



## Inside Today's Blitz

- Oil near \$120/barrel on Saudi price hikes
- China Services PMI improves in May
- US may ease China tariffs
- **JBLU** improves **SAVE** offer; Positive ASCO data from **LLY, AZN, MRK, GILD, AMGN**; Box Office strength at **PARA**; Hotels **PK, H** seeing strong May trends; **SAIC** earnings beat and buyback

## Market Outlook

Futures are indicating a strong open to the week led by the Nasdaq with positives mostly coming out of China overnight and the main market focus this week on the ECB Thursday and US Inflation on Friday. Oil is advancing back to highs and seeing overall commodity strength while the US Dollar pulls in. **VIX** futures are down more than 2% this morning while Copper the only other laggard. The potential of an accelerated recovery in China with easing lockdowns is causing global growth slowdown fears to abate though runaway inflation remains a headwind.

European stocks were broadly higher on optimism for global growth as China further eased lockdown curbs and strength led by commodities, financials and tech. The FTSE 100 gained 1.4% after UK markets resumed trading following a holiday, even as Boris Johnson faces a leadership vote in his ruling Conservative Party. Investors are now awaiting the European Central Bank's meeting on Thursday when it'll announce an end to bond purchases and formally begin the countdown to an increase in borrowing costs in July. Melrose Industries rose 4.0% after it agreed to sell its Ergotron unit.

Asian shares got off to a slow start but ended broadly higher after positive PMI Services progress in May, easing of lockdowns, potential US tariff removal and a regulatory investigation in China came to an end. Energy stocks topped the gainers list as oil prices climbed after Saudi Arabia raised prices sharply for its crude sales in July. Airline ANA Holdings added 2.9 percent and travel agent H.I.S. gained 3.3 percent, buoyed by reports that the Japanese government was considering restarting its "Go To Travel" subsidy program as early as this month. Australian stocks ended lower as investors looked ahead to the RBA's policy meeting on Tuesday.

## Calendar

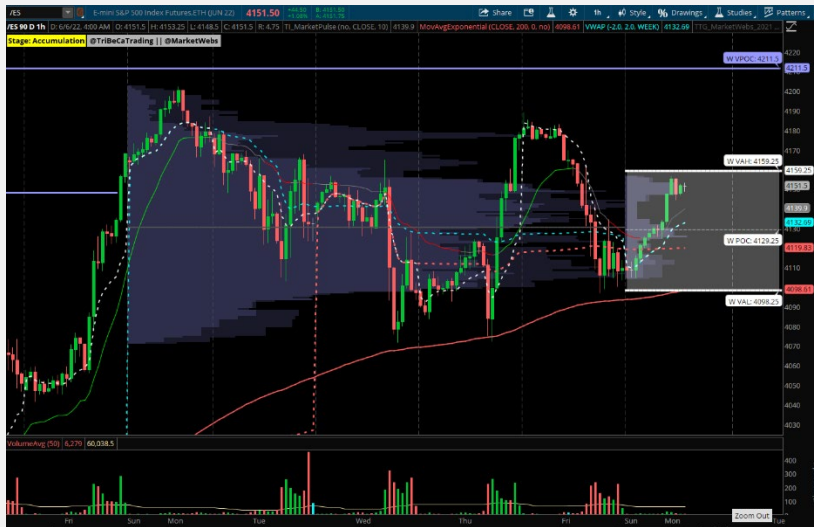
**Today...** UK Retail Sales, China Services PMI; **Earnings** from COUP, GTLB; **Analyst Day** at ARNC, AVT; **Conferences:** Goldman Travel, ASCO, Baird Consumer

**Tomorrow...** US Trade Balance, Consumer Credit; Japan GDP and Australian Central Bank; **Earnings** from SJM, ASO, SMAR, GWRE; **Analyst Days** at HUBB, CAE, SHOO, SKX; **Conferences:** BAML Tech, UBS Industrials, Baird Consumer

