



Inside Today's Blitz

- Global shares weak on inflation, rising rate fears
- Cryptocurrency falls on China crypto miner crackdown
- Treasury yields move to multi-month lows
- Democrats eye \$6 trillion infrastructure bill
- Powell looks to ease fears as speaks on Capitol Hill
- **RAVN** acquired; **WLK** deal for Boral N.A. building products segment; **PSTH** gets Universal Music stake

Market Outlook

Futures indicating a higher open for the day rebounding a bit from Friday's earlier rate hike fears with the **Dow** up by 61 bps, the **S&P** rising 48 bps, and the **Nasdaq** up 51 bps. The **Russell** is also higher by 60 bps. Energy is mixed early with **WTI** up 22 bps. **Natural Gas** is down 1%. **Gold** and **Silver** both positive to start the week with the former up 85 bps. **Copper** is off by 51 bps. **Grains** are weak today with **Corn** down 14%, **Soy** off by 4.3%, and **Oats** lower by 2.57%. The **USD** is off by 20 bps pulling in from 10-week highs. **Bonds** are trading higher. **VIX** is hovering near 20%, a bit off Friday highs. Markets are looking to bounce back after a sharp sell-off on quad-witching driven by the Fed's Bullard commentary on a rate hike as early as 2022. Powell will speak tomorrow on Capitol Hill and likely will dismiss the idea.

Asian markets are mixed with **China** and **Japan** markets under pressure following the Fed's "hawkish turn", a catch-up move to US markets from Friday while **India** markets moved higher. China kept its benchmark lending rate for corporate and household loans unchanged for the 14th straight month at its June fixing on Monday. **Reliance**, **Adani Ports** and **Hindustan Unilever** helped both the Nifty and Sensex close higher.

European markets traded to a two week low as mining, banking and industrial stocks were hit hard by a hawkish Fed. **Morrisons** surged 31% on hopes of a bidding war to buy out the UK grocer. Markets are now focusing on the ECB President Christine Lagarde speech to European Parliament Monday.

Calendar

Today... Chicago Fed, Fed's Bullard Speaks, Fed's Williams Speaks; **AMZN** Prime Day

Tomorrow... Chairman Powell Testifies, Existing Home Sales, Richmond Fed Manufacturing, Fed's Meister speak, Fed's Daly speaks; JP Morgan Energy Conference

Overnight Markets

	Price	Change
Nat Gas	3.185	-0.93%
Copper	4.1315	-0.61%
Oil (WTI)	71.43	0.20%
Silver	26.04	0.27%
Gold	1783.3	0.84%
US Dollar	92	-0.20%

Technical View



Key Levels to Watch

S&P Futures (ES_F) are recovering sharply off overnight lows and rallied right back into one-week VPOC and now face an uphill battle with plenty of overhead resistance. VWAP off highs is up near 4200 and trend resistance for today's close near 4195. The initial bounce took us right to the 38.2% retracement at 4177 while the 50% level is 4192.5 and 61.8% up at 4208.

Economic Data

- **Taiwan** export orders rise 29.8% Y/Y in May, ahead of 29% expected
- **UK** house prices rise to new record high for third month

Macro News

- **Infrastructure** – Democrats are floating a \$6 trillion deal even as bipartisan talks continue on a smaller bill, according to a NY Times report
- **Bitcoin** – China steps up crackdown of bitcoin mining industry – FT
- **Chinese** junk bonds flash warning signals, writes the WSJ, Yields on Chinese junk bonds have jumped to levels last hit during the tail end of last year's market turbulence, signaling growing investor concern about defaults
- **US** turbocharged economy attracting foreign investors, writes the WSJ, top destination for overseas investment this year and next, according to new United Nations projections, with foreign businesses drawn by the prospect of a rapid and sustained rebound in consumer spending and the Biden administration's multitrillion-dollar infrastructure plans

