extra personal liability insurance before they agreed to sign off on the life sciences company's \$7.1 billion purchase of Grail in 2021, FT reports

Industrials (XLI)

- **AIN** announces resignation of CFO and Treasurer Stephen Nolan, who accepted position at private company
- **ABM** enters into multi-year agreement to deliver housekeeping and event staffing for Tropicana Field and Al Lang Stadium in Florida
- **GD** awarded \$1.8B U.S. Army contract
- **RTX** awarded \$320M U.S. Air Force contract
- British industrial technology company **Smiths Group** has upgraded its annual forecasts after a 27% increase in first-half profit as demand for its products soars on decarbonization trends and from airport upgrades. The FTSE 100 group makes precision scanners used at airports, venues and borders, as well as valves, connectors and specialist tubing used in the oil and gas, construction and defence sectors, but are also needed for the transition to low-carbon fuels and hydrogen

On the Chart

GD recently touched major long-term support and 2K May \$230/\$190 bull risk reversals in OI

Materials & Energy (XLB, XLE, TAN)

- **SWX** Carl Icahn increases stake by 525,064 shares on Mar 21-23

Technology (XLK)

- -

Communications & Utilities (XLU, XLC)

- -

Analyst Notes

Upgrades

- **REGN** raised to Buy at Jefferies, \$925 target on \$4B COPD opportunity
- **FHN** raised to Overweight at Wells Fargo
- **GPC** raised to Buy at Truist on improved risk/reward into selloff
- **AXNX** raised to Buy at Needham on conservative outlook and attractive valuation
- **CBRL** raised to Buy at Argus on better sales from new menu items and sees meaningful 2H margin improvement

On the Chart

CBRL healthy setup with \$114.50 a nice trigger to target \$125

Downgrades

- **SQ** cut to Neutral at Atlantic
- **COIN** cut to Underperform at Cowen

- **CR** cut to Neutral at UBS

Initiations

- **FIVN, EGHT, RNG** started Buy at Rosenblatt; **ZM** at Neutral
- **LEGN** started Outperform at RBC

Other Notes

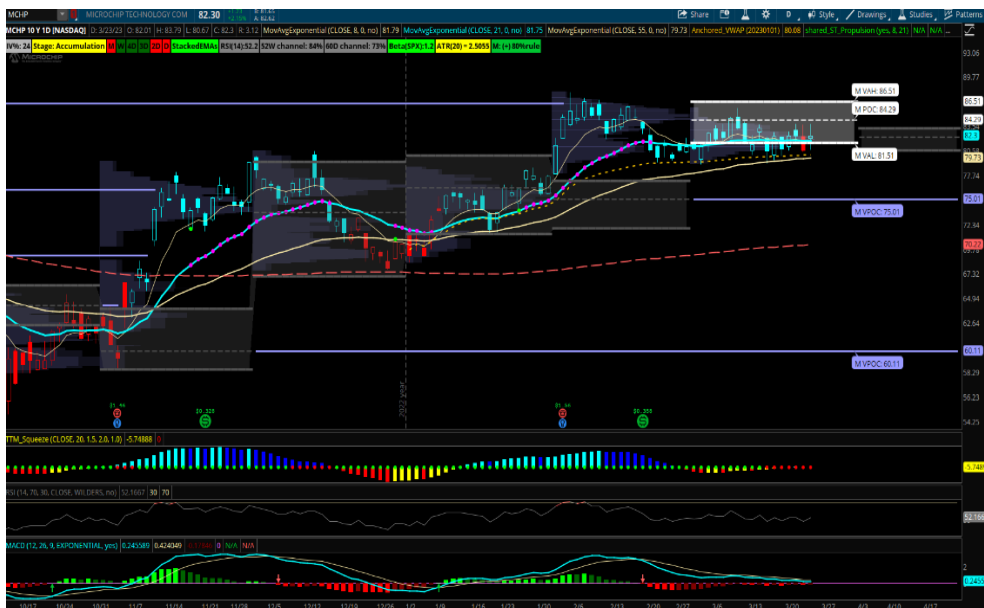
- **LULU** Positive Catalyst Watch at Citi into Earnings