## Overnight Markets

Description	Price	Change
Natural Gas	8.94	4.93%
Copper	4.423	-1.10%
Oil (WTI)	119.5	0.50%
Silver	22.31	1.83%
Gold	1855.5	0.29%
US Dollar	102	-0.15%
VIX	25.4	-2.25%
Bonds	118.58	0.03%
Bitcoin	31,415	6.40%
Etherium	1,905	9.10%

## Technical View



### Key Levels to Watch

**S&P Futures (ES\_F)** traded higher Sunday night by 1% and back over monthly VWAP at 4120. Inside of weekly value area but near retest of VAH at 4159.25. A move back through that level would target the untested VPOC 4211.5 while the 4129 is the weekly point of control and crucial monthly value high. Below that is 4100 and 4098 lower value for the week.

## Economic Data

- **Saudi Arabia** Purchasing Managers' Index (PMI) for the whole economy was steady at 55.7 in May, the same as in April
- **China** Services PMI improves to 41.4 in May from 36.2 in April
- **Thailand** CPI +7.1% in May, above expected
- **UK** new care sale see second weakest May in 30 years

## Macro News

- **Russia** – Putin warns West if US-supplied Missiles hit Russia, it will declare War. Russia hit Kyiv with cruise missiles fired from the Caspian Sea on Sunday, striking a rail car repair facility in the Ukrainian capital, in the first such attack for weeks.
- **Oil** - France is talking to the United Arab Emirates about the supply of oil and diesel as it seeks alternatives to Russian energy sources. The US may allow more sanctioned Iranian oil onto global markets even without a revival of the 2015 nuclear accord, according to the biggest independent crude trader
- **Bond Market** - The Friday release of the May consumer-price index report may help clarify the outlook, potentially holding the key to whether the benchmark 10-year Treasury yield stages another retreat

### Movers

**Gainers:** YMM 23%, BZ 20%, ARRY 13%, RUN 9%, VICI 8%, LI 8%, ON 7%, PDD 7%, BABA 6%, JD 5.5%, COIN 5%, ENPH 5%, TSLA 3.5%, CRWD 3.5%, UPST 3%, SE 3.5%

**Losers:** IOVA -2%, AZN -1%

### Insider Buying

NEE, CABO, COMM, RKT, TDG, UP, CVNA, NRDY

### IPO Calendar

Phoenix Motor (PEV) to Price 2.5M Shares at \$7 to \$9

## OptionsHawk Market Blitz

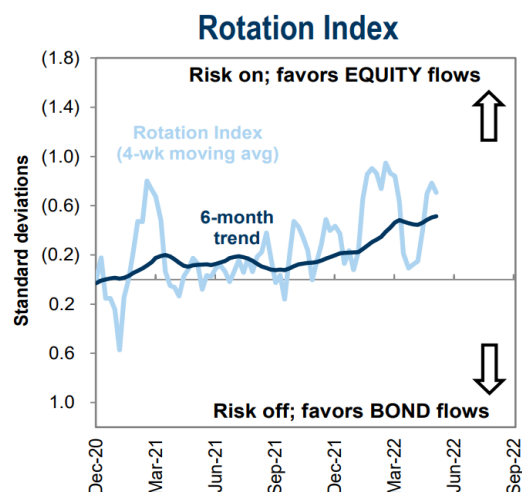
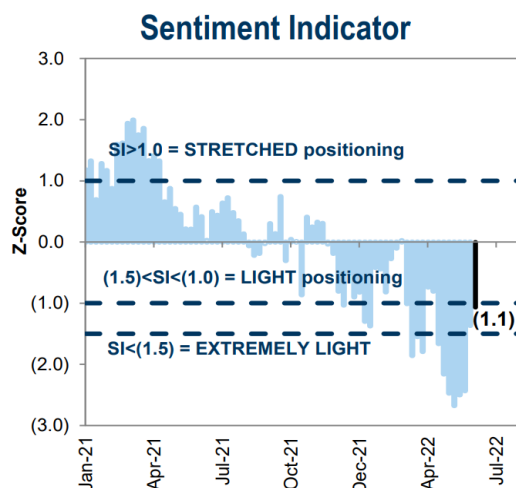
Monday, June 6th 2022