Movers

Gainers: RAVN 48%, TRCH 43%, MNOV 35%, AMC 4%, CVAC 4%

Losers: MARA -7%, RIOT -7%, CAN -4.6%, COIN -2.3%

Insider Buying

PFSI, NNBR, CLR, GEO, ASAN, RIG, DSS

IPO Calendar

Sprinklr (CXM) to IPO 19M Shares at \$18-\$20; Enterprise Software CXM

Bright Health (BHG) to IPO 60M Shares at \$20-\$23; digital health and insurtech

Confluent (CFLT) to IPO 23M Shares at \$20-\$33; event streaming software

Doximity (DOCS) to IPO 23.3M shares at \$20-\$23; physician social network

Soulgate (SSR) to IPO 13.2M Shares at \$13-\$15; Chinese social media

Stock-Specific News

Barron's Recap

- **Oracle (ORCL)** still on the mend; notes the company is in the middle of a major business overhaul and sees more upside
- **Fed-Ex (FDX)** can still deliver; cites strong demand, price hikes and expects a strong report this week
- **Six Flags (SIX)** a reopening play; notes stronger Q1 amusement park attendance and sees the critical Summer season being strong
- **Lennar (LEN)** a buy; cites the severe housing shortage of 6M units
- Full automated cars closer than investors think; details recent advancements and sees **GOOGL, APTV, GM, TSLA** making self-driving cars a reality

Hawk Database

SIX with recent July \$45 call accumulation 4000X and also 3000 January \$35 calls bought in OI

Consumer

- **Hyatt (H)** CEO says business travel likely to resume this fall, showing signs of recovery
- **Morrisons**, UK grocery chain, is being eyed in a takeover by CD&R, a potential \$7.6B bid has been rejected by Morrison's
- **UK** is signaling overseas travel limits will remain as COVID infections continue to spread, reports Bloomberg
- **Kerry** to acquire food preservation group **Niacet** for EUR853M
- **Macau** has beefed up casino rules doubling the number of gaming investigators in its latest move to ramp up supervision
- **51job (JOBS)** nears \$5.3B buyout from investor group led by DCP Capital at \$79.05/share, writes Bloomberg

Hawk Database

H has seen opening sales of 1000 each in October \$85 and \$75 puts

Financials

- **PSTH – Vivendi** sells 10% stake in Universal Music to Pershing Square for \$4B
- **FISV – Germany's Deutsche Bank** wants to get back into digital payments and set up a JV with **Fiserv** top offer payment processing services, reports the WSJ

Healthcare

- **TBPH** announces nezulcitinib trial did not meet primary endpoint
- **TARS** reports Saturn-1 Phase 2b/3 trial met all primary and secondary endpoints

OptionsHawk Market Blitz

- **MNOV** announces positive results from phase 2 trial of MN-166 in alcohol use disorder published in Nature's Translational Psychiatry Journal
- **VIR, GSK** - Phase 3 COMET-ICE trial demonstrating that sotrovimab, an investigational SARS-CoV-2 monoclonal antibody, significantly reduced the risk of hospitalization or death among high-risk adult outpatients with mild-to-moderate COVID-19
- **HZNP, ARWR** announced a global collaboration and license agreement for ARO-XDH, a previously undisclosed discovery-stage investigational RNA interference (RNAi) therapeutic being developed by Arrowhead as a potential treatment for people with uncontrolled gout. **ARWR** to receive \$40M upfront payment

Industrials

- **Porsche** has set up a JV with **Customcells** to produce high-performance batteries that will significantly reduce charging times, reports Reuters
- **RAVN** to be acquired by **CNHI** at \$58/share in \$2.1B deal
- **AAL** cutting 1% of July flights as travel rebound strains operations
- **IR** to acquire **Seepex GmbH** for EUR431.5M; Seepex is a world-leading manufacturer of progressive cavity pumps, a segment of positive displacement pumps that primarily serves water, wastewater, food and beverage, and chemical end markets.