Hawk Database

FIVN open interest still has 5000 April 60 / Dec. 80 call spreads from an 11/9 trade

Trade Ideas

Microchip Technology (MCHP) shares are forming a nice long bull flag and staying resilient in a sloppy market as Semi stocks continue to show leadership. MCHP has large support at the 80 level just below here being YTD VWAP and bottom of monthly value area. A breakout above 85 likely triggers a move to new highs for the year into 90, the all time high from late 2021 and likely to see 100 at some point this year in a hot sector that has potential to lead Tech into Q2.



Technical Scans

Inside Day Candle: GOOG, NVDA, MA, ABBV, AVGO, ABBV, PFE, MCD, NKE, ADBE, PDD, ISRG, SHOP, KLAC, ADSK, TEAM, DDOG, ZM, ZS, SWKS, AKAM

OBV 3 Month Highs: NVDA, SONY, RELX, FTNT, BIDU, AEM, HTHT, BRKR, ONON, RGLD, SMCI, HL, SQSP, INGR, KBH, INTA, ENVX, BORR

Ready to Run: RACE, NXPI, MCHP, GGG, FIVE, Z, CROX, BRBR, DIOD, ELF, SKY, ZGN, TRMD, ITGR, FORM, FA, CCS, CNK, SKIN, EVBG, LMAT

Insider Buy

Matador Resources (MTDR) had a large notable insider buy on 3/16 when a director bought 4500 shares at \$43.52 for over \$195K total and increased his stake by +7%. This is the largest open market buy in the stock by an insider since March 2020 but there have been numerous smaller buys the past month but the CEO and other directors in the \$25K to \$100K amounts. Shares have been pulling back since a poor earnings report resulted in a gap down in late February and are now retesting the September lows near 45. MTDR broke below the 200-day MA on that move as well and looks somewhat vulnerable to a bit more downside if it breaks under this 43.50 large support being 2022 yearly value area lows. The stock has resistance overhead on a bounce to 50 and then 54.

The \$5.4B energy company trades at 4.9x earnings, 2.0x sales, 14.5% FCF yield while is expected to see revenues fall -5% in FY23 and +24% growth estimated in FY24. The Company is engaged in the exploration, development, production and acquisition of oil and natural gas resources in the United States, with an emphasis on oil and natural gas shale and other unconventional plays. Its segments include exploration and production and midstream. In January, MTDR entered into a definitive agreement to acquire Advance Energy Partners Holdings, including certain oil and natural gas producing properties and undeveloped acreage located in Lea County, New Mexico and Ward County, Texas for \$1.6B. The average analyst price target is \$72. Truist lowered its target to \$68 and has a Buy rating saying while guidance did raise some questions, the company has a history of under promising and over delivering. Keybank lowered the firm's price target on Matador to \$67 from \$73 to reflect a lower earnings outlook from less production growth, higher expense assumptions, and higher capex. The firm keeps an Overweight rating on the shares and says Matador should consider a repurchase program. Short interest is 8% and hedge fund ownership fell 9% last quarter.

Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
ZION	21 APR 23 30 CALL	1,042	3,507	236.56%
ONON	21 JUL 23 35 CALL	3,309	11,121	236.08%
CTLT	21 APR 23 75 CALL	4,792	10,553	120.22%
PG	20 OCT 23 155 CALL	1,538	3,032	97.14%
MS	21 APR 23 80 PUT	4,013	7,660	90.88%
OZK	19 MAY 23 30 PUT	2,065	3,803	84.16%
NVDA	19 JAN 24 225 PUT	3,479	6,404	84.08%
AMD	19 MAY 23 105 CALL	5,150	9,323	81.03%
JNJ	19 JAN 24 155 CALL	2,543	4,472	75.86%
HBAN	21 APR 23 11 PUT	4,838	8,333	72.24%
LAC	19 JAN 24 22.5 PUT	2,660	4,543	70.79%
NVDA	21 APR 23 295 CALL	1,804	3,070	70.18%
SNAP	15 SEP 23 11 PUT	2,096	3,521	67.99%
MET	21 JUN 24 60 PUT	2,598	4,047	55.77%
C	16 JUN 23 50 CALL	37,328	49,753	33.29%
AMZN	(Weeklys) 28 APR 23 105 CA	10,974	13,964	27.25%
NFLX	19 JAN 24 240 PUT	2,030	2,411	18.77%
OZK	19 MAY 23 35 PUT	32,444	33,870	4.40%
NET	19 JAN 24 80 CALL	2,888	2,269	-21.43%