or retests May's high by pushing back over the psychologically key 3% level

- **China Tariffs / Inflation** - U.S. Commerce Secretary Gina Raimondo said on Sunday that President Joe Biden has asked his team to look at the option of lifting some tariffs on China that were put into place by former President Donald Trump, to combat the current high inflation
- **China Reopening** - Beijing will further relax COVID-19 curbs by allowing indoor dining, as China's capital steadily returns to normal with inflections falling, state media said on Sunday
- **ECB** - BofA Securities now expects the European Central Bank to hike interest rates by 150 basis points this year including 50 bps moves in July and September in a note on Monday

## Sentiment

- Morgan Stanley's Michael Wilson argues that the largest S&P 500 weights could be the next group of stocks that will significantly de-rate. "The largest 5% of S&P 500 stocks are trading at a 40% median premium to pre-covid levels compared to 17% for the broader index. One could say that the market has worked efficiently with the largest and most stable companies acting the most defensively within the index. However, this potentially presents a downside scenario as well where these stocks could be the final shoe to drop before we exit the current bear market."
- Goldman Sachs Sentiment Indicator remains at pessimistic positioning, positive for future returns while the rotation index favors Equity inflows.



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## Stock-Specific News

### Index Changes

- **VICI** to replace **CERN** in S&P 500
- **KDP, ON** to replace **UAA, IPGP** in S&P 500
- **UAA, IPGP** to replace **TRN, YELP** in S&P 400
- **TRN, YELP, URBN, RAMP, IRWD** to replace **ENDP, RRGB, VRA, TCMD, GHJ** in S&P 600

### Barron's Recap

- **CPE, MUR, SBOW, OVV, ROCC** highlighted as winners on rising Oil prices with potential to see \$150 Oil
- **ETN** positive write-up with 30% upside on its strong electrical segment backlog and positioning for the electrification theme
- **STLA** highlighted s n overlook automaker with a strong global position and competitive plan to win in EVs
- **WCC** highlighted as a 2022 winner with more room to run with shares still cheap

### Consumer Goods

- **TSLA** Musk said on Saturday that the electric vehicle maker's total headcount will increase over the next 12 months, but the number of salaried staff should be little changed, backtracking from an email just two days ago saying that job cuts of 10% were needed
- **Mercedes** is recalling almost a million older cars from around the world due to possible problems with the brake booster
- **Sony (SONY)** said the company's planned joint venture with Honda Motor may hold a public share offering as the two companies prepare to develop electric vehicles together, reports Nikkei Asia
- **AXON** is halting work on a project to equip drones with stun guns to combat mass shootings, a prospect that a member of its AI ethics board told Reuters was prompting an exodus from the panel

### Consumer / Business Services

- **PARA** - "Top Gun: Maverick" with a sensational \$86 million from 4,751 North American theaters in its second week, among top-10 grossing second-weekends in history of box office

### On the Chart

**IPGP** forming a multi-week bottoming pattern and coming off a solid report has upside to \$110 near-term

### Hawk Database

**PARA** pulled back last week and has 13K Sep. \$25 short puts and 9800 Sep \$30 long calls in OI

## *OptionsHawk Market Blitz*

*Monday, June 6th 2022*

- **M, GPS, AEO, KSS** – WSJ highlights Retail industry struggles with high inventories in areas consumers are shifting spend away. Macy's has too many casual clothes, activewear, home textiles and tableware, as shoppers in recent weeks instead bought dressier clothes to wear to the office or social engagements. Analysts expect the excess inventory to crimp retail profits this year and potentially send the industry into a downward spiral of discounting that plagued it before the pandemic
- **KR** – Icahn is dropping his proxy fight over pig treatment at Kroger, the WSJ reports
- **PK** raises Q2 operating guidance
- **Hyatt (H)** reports system-wide RevPAR accelerated in May; future bookings continue to strengthen
- **SBUX** Schultz to remain interim CEO until March
- **DIDI** shares jumped 50% in China as regulators are set to remove the ban which prevented them from adding new users, marking the end of the years-long investigation; **BZ, YMM** also included
- **JOAN** files for 27.85M share offering

