



Inside Today's Blitz

- Russia Prepares for New Offensive in Donbas as Missile Strike Hits Civilian Rail Station
- China Lockdowns to Hit Supplies for Major Companies in Q1
- QDEL sees Q1 above Street forecasts; **BIIB's** Aduhelm is limited by CMS; **Macys (M)** warned about consumer spending; **TSLA's** Musk hinted at new products

Market Outlook

Futures indicating a modestly higher open for the day with the **Dow** up 30 bps, the **S&P** up 20 bps, and the **Nasdaq** up 20 bps. The **Russell** is up 15 bps. Energy is flat on the morning with **WTI** up 5-6 bps, **Brent** down 10 bps, and **Natural Gas** up 1.2%. **Gold** and **silver** are quiet with the latter up 22 bps. **Copper** is up 90 bps. The **dollar** is flat. **Bonds** are down 10 bps. **VIX** is 22.95. It has been a quiet night for macro news, again, as investors watch bonds and yields. We saw more hawkish central bank talk today with India overnight preparing for hikes and follows the RBA earlier this week. Russia is moving back on the offensive today with troops positioning for an attack on the Donbas region in the East. Elsewhere, a state-run paper in China suggests that their central bank may cut the RRR at some point in the next 2-3 weeks but that Beijing will keep its Zero

COVID policy as cases expand. The EU signed off on a sanctions packaging that includes banning coal imports from Russia while the US is expected to finalize a bill to ban Russian oil.

Asian markets are mostly in the green today with the Hang Seng up 30 bps, Shanghai up 45 bps, and the Nikkei up 35 bps. In Europe, the major indices are rallying. The DAX is up 1.13%, the CAC is up 1.25%, and the FTSE is up 85 bps. We're seeing outperformance in autos, banks and energy. **Volvo** was up 2.5% after the Swedish truck maker said it would set aside provisions of \$425M to cover uncertainty caused by the Russian-Ukraine conflict. **Banco BPM** rose 15% after France's **Credit Agricole SA** acquired a minority stake in the Italian lender. Mining giant **BHP** was up 2% after issuing an update on BHP Petroleum and Woodside merger. **Klöckner & Co SE**, a German steel and metal company, rose 4.5% after strong earnings.

Calendar

Today... WASDE; **International Data:** RBI Decision, Taiwan Import/Exports; **Conferences:** AACR 2022

Next week... the focus will be on China CPI, US inflation data, and the ECB decision. Earnings season kicks off, albeit quietly, with the banks on Wednesday including **BLK**, **JPM**, **C**, **GS**, **MS**, **PNC**, and **WFC**, among others. **DAL** and **UNH** also in focus.

Overnight Markets

Oil (WTI)	97.78	1.60%
Brent Crude	102.65	1.56%
Natural Gas	6.11	1.40%
Ethereum	3215	1.40%
Bitcoin	43365	0.45%
Gold	1929.7	0.35%
Silver	24.5	0.11%
US Dollar	99.72	0.10%
Bonds	145.41	-0.02%
Copper	4.709	-0.60%
VIX	23.4	-1.27%

Technical View



Key Levels to Watch

S&P Futures (ES_F) are balancing in the top-end of Thursday's range overnight and holding onto the late-day run higher. A move above pre-market resistance at 4516-4512 has upside to 4535, 4550, and then an extended target up near 4570. Overnight support is at the prior balance breakout 4500-4492. A move lower targets 4480 and the key 4450 line from yesterday.

Economic Data

- **Taiwan** exports rose 21.3% in Q1 vs 22.4% est. while imports rose 20.3% vs 24.3% est.
- **Taiwan** CPI was up 3.27% vs 2.9% est.
- **Italian** retail sales rose 4.3% vs 8.3% prior

Macro News

- **Russia** is gearing up for a new assault on the Eastern and Southern parts of Ukraine, per Reuters
- **Ukraine** said at least 27 people died in a Russian rocket strike on a civilian railway station, per Reuters
- EU embargo on **Russian oil** is expected sooner rather than later, per FT
- **China stimulus** hopes are rising as a state-run paper suggested a bank RRR cut is likely in Q2, per Bloomberg
- **China** is defending its Zero COVID policy despite the economic ramifications, per FT
- **India** left rates unchanged, as expected, but a hawkish shift as they turn they focus on inflation, per FT
- **Russia** cut rates by 300 bps to boost growth, per Reuters
- **Peru** raised rates by 50 bps, as expected, per FT