Energy/Materials

- **Natural Gas** glut has evaporated driving prices higher, WSJ reports. Demand for the fuel is picking up as the world's economies reopen and as Americans dial down their thermostats for what is expected to be a hot summer
- **Oil** may see \$100/barrel next year as travel demand rebounds, Bank of America forecasts
- **Westlake (WLK)** to acquire **Boral's** North American building products businesses in roofing, siding, trim, shutters, stone and windows in \$2.15B all-cash deal

Tech/Telecom

- **Amazon's (AMZN)** Prime Day could face issues as sellers are constrained from supply chain problems, writes CNBC.

Analyst Notes

Upgrades

- **HZO** raised to Buy at B. Riley

Downgrades

- **COMM** cut to Underperform at Goldman
- **RAX** cut to Underperform at Goldman
- **SABR** cut to Underperform at Goldman
- **RIO** cut to Sell at UBS as Iron Ore reached an inflection point

Initiations

- **RAPT** started Overweight at Piper with \$61 target
- **ESTC** started Buy with \$180 target at Summit as a reasonably priced high-growth company
- **RIOT, MARA** started Buy at Compass Point
- **MOLN** started Buy at HCW
- **AES** started Positive at SIG
- **ZIP** started Buy at Goldman, \$28 target; using its billions of monthly data points created through employer and job seeker interactions, which informs its matching technology and customer experience, to disrupt the \$205bn U.S. recruiting market, only \$13bn of which is online (6% of total per IBIS)
- **FLYW** started Buy at Goldman, \$53 target; Flywire has penetrated less than 15% of the cross-border tuition market, and with the addition of domestic payments processing, we believe there is ample runway in education. Flywire is also active in healthcare and travel, with additional opportunity in B2B payments
- **PAY** started Buy at Goldman, \$54 target; Paymentus will continue gaining share from legacy providers, particularly as it leverages IPN partners (such as PayPal, Walmart, and Amazon) to expand its reach and add further convenience for its billers' customers
- **OMIC** started Buy at Goldman, \$35 target; life science technology company that is leveraging novel next generation sequencing (NGS) technologies using proprietary chemistry designed to produce higher sequencing accuracy and more rapid cycle times driving improvement over existing sequencing technology
- **FIGS** started Outperform at BMO; Started Overweight at KeyBanc, Barclays; disrupting the \$79B-plus healthcare apparel industry and has a

long runway for growth; establishing the market for higher-end premium scrubs that are perceived to be one-of-a-kind

Other Notes

- **XRAY** clear aligner SureSmile wins Aspen Dental deal says Piper
- **EA** should be bought following E3 says Benchmark, has a \$181 target seeing conservative guidance and better monetization will accelerate revenues

Trade Ideas

Enphase (ENPH) showing up on the ready to run weekly scan and the RSI Leading higher scan with MACD starting to cross bullish and weekly RSI back above the 50 level. ENPH shares are working out of a weekly falling wedge with solar stocks gaining strength recently. Shares are also back above VWAP off the February ugly candle reversal high.



Technical Scans

Ready to Run: SQ, SNAP, CVNA, ROKU, PINS, SNPS, BILI, PANW, CSGP, YNDX, ENPH, TXG, EXAS, FUTU, WIX, PODD, ESTC, CRSP, UPWK, VRNS, LRPO

RSI Leading Higher: NOW, SQ, TSLA, AMD, TWLO, WDAY, CMG, LEN, PINS, ENPH, BIO, ZEN, WIX, ABMD, CDAY, OZON, FVRR, APPN, NVRO, SAIL, STEP, GKOS, TWOU

Earnings Preview

Fed-Ex (FDX) will report earnings 6/24 after the close with the Street looking for \$4.96 EPS and \$21.46B in Revenues (+23.7%) as its FY21 comes to a close, and Q1/FY22 seen at \$4.96/\$20.88B and \$20.29/\$87.13B. FDX shares have closed higher four of its last five reports with a six quarter average max move of 9.1%. The \$75B freight carrier is trading 14.2X Earnings, 23.7X FCF and 9X EBITDA with a 0.9% dividend yield. FDX forecasts for FY22 see 5.2% revenue growth and 12.2% EPS growth. FDX is expected to see continued strong demand and also margin expansion a major part of the story with recent surcharges and price increases. FDX is an operating leverage story and also closely tied with Macro, so investors will be focusing on the forward guidance which should be strong to reflect the improving Macro data and improving industrial economy that has lagged. Analysts have an average target of \$350 and short interest low at 1.3% of the float. CSFB raised its target to \$364 last week noting high expectations into the report but ground pricing/margins may be a positive catalyst. Stephens raised its target to \$360 expecting a strong report and guidance but concerned with the consensus bullish sentiment into the print. KeyBanc raised its target to \$370 seeing the report as a positive catalyst