### Financials

- **AVB** reports Same Store Residential rental revenue of +13%
- **CBOE** May trading stats: S&P 500 Index (SPX) option volume saw a record month with a total 45.5 million contracts traded in May
- **ESS** raises Q2 and FY22 FFO guidance
- **CODI** has agreed to buy PrimaLoft Inc. in a transaction valuing the provider of synthetic insulation at about \$530M; PrimaLoft provides materials to produce synthetic down jackets and its customers include Nike Inc., Patagonia and Canada Goose Holdings Inc
- **UniCredit** has widened its search for a buyer for its Russian business beyond local investors, as it steps up efforts to leave the country, writes Reuters
- **LME** is being sued by Elliott Associates following the suspension and cancellation of nickel trades on the platform
- Saudi Arabia property developer **Retal Urban Development** said on Sunday it had priced its initial public offering at 120 riyals a share, the top of the indicated range, implying a market capitalisation of 4.8 billion riyals (\$1.28 billion)

### Energy & Materials

- **CEQP** to acquire Sendero Midstream Partners for \$600M

## *OptionsHawk Market Blitz*

*Monday, June 6th 2022*

- **AXTA** - two recent flights last month by **PPG** executives to Philadelphia may be an indication of PPG's interest in Axalta, according to data from a flight tracking analytics company
- **ASPN** guides Q2 EPS below Street, Revenues above
- **CSIQ** announced it signed an agreement with SPIC Brasil, a leading power generation company in Brazil, to sell 70% stake in the Company's 738 MWp solar projects, Marangatu and Panati-Sitia
- **Iron Ore** topped up its biggest weekly gain in 13 weeks as traders tracked China's moves to rein in Covid-19 restrictions that have weighed on steel demand this quarter. Iron ore inventories at major ports plunged to their lowest levels for the year, reaching an eight-month low, according to Steelhome data

### Sympathy Movers

**VALE, CLF, TECK** a few Iron Ore plays that can run strong on this news

## Healthcare

- **Becton Dickinson (BDX)** to acquire Parata Systems, a provider of pharmacy automation solutions for \$1.52B. Parata expands BD's solutions to a new area of the high-growth pharmacy automation space.
- **BMY** withdraws sBLA for Reblozyl for anemia in adults with non-transfusion dependent (NTD) beta thalassemia
- **AMGN** Vectibix led to "the longest survival ever reported" in a major trial for patients with inoperable advanced cancer originating on the left side of the colon whose tumors did not have RAS gene mutations
- **AZN** and Daiichi Sankyo's Enhertu extended survival by more than six months in patients with a form of advanced breast cancer compared to standard chemotherapy
- **GILD** Trodelvy extended by 1.5 months, or 34%, the length of time women with advanced stages of a common type of breast cancer lived without their disease worsening
- **LLY** reports Jardiance decreased relative risk of hospitalization for heart failure by 50% versus DPP-4 inhibitors and by 30% versus GLP-1 receptor agonists in adults with type 2 diabetes in real-world evidence study
- **GSK** receives FDA approval of Priorix for the prevention of measles, mumps and rubella in individuals 12 months of age and older
- **ABT** - said on Saturday that it has reopened its baby formula production plant in Sturgis, Michigan, taking a step toward alleviating an acute nationwide shortage that has sent parents scrambling for supplies
- **AYLA** - Novartis does not intend to exercise its option to obtain an exclusive license for AL102 for multiple myeloma