Movers

Gainers: WDFC 10%, WOW 4%, BIIB 3%, QDEL 2%, H 2%

Losers: HOOD -3%, TELL -2%, AA -1%, BBY -1%

Insider Buying

THO, AEI, MSSA, EAST, RKT, LAZR

IPO Calendar

Nothing Notable

Sentiment

- **NAAIM Exposure** rose again this week to 83.41 vs 79.72 prior and remains in a neutral spot versus the oversold extreme in early March

Stock-Specific News

Consumer Goods

- **TSLA** announced the first 'made in Texas' vehicle last night and Elon Musk also hinted at new products, per WSJ
- **STLA** is selling their remaining 25% stake in Gefco
- **DBI** is raising their FY outlook at their investor day citing strong DTC sales and sourcing capabilities; they set FY26 EPS targets of \$2.75/\$2.85 per share
- **Beiersdorf**, the maker of skincare products like Nivea and Coppertone, said Q1 was tracking above expectations, per Reuters
- **Volvo** sees a SEK4B negative impact on Q1 due to Russian sanctions

Consumer / Business Services

- **UFC, WWE, FWONA** – CNBC's Media M&A analyst looked at potential deals in the streaming space and said those niche sports organizations are alluring to big companies like Disney
- **Macys (M)** is warning about elevated inflation and uncertainty in the economy weighing on consumer confidence, per CNBC
- **WMT** could boost compensation for truck drivers to \$110K as they look to keep enough drivers amid a shortage, per WSJ
- **DISCA** is likely to engage in a aggressive round of layoffs after the Warner deal closes, per NY Post

Financials

- **Credit Agricole** has acquired a 9.2% stake in **Banco BPM**, per Reuters

Healthcare

- **Biogen's (BIIB)** Aduhelm will be limited to Medicare patients only in clinical trials according to CMS.
- **QDEL** sees Q1 revenue above the Street citing strong sales of their QuickVue COVID antigen tests

On the Chart

WMT broke out of a big weekly range this week above \$153.50 and has room to run up to \$175

Sympathy Movers

The CMS decision is a blow to Biogen but could be a positive for **LLY** with their competing Alzheimer's treatment

Industrials

- **Spirit (SAVE)** said on Thursday afternoon that they would engage with JetBlue on deal talks, per Bloomberg, which could lead to a superior offer than Frontier

Energy & Materials

- **WRK** is permanently closing facilities in Panama City Florida and shifting investments into other key assets
- **EQNR** warned this morning that they'll see a \$400M to \$500M loss in Q1 due to derivatives exposure
- **Rusal** called for an end to the war in Ukraine, per FT, the first Russian company to do so

On the Chart

WRK is basing in a multi-week range under \$48 and a breakout move sets up for a bigger run to \$54

Technology

- **ACMR** sees Q1 revenue significantly below forecasts as Shanghai lockdowns continue due to COVID
- **TSM** is expect to see sales soar in Q1 due to record demand for smartphones, cars, per Bloomberg, while the ongoing shortage boosted prices
- **TWTR** will host a Q&A between CEO Parag Agrawal and Elon Musk for employees, per Insider
- **LFUS** is buying C&K Switches for \$540M
- **UMC** March sales +33.22%
- **Toshiba** is open to considering bids from PE and other prospective buyers, per FT, a change in stance as activists and top shareholders pressure the company
- **BOE Tech** is ramping output and production to meet high demand for OLED from Apple, per Nikkei
- **Samsung** is slashing the price of their flagship smartphone in South Korea after reports of poor performance, per Reuters

Telecom & Utilities

- **WOW** is exploring a potential sale, per Bloomberg, and has hired advisors to assist with proposals

Analyst Notes

Upgrades

- **CHRW** raised to Overweight at JPM; Robinson repriced 60% of its contracts just before the spot rate drop and already announced a big headcount increase for 2022, so the company could take share in a down freight market and expand margins, which it hasn't done since 2015. In addition, the recent activist involvement could drive more cost discipline or strategic actions later this year
- **TGT** raised to Buy at Gordon Haskett as Traffic trends in February and March have been remarkably consistent at Target and with a later Spring/Easter shift still on the come, these trends could inflect higher in the coming weeks
- **KR** raised to Buy at BAML as broad-based inflation is driving consumers to retailers with more variety as individuals shift their consumption, suggesting that Kroger's market share trends could be improving
- **ITT** raised to Buy at UBS
- **AFYA** raised to Outperform at CSFB
- **APPF** raised to Overweight at KeyBanc

Hawk Database

CHRW has 7800 August \$120 and 4500 August \$115 long calls in open interest, a potential event-driven story at a nice dip buy spot

On the Chart

TGT broke out of a multi-week range yesterday and into a volume pocket with room back to \$240, the 200-day MA is at \$236.5.