and raised estimates for margins. On the chart FDX shares have pulled back off record highs the last three week and tested the 38.2% retracement of the 2021 range, the 21-week moving average and retested its former breakout. FDX sits just above VWAP off the 2021 lows and the 144-day moving average with a key volume node of support at \$277. FDX options are pricing in a 6.15% move on the report with 30-day IV Skew at +1.8 comparing to the +0.9 52-week average. FDX has seen some large opening put sales in August \$310, \$300 and \$270 as well as October \$300 and \$250.

Trade Idea: Sell the **FDX** July \$280/\$270 Put Spreads for a \$3.50 Credit (Bull Put Spreads)



Extras

Bank of America (BAC) with 10,500 August \$35 puts sold to open for \$0.59

BioCryst (BCRX) with 1000 January 2023 \$10 puts bought for \$3.40

Capital One (COF) large stock replacement sold 1000 January \$140 puts for \$11.10 to open

CVS Health (CVS) opening sale of 1,500 November \$82.50 puts for \$5.47

3D Systems (DDD) buyers of 2000 July \$30 calls for \$1.30

Exact Sciences (EXAS) buyer of 1000 January 2023 \$60 puts for \$5

GM stock replacement sold 4500 June 2022 \$55 puts for \$6

Sun Run (RUN) buyer of 3,000 November \$60 calls for \$6.80, spread with 1500 November \$85 calls sold for \$2.50

Trip Advisor (TRIP) large buyer of 15,000 September \$40/\$30 put spreads for \$3.54

Carvana (CVNA) buyer of 500 November \$290 calls for \$41 to \$41.50

Gold (GLD) buyer of 30,000 September \$180 calls for \$1.28

Russell (IWM) buyer of 20,000 August \$214 puts for \$5 to \$5.05

Regional Banks (KRE) buyer of 1000 December \$56 ITM calls for \$10.25 to \$10.40

S&P (SPY) with 4000 September 30th (Q) \$410 calls bought \$18.85 and also seeing over 18,000 August \$396 puts bought up to \$5.95

United Rentals (URI) with the January 2023 \$280 puts sold to open for \$49.10, 270X for more than \$1.3M

Open Interest Checks

OI Checks					
Ticker	Contract	Prior OI	New OI	OI Change	
ACMR	July \$140 Calls	2,006	5,263	162.36%	
ADNT	October \$50 Calls	2,469	6,201	151.15%	
SRNE	Jan. 2023 \$15 Calls	2,230	5,433	143.63%	
LU	December \$12.5 Calls	7,306	17,306	136.87%	
OSH	January \$30 Short Puts	2,315	4,815	107.99%	
DAL	September \$45 Calls	2,657	5,433	104.48%	
BABA	August \$215 Calls	3,323	6,323	90.28%	
PYPL	September \$270 Calls	1,983	3,726	87.90%	
FSLY	July \$60 Calls	3,638	6,807	87.11%	
CANO	October \$15 Calls	5,854	10,595	80.99%	
T	January \$29 Calls	6,807	12,244	79.87%	
AVXL	July \$25 Calls	3,343	5,576	66.80%	
WFC	October \$45 Calls	4,444	7,347	65.32%	
M	August \$20 Calls	15,936	25,687	61.19%	
TSLA	September 2022 \$450 Calls	3,370	4,441	31.78%	