## *OptionsHawk Market Blitz*

*Monday, June 6th 2022*

### Industrials

- **SAIC** authorizes share repurchase program up to 8.8 million shares, representing 16% of shares outstanding
- **ODFL** Q2 operating update; Revenue per day increased 26.0% as compared to May 2021 due to a 2.3% increase in LTL tons per day and an increase in LTL revenue per hundredweight
- **JBLU, SAVE** - submitted an improved proposal to acquire all of the outstanding common stock of Spirit with a \$350M break-up fee. etBlue's proposal offers Spirit stockholders aggregate consideration of \$31.50 per share in cash, comprised of \$30 per share in cash at the closing of the transaction and the prepayment of \$1.50 per share of the reverse break-up fee.
- **Air Canada** is expecting a demand for flights between Canada and the Asia-Pacific to recover to a near pre-pandemic level by December next year, a top regional executive said on Saturday
- **EasyJet** cancelled 80 flights on Sunday due to the ongoing challenging operating environment
- **Melrose** higher in Europe after it agreed to sell its Ergotron unit, maker of ergonomic desks and office accessories, for \$650 million as it offloads the last remaining business from its 2016 Nortek deal

### Technology

- **Apple (AAPL)** highlighted in NY Times into WWDC that Apple is assembling the pieces for what it hopes will become its next business-altering device: a headset that blends the digital world with the real one
- **Nio (NIO)** to use **AMD** chips to build high-performance computing platform
- **DSGX** acquired XPS for up-front consideration of approximately \$65M plus potential performance-based consideration.

### Utilities and Telecom

- **Telecom Italia** will pursue a plan to split its landline network from its service operations to maximise asset value for all shareholders and cut its debt pile, the head of the company said on Sunday

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## Analyst Notes

## OptionsHawk Market Blitz

Monday, June 6th 2022

### Upgrades

- **AXP** raised to Buy at Edward Jones; loyal base of affluent customers will be less affected by inflationary pressures, making American Express better position to sustain strong spending trends relative to its credit card peers
- **RMD** raised to Outperform at RBC; attractive entry point considering its strengthening leadership position in the obstructive sleep apnea market and earnings upside risk associated with price increases
- **SPOT** raised to Outperform at RJF; best-in-class streaming audio platform with a lot of subscriber runway and low churn and risk/reward positive with all the bad news priced in
- **CRWD** raised to Overweight at MSCO; Security demand remains durable as companies invest to bolster their defenses in a rising threat environment and CrowdStrike is the leading beneficiary of growing secular trends within security
- **LULU** raised to Perform at Baird
- **CAE** raised to Neutral at BAML
- **AMSWA** raised to Buy at B Riley
- **ZNH** raised to Buy at Daiwa

#### Hawk Database

**AXP** buyer of 20,000 Sep.  
\$140 calls on 5/9

#### On the Chart

**SPOT** bull flag into Investor  
event can target a VWAP level  
\$121 near-term

### Downgrades

- **EIX** cut to Neutral at UBS
- **DNB** cut to Perform at RBC

### Initiations

- **VLRS** started Overweight at JPM; top pick in the Latin American airline universe citing its solid financial discipline and potential for air travel expansion in Mexico
- **GXO** started Outperform at Cowen; resilient blue-chip customer base and a very strong contract pipeline, positioning it as one of the leaders in next generation warehouse automation
- **REGN** started Underperform at Jefferies; historically superb pipeline looks mixed at the moment while its sales and annual earnings growth are among the lowest in the peer group
- **BLCO** started Buy at Citi; 77% brand recognition versus peers and new products will accelerate revenue growth
- **DASH** started Neutral at RJF on balanced risk/reward waiting on better margins and cash flow

### Other Notes



## OptionsHawk Market Blitz

Monday, June 6th 2022

- **UPWK** positive note at Piper; Upwork's talent marketplace offers organizations to move from a fixed cost structure to a variable cost structure, along with prioritizing cost savings opportunities to support profitability amid hiring freezes and layoffs
- **AMC** shares still overvalued, says Citi
- Citi out negative on Semi stocks **SMH** driven by lower PC and handset demand and expects the downside to spread to other sectors such as automotive and last for a few quarters given the slowing economy and buildup of inventory; **ADI** is Top Pick as defensive play
- **TW** moved to Top Pick at CSFB; beneficiary of interest rate hikes which is contributing to higher interest rate volatility and wider credit spreads, and the firm is uniquely positioned across rates, credit, money markets and equities to benefit from the rate hiking cycle while revenue diversification across the fixed income asset complex creates durable long-term growth prospects