Downgrades

- **HOOD** cut to Sell at Goldman; Softening retail engagement levels, particularly among the low-end consumer, continued weakness in account growth, and a limited path to near term profitability are likely to limit the stock's outperformance over the next twelve months
- **AA** cut to Neutral at CSFB as the analyst believes LME aluminum prices are near peak and says Alcoa continues to deal with inflationary pressures. In addition, the company's capital expenditures should start to accelerate more meaningfully for its de-carbonization targets
- **SNDR, WERN, TRTN** cut to Underperform at BAML
- **TFII, ARCB, UPS, UNP, CP, SAIA** cut to Neutral at BAML
- **AVDX** cut to Neutral at Goldman
- **SHLS, FTCI** cut to Neutral at Piper
- **DOV** cut to Neutral at Barclays
- **RXT** cut to Neutral at OpCo

Initiations

- **PG** started Outperform at Raymond James as strategy and portfolio changes in the last several years have paid off, driving improved top and bottom-line growth, and while the backdrop for consumer staples has become more challenging the firm believes P&G improved ability to

navigate volatility, cushion itself against costs, and focus on innovation position it well to sustain its momentum

- **FEAM** started Buy at DA Davidson
- **CODI** started Buy at B Riley
- **ALC** started Buy at Needham
- **STAA** started Buy at Needham
- **PAGS, STNE** started Overweight at Cantor
- **RTX** started Outperform at RBC

Other Notes

- **CRWD** target raised to \$275 from \$225 at Baird as the firm said in its latest briefing the company discussed the meaningful potential opportunity ahead and highlighted its strong execution to date
- **BIIB** – CMS ruling will kill any chance of traction for Aduhelm, says Piper. The market was still pricing in some level of success, but the revenue estimates for Biogen in FY22-25 will need to be revised downward

Trade Ideas

Steel Dynamics (STLD) strong run lately and pulling back to a confluence of support this week at the 80 and 21-EMA and the top of April value. Shares are forming a narrow bull wedge under \$85 and a breakout has room to \$90 and then \$112 on a breakout. STLD has been a relative strength name and dip in a nice opportunity.



Technical Scans

13/34 EMA Cross: BTI, KNSA, RAPT, REPL, SOHU, FCFS

Weekly Bull Engulfing: CNC, EZPW, JNJ, HOLX, MCK, NS, PEAK, SAVE, PG, UNH

Weekly Ready to Run: LPLA, ULTA, FTNT, WM, SNPS, TW, FDS, CLM, AAPL, CUBE, PEP, STE, OLN, AM, DEO, CERE, PFG, LAMR, SLF, KW, BAM