Extras

Russell (IWM) stock replacement sells to open 4750 November \$150 puts at \$6.25

Rite Aid (RAD) large buyers of 10,000 June 2025 \$2 puts at \$1.47, adjusting the January 2025 puts. Also buyers of 10,000 June 2024 \$2 puts at \$0.90 in the cash burning struggling drugstore chain.

Valley National Bank (VLY) with late day buyer of 10,000 September \$8 puts at \$1.00, adjusts the \$11 puts that have tripled since opened

Alteryx (AYX) large block buys 5000 August \$45 puts for \$2.60 offers

Luminar (LAZR) large trade opens 5000 August \$7.50 bull synthetics at \$0.66 credit

Brunswick (BC) with 1500 April \$80/\$75 put spreads bought for \$1.70, rejected off the 55-day EMA this week

Agnico Eagle Mines (AEM) late day buyers for 1000 June 2024 \$70 calls at \$3.70

Eli Lilly (LLY) with a stock replacement selling to open 850 September \$280 puts for \$8.30

Okta (OKTA) stock replacement buys 800 August \$90 calls for \$9.30

Valero (VLO) late day buyers of 1950 September \$155 calls for \$5.75

Home Depot (HD) large opening sales of 7500 April \$297.50 calls for \$3.35 down to \$2.50

What They're Saying

Aspen Tech (AZPN) at BAML Industrials Conference on helping customers meet sustainability goals and life sciences markets...“And so how that relates to AspenTech and the customers is how do we allow and help our customers enable them to achieve their goals, both operationally and sustainably to meet that growing population demand. And so that's the dual challenge. And if you look at the CapEx that's in the field for the sustainability sector, Andrew, I think that's where it combines with the strategy very transmission and distribution. If you take some of the U.S. backs alone, there was \$13 billion announced last year by the U.S. government for GRIP, which is the grid resiliency innovative project, \$2 billion in the IRA Act. I think that the transmission capabilities to support that dual challenge have to triple by 2050 in the sense of the capabilities. If you look at mining, it's increasing \$130 billion per year for probably the next 5 to 7 years. Oil and gas is increasing \$465 billion in the sense of CapEx for sustainability. So the dual challenge is a reality of the market it inspires the employees to do tangible good for the markets we serve, and I think that the market is supporting it from where they're projecting the CapEx to be. I think that -- so we're still excited and interested in the pharmaceutical life sciences before the Emerson transaction, so heritage AspenTech, we had been investing and continue to grow both the portfolio and the go-to-market model, investing in the life sciences market. I think that in the sense of once we close the Emerson transaction to your point, Andrew, it took it from organic possible grade in the sense of the ability of the Emerson team to combine with us, to partner with us in the sense of both their platform and our innovative software. We're designed for the -- we're able with our software to look at the design, operation and maintenance of the platform, and Emerson is coming in with their position

in the market. So I think that combined will take us from our organic investments pre-transaction to a greater possibility. Now it's going to take a little bit of time. So this isn't a very short-term thing, but absolutely a growth strategy that we see.”