## Trade Ideas

**Golar LNG (GLNG)** – with a nice candle Friday holding green in a weak tape and staying above the 8 EMA. A move to new highs likely targets the 30 level which is the high from back in late 2018. A strong trend in the energy sector continues to ride its 21 EMA on dips recently.



### Technical Scan

**Weekly Bull MACD Cross:** A, BIDU, BKNG, C, CLR, CDNS, DT, FANG, GNRC, GRMN, HAS, LEN, ITW, LRCX, LI, ON, SPOT, TJX, PHM, VEEV, UL

**Inside Week Candle:** HD, KO, PM, TXN, T, RTX, LOW, HSBC, AMAT, C, MO, CHTR, TGT, WM, MAR, SNOW, SQ, WDAY, NUE, DLTR, CF, LEN, STX, UAL, CZR, GME, X, PINS, SPLK, JNPR

**OBV 3 Month High:** IBM, CVE, DINO, MPC, TMUS, TS, VLO, VMW, WES, CNX, MUR, M, PAG, STNG, NOG

### ETF Sector Relative Strength Corner: Beaten Up Builders Rebounding into Potential Yield Dip

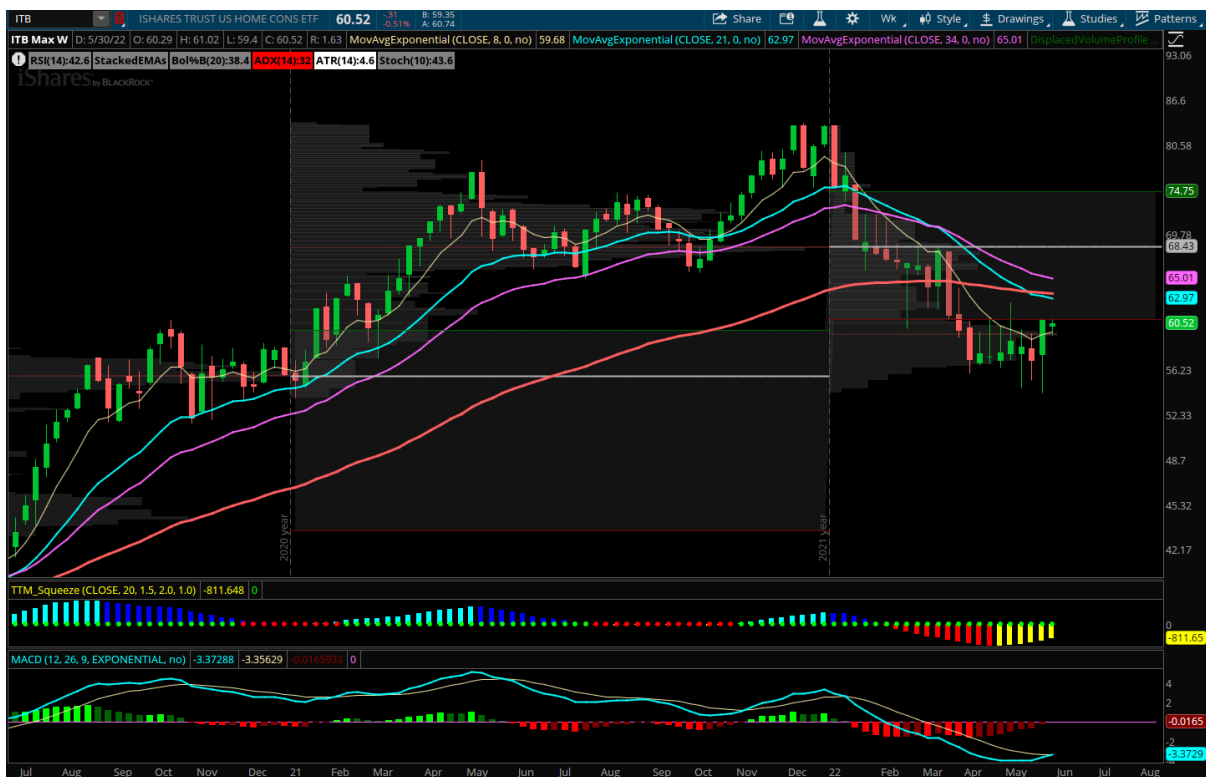
**iShares U.S. Home Construction ETF (ITB)** - This ETF offers exposure to the U.S. homebuilding industry, and as such offers exposure to a corner of the domestic economy that tends to be cyclical in nature. In addition to pure play homebuilders, this fund includes companies related generally to the homebuilding industry, such as Home Depot. For