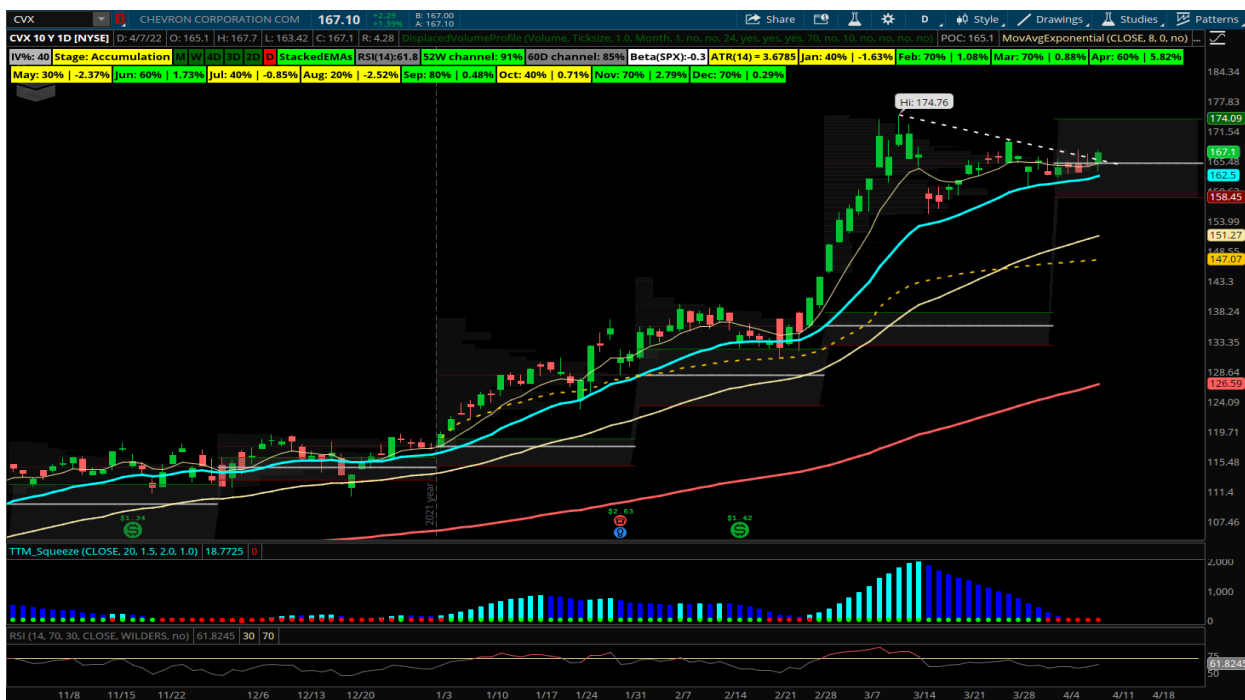
Small Cap Bio Profile

Kezar Life Sciences (KZR) jumpy late on 4/7 with buyers of 3,500 July \$20 calls for \$1.75 to \$1.90 to open, nice flag forming near recent highs for the small-cap biotech. The \$919M company jumped in November after positive interim results for their treatment for autoimmune disease lupus nephritis. KZR focuses on treatments for immune-mediated and oncologic disorders through small molecule therapies that harness master regulators of cellular function to inhibit the drivers of the disease. Their pipeline includes two key drugs – KZR-616 which is

a selective immunoproteasome inhibitor with early-stage trials in both LN and dermatomyositis polymyositis; the other is KZR-561, a protein secretion inhibitor that is being explored in metastatic solid tumors. LN is inflammation of the kidney that is caused by systemic lupus erythematosus and occurs when lupus autoantibodies affect structures in your kidneys that filter out waste. This can lead to kidney failure but the vast majority of people live with the disease for the remainder of their life, albeit with symptoms like high blood pressure. Wells Fargo started coverage in December at Overweight. The firm thinks sees a favorable risk/reward ahead of two key de-risking events expected in Q2 of 2022 for KZR-616 and believes the interim data from Phase 1b/2 study in lupus nephritis provides confidence that the top line results should be positive. Hedge fund ownership jumped 58.5% last quarter. IKARIAN Capital, Point 72 and Avidity Partners notable buyers.

Seasonal Stock Setup: Integrated Energy Leader Forming High Tight Flag in Strong Trend

Chevron (CVX) – CVX is a \$244.64B oil company primarily engaged in Downstream operations consisting of refining of crude oil into petroleum products; marketing of crude oil, refined products and lubricants. The big cap energy stocks have held up quite well even as the price of crude oil is well off the parabolic spike highs of March. The companies themselves are benefiting in multiple ways and as long as the trend remains intact, the dips are likely to get bought as the seasonality still favors a bullish bias in energy stocks through April. The last 10 years have seen CVX up in April an average of +5.8% which is the best calendar month for the stock and many other energy names have similar April bull bias. CVX also sports a bigger 3.4% dividend yield even after the increase in the stock price this year. The recent bull flag forming right near monthly VPOC has potential to break higher into 180 as the stock continues to ride the 21 EMA since the start of 2022. Options flows have continued to see big bullish flows in most of the oil patch. CVX on 4/6 saw a large bull risk reversal open in September \$155/\$150 strikes for 1000 contracts at \$11.81 debit which is a strong vote of confidence that current levels hold going forward. CVX also has seen large opening put sales the past month as it consolidates the big run. May \$155 puts, June \$155, \$160 puts, and July \$155 puts all combining for over \$6.3M in net premium sold to open. January 2023 \$105 call buyers from last Fall continue to hold in open interest sitting on massive gains as well.