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	
BNTX	3/27/2023	BMO	Bull: \$8.59M (61%), Bear: \$4.97M (35%), Stock: \$0.53M (4%)	Higher 6 of 8	5.61%	10.08%	3.60%	28.40%	3.73	-4.72%	98.21%	0.81%	18.07%
CCL	3/27/2023	BMO	Bear: \$13.53M (47%), Bull: \$12.82M (45%), Stock: \$1.67M (6%), Vol: \$0.6M (2%)	Higher 5 of 8	10.95%	8.53%	2.22%	-0.86%	11.75	-8.03%	93.17%	11.16%	-8.04%
PVH	3/27/2023	AMC	No Trades Since Last Report Bull: \$2.4M (42%), Bear: \$2.23M (39%), Stock: \$1.02M (18%)	Higher 5 of 8	9.46%	8.52%	1.49%	11.90%	9.68	-18.50%	77.84%	3.45%	-16.54%
WBA	3/28/2023	BMO	Stock: \$1.02M (18%)	Lower 5 of 8	5.36%	7.28%	-4.27%	-13.00%	6.61	-16.20%	48.48%	4.04%	27.47%
MKC	3/28/2023	BMO	No Trades Since Last Report	Lower 7 of 8, Lower last 4	5.55%	5.10%	-0.97%	-6.15%	5.37	-14.00%	90.48%	2.59%	-0.57%
SNX	3/28/2023	BMO	No Trades Since Last Report	Lower 5 of 8, Higher last 2	6.66%	5.51%	-1.50%	-15.20%	5.58	-20.70%	44.52%	2.14%	-27.68%
CNM	3/28/2023	BMO	No Trades Since Last Report	Higher 5 of 5, Higher last 5	12.97%	10.23%	2.49%	17.90%	4.68	-23.80%	29.18%	13.06%	9.45%
MU	3/28/2023	AMC	Bear: \$27.98M (55%), Bull: \$18.71M (37%), Stock: \$2.62M (5%), Vol: \$1.82M (4%) Bull: \$16.8M (57%), Bear: \$11.84M (40%), Stock: \$0.8M (3%)	Lower 5 of 8	6.67%	5.97%	-2.47%	-2.37%	6.72	-14.80%	94.02%	2.77%	-6.57%
LULU	3/28/2023	AMC	Stock: \$0.8M (3%)	Even of 8	7.69%	8.62%	1.62%	12.10%	6.6	-24.90%	84.92%	2.49%	8.66%
CALM	3/28/2023	AMC	Bear: \$1.47M (100%)	Lower 5 of 8, Lower last 2	5.15%	7.02%	-0.84%	-20.20%	9.92	-21.30%	96.96%	17.19%	5.57%
PRGS	3/28/2023	AMC	No Trades Since Last Report	Higher 5 of 8	7.03%	6.52%	0.50%	9.93%	8.27	-28.80%	99.46%	6.37%	1.89%
PLAY	3/28/2023	AMC	Bear: \$0.47M (100%)	Even of 8, Lower last 2	9.53%	11.33%	-0.79%	-0.22%	9.31	-19.10%	68.13%	10.50%	-7.52%
RH	3/28/2023		Bear: \$13.17M (61%), Bull: \$8.25M (39%)	Higher 7 of 8, Higher last 3	8.49%	10.08%	5.00%	33.10%	6.84	-26.70%	25.09%	13.06%	19.73%
CTAS	3/29/2023	BMO	No Trades Since Last Report	Higher 5 of 8, Higher last 4	4.75%	3.63%	1.47%	7.21%	7.48	-17.00%	0.70%	1.32%	17.89%
PAYX	3/29/2023	BMO	No Trades Since Last Report	Higher 5 of 8	5.17%	5.48%	2.28%	6.57%	5.59	-14.50%	49.65%	3.15%	11.18%
CNXC	3/29/2023	AMC	No Trades Since Last Report	Lower 5 of 8, Lower last 4	7.51%	7.59%	-1.89%	-12.30%	4.4	-15.70%	81.54%	1.05%	-23.88%

Earnings Review

Disclosures

Disclaimer:

Not Investment Advice or Recommendation

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