What They're Saying

Adobe (ADBE) earnings call on the Creative business... "And so I think first, Kash, on the \$40-plus billion TAM. As you know, we have clearly transitioned the business from a Creative Cloud focused customer to just being a Creative Cloud, the communicators, the services that we've added associated with Stock photography and Sign. And I think we continue to have very exciting opportunities in terms of continuing to expand that TAM. And I think it all stems from design and creativity has never been more important, right? We talk about how it's the golden age of design and creativity. But for you as a consumer, whether you're interacting with a screen at a terminal or in a retail store or how you order something, I mean, it's all about content creation. And when you think about how much content we've all consumed in the pandemic at home, it's just gone through the roof. And we announced the partnership with Netflix and what we're doing with Khan Academy to make sure content creation is as seamless and productive. So I think that's driving it. And people love to say we want to be in the content and design business to personalize it as well as a career. So I would say that's the first thing that we're certainly seeing. International expansion, we've talked about how we continue to focus on international

markets. And it originally started with dealing with piracy. But across the small and medium business TAM, as those companies are also creating a marketplace for themselves with our content management solutions, our commerce solutions, content velocity is critical there. So I think all those are clearly tailwinds for the ever-increasing TAM. I think we increased it from \$31 billion to \$41 billion when we talked about it at the next FA meeting, and we'll certainly update that when we have our next."

Earnings Review

No Reports

Earnings Grid

Stock	Open Interest	Historical Moves	Avg. 6 Q Max Move	Implied Move	Short Float	SI Change (3mo)	IV30 Skew
NKE	Aug. \$140 Calls 23,000X / 1600 Oct \$145 Calls Bought / 500 Jan 2023 \$130 Puts Sold / 8500 July \$125 Puts	Higher 5 of 8	8.35%	4.48%	0.75%	27.4%	-0.01%
ACN	1K Jan \$230 and Nov \$230 Short Puts / Small Jan 2023 and 2023 Call Buys / 895 Aug \$285 Puts Bought	Higher 6 of 7	7.88%	3.02%	0.81%	-19.1%	5.39%
FDX	Aug \$300 Put Sales 1300X / Aug. \$310 and \$270 Put Sales 1300X / Dec \$320 Short Puts 1000X	Higher 4 of 5	9.10%	5.18%	1.47%	0.0%	3.04%
PAYX	700 July \$105 Calls Bought / Sep \$115 and Jan \$120 Short Calls	Lower Last 4	5.38%	4.25%	2.77%	14.8%	3.44%
CCL	June 25th (W) and July 9th (W) Call Spreads / 6K Oct \$27.5 Short Puts / Size Short Puts Aug, Mar, Jan 2023	Lower 9 of 11	9.02%	5.47%	18.27%	9.5%	-1.15%
KMX	1K July \$110 Short Puts / 400 Oct \$135 Calls Bought	Lower Last 7	8.70%	3.96%	6.05%	-12.3%	1.85%
DRI	17,000 July \$155 Calls Bought in OI and 1300 July \$150 Calls / Oct \$155/\$130 Bull R/R 1400X / 2000 July \$145 Calls	Higher 4 of 5	12.20%	7.04%	5.00%	65.0%	-1.82%
KBH	Bull Write-Up - 2800 July \$42 and 2000 Oct \$45 Call Buys / Size Jan. 2022 and 2023 Short Puts / 5500 Jan \$45 Calls	Lower 4 of 6, Higher Last 2	9.05%	7.67%	2.82%	41.3%	1.88%
PDCO	No Notable OI	Lower 3 of 4	12.20%	8.74%	10.48%	6.8%	7.13%
WGO	7500 July \$70/\$60 Put Spreads	Lower 3 of 4	14.70%	10.14%	8.54%	23.2%	-0.21%
PRGS	No Notable OI	Lower 4 of 5, Higher Last 1	9.10%	6.58%	2.53%	88.5%	-1.23%
GMS	4950 Oct \$50 Calls Bought / 2700 Dec. \$50/\$60 Call Spreads / 2500 Oct. \$45/\$65 Call Spread / July \$35 and \$40 Calls	Lower 5 of 6	8.60%	8.79%	2.90%	-6.4%	3.06%

Disclosures

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