Extras

ZenDesk (ZEN) late day trade buys 5000 May \$130 calls \$5.70 against the \$140 calls which may be adjusting

Mosaic (MOS) afternoon buyers active for 4000 April 22nd (W) \$74 calls \$2.40 to \$2.53

AutoNation (AN) late day buyer 1400 July \$115 calls at the \$4.30 offer

Bristol Myers (BMY) with 2450 ITM January \$80 puts sold to open \$7.65 bids in afternoon trades

United Parcel (UPS) with 2500 July \$210 calls sold to open \$5.40

Huntsman (HUN) opening sale 4600 May \$31 puts at \$0.65 bid

KB Homes (KBH) also with sweep buyers 5000 May \$33 calls \$1.15 offer late day

Cardinal Health (CAH) large late day block of 5000 May \$62.5 calls bought \$1.50 after all the morning action in April calls

Qualcomm (QCOM) buyer 800 January 2024 \$140 calls \$28.72 to \$28.95

Bunge (BG) buyer 725 October \$130 calls at \$5.80 offer

Lowe's (LOW) seller of 800 June 2023 \$250/\$220 strangles to open for \$47.15

Under Armour (UAA) buyer of 700 January 2024 \$10 ITM calls for \$7.50

Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
MP	16 SEP 22 40 PUT	2,550	6,819	167.41%
ZEN	15 JUL 22 100 PUT	1,607	3,811	137.15%
MAR	20 JAN 23 130 PUT	1,064	2,464	131.58%
PEP	20 JAN 23 150 PUT	1,312	2,427	84.98%
UBER	19 JAN 24 30 PUT	5,554	9,577	72.43%
DHR	16 SEP 22 300 CALL	2,164	3,535	63.35%
COP	19 AUG 22 92.5 CALL	2,305	3,550	54.01%
VST	15 JUL 22 23 CALL	3,657	5,500	50.40%
NCR	21 OCT 22 40 CALL	5,032	7,295	44.97%
MOS	17 JUN 22 60 PUT	2,817	4,010	42.35%
AA	20 MAY 22 90 CALL	2,704	3,616	33.73%
MRVL	17 JUN 22 67.5 PUT	1,821	1,963	7.80%
COIN	20 MAY 22 150 PUT	4,404	4,743	7.70%
SQ	16 SEP 22 150 CALL	5,118	3,906	-23.68%
PSX	20 MAY 22 90 CALL	6,705	4,913	-26.73%
SQ	15 JUL 22 170 CALL	4,010	2,754	-31.32%
TGT	(Weekly) 29 APR 22 225 CALL	1,067	460	-56.89%

What They're Saying

CrowdStrike (CRWD) investor briefing on expanding their TAM... Over the past few years, we have rapidly innovated and expanded our capabilities and TAM beyond that of traditional endpoint security. Let's take a look at how our TAM has evolved. In the time of our IPO in 2019, we had a \$25 billion TAM. Last year, with our portfolio at the time, we estimated that our TAM \$36 billion, and we saw that growing to \$44 billion in CY '23 on. Now we estimate that the TAM of our current portfolio has grown to \$58 billion. That spans across corporate workload security, managed security services, security and vulnerability management, IT operations management, log management, identity protection, data protection and threat intelligence services, and we see that growing to \$71 billion in CY '24. That also includes the SIM market, which we believe will be consumed by XDR as well as DLP and related technologies as well as our newest complete offering for Falcon Cloud Workload Protection and identity threat protection. Longer term, we believe there is a path to growing our TAM to \$126 billion in CY '25 by focusing on a couple of areas. First, it's our organic TAM growth from our existing modules. Second, it's a very innovative product road map that extends beyond endpoint. The third pillar includes future initiatives. These are an area of the market with large TAMs, aging technology and high customer dissatisfaction. Our longer-term initiatives include adjacencies within the observability space that we're not currently servicing today. And lastly, our cloud security opportunity, which we are really excited about with \$106 million in Q4 ending ARR and 8% of Q4 net new ARR derived from modules being used in the public cloud environments. So from a TAM perspective, you can see why we have a long run ahead, especially as we continue to innovate on the platform and execute on our product road map to address more customer needs and drive successful customer outcomes. And to be clear, our goal is to continue executing on this market opportunity with 1 single agent coupled with a unified back end.

Earnings Grid

Stock	Next Earn			Open Interest	Historical Moves (8 Q)	Avg. 8 Q			Med. 8 Q			Sum. 8 Q			Hist.			
	Date	Time				Implied Move	Max Move	Close Move	Close Move	Close Move	IV30 Skew	IV30 Crush	IV30 Avg	Put/Call OI %tile	Short Float	SI Change (3mo)		
AYI	4/5/2022	BMO		Bear: \$0.45M (100%)	Even of 8, Higher last 2	7.61%	10.18%	-1.53%	6.75%	2.79	-25.40%	13.60%	3.13%	19.31%				
CGNT	4/5/2022	BMO		No Trades Since Last Report	Even of 2	11.65%	11.95%	0.44%	0.87%	-6.67	-20.20%	4.65%	1.48%	65.46%				
ARRY	4/5/2022	AMC		Bull: \$1.14M (67%), Stock: \$0.56M (33%)	Higher 5 of 8, Higher last 2	17.54%	18.17%	7.59%	8.31%	4.51	-17.70%	91.82%	12.60%	31.08%				
RPM	4/6/2022	BMO		No Trades Since Last Report	Higher 5 of 8, Higher last 2	5.56%	4.35%	0.94%	4.44%	4.83	-17.20%	57.22%	1.87%	38.15%				
TLRY	4/6/2022	BMO		No Trades Since Last Report	Lower 5 of 8, Higher last 3	15.42%	15.36%	-7.30%	-17.70%	-36.8	-13.80%	51.50%	13.70%	29.00%				
SMPPL	4/6/2022	BMO		No Trades Since Last Report	Even of 8	6.16%	7.28%	-0.14%	-7.09%	-3.62	-19.60%	61.55%	3.25%	12.93%				
GBX	4/6/2022	BMO		No Trades Since Last Report	Even of 8, Lower last 2	6.23%	13.74%	-1.62%	14.60%	6.78	-19.80%	4.75%	9.83%	-9.50%				
SCHN	4/6/2022	BMO		Bull: \$0.89M (100%)	Even of 8, Lower last 2	7.94%	7.13%	-0.12%	-15.00%	3.61	-4.90%	20.25%	2.99%	-15.07%				
LEVI	4/6/2022	AMC		Bull: \$1.72M (91%), Bear: \$0.16M (9%)	Higher 6 of 8, Higher last 4	7.64%	11.64%	3.84%	21.20%	4.07	-23.70%	98.37%	1.52%	30.17%				
CXM	4/6/2022	AMC		Bull: \$0.14M (100%)	Higher 1 of 1	14.64%	21.32%	11.30%	11.25%	7.27	-18.30%	35.20%	2.79%	-33.68%				
CTVA	4/6/2022	None		Bear: \$3.4M (51%), Bull: \$2.74M (41%), Stock: \$0.54M (8%)	Higher 5 of 8, Higher last 3	5.73%	6.25%	1.37%	3.65%	3.07	-15.70%	61.52%	1.03%	-9.23%				
HA	4/6/2022	None		Bear: \$0.3M (100%)	Lower 8 of 8, Lower last 8	6.58%	8.00%	-7.37%	-47.37%	6.15	-3.44%	71.79%	10.86%	15.14%				
STZ	4/7/2022	BMO		Bull: \$2.31M (55%), Vol: \$1.51M (36%), Bear: \$0.39M (9%)	Even of 8, Lower last 2	4.00%	4.89%	0.02%	-0.68%	4.94	-17.50%	98.42%	0.81%	-31.11%				
CAG	4/7/2022	BMO		Bear: \$1.7M (47%), Bull: \$1.59M (44%), Stock: \$0.33M (9%)	Even of 8, Lower last 3	3.73%	5.41%	-0.30%	-4.51%	3.87	-21.90%	51.64%	2.67%	37.20%				
LW	4/7/2022	BMO		Bull: \$0.14M (100%)	Lower 6 of 8	6.74%	10.23%	-5.13%	-36.79%	7.5	-15.50%	60.77%	1.29%	-8.82%				
BHF	4/8/2022	None		Bear: \$0.74M (100%)	Lower 5 of 8	6.05%	7.74%	-2.12%	-1.32%	5.03	-12.60%	77.11%	2.79%	18.82%				

Disclosures

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