## OptionsHawk Market Blitz

Monday, June 6th 2022

homebuilder exposure, ITB is competitive in terms of expense ratio, but may be significantly more concentrated than other options such as PKB or XHB. Homebuilders have been victims of the rise in yields during 2022 after a fantastic run higher in 2021. With the 10-year rate sitting back under 3.0% and looking vulnerable to a pullback there is good potential to see a rebound higher in builders with upside on ITB into the 65-68 zone of yearly volume resistance. Weekly MACD is near a bull cross after the big recent bull engulfing candle.

The ETF's top 15 holdings include **DHI, LEN, NVR, PHM, SHW, HD, LOW, BLD, TOL, MAS, BLDR, TMHC, MTH, KBH, FBHS**. The ETF has just 49 total holdings and the top 10 names make up 64% of assets. Large caps make up 50% of the fund, with Mid-caps making up about 42.5% and Small Caps 7%. Picking individual names showing the strongest patterns can be a nice trade idea or just trading the ETF makes it a simple way to gain exposure to the relative strength of this sector. One of the top weights DHI saw a large buyer on 5/17 of 10,000 July 1st \$80 calls for over \$1.3M. LEN has also seen August \$70 calls accumulate in open interest after a buyer on 5/20 of over \$1M.



## Earnings Preview

**DocuSign (DOCU)** will report quarterly results 6/9 after the close with the Street consensus at \$0.46 EPS and \$582M in Revenues (+24% Y/Y) while Q2/FY23 seen at \$0.47/\$601.7M and \$1.96/\$2.48B. DOCU faces tough comps and will see decelerating growth in each quarter Y/Y through FY23 while EPS is seen flat Y/Y. DOCU shares have sold off 24% and 43% the last two reports though were higher six of the previous 9 and overall a six quarter average max move of 19%. DOCU's CEO has been actively buying shares since December with four purchases totaling more than \$12M with the latest buy at \$74.76/share. DocuSign helps organizations do business faster with less risk, lower costs, and better experiences for customers and employees by transforming agreements via esignatures. The DocuSign Agreement Cloud is a cloud software suite for automating and connecting the entire agreement process. DOCU sees a long runway for growth within the market for esignatures and contracting workflow with just 8% market share and estimated \$25B

## OptionsHawk Market Blitz

Monday, June 6th 2022

TAM. The company sees a combined TAM of \$50B incorporating Sign, Prepare, Act, and Manage across the Agreement Cloud. They gained a lot of popularity throughout the pandemic as cloud-based signatures for critical documents became essential and the benefits of a shorter contract execution cycle will likely keep them in-demand even as work environments shift back. They continue to add new products too which will expand their reach with both Notary and Analyzer. DOCU shares are -45% YTD and now has a \$17.5B market cap trading 36.6X Earnings, 39.5X FCF and 6.7X EV/Sales, major multiple compression and relatively attractive now with 20%+ FCF margins and 19.9% EBIT margins. International revenue rose 55% last quarter and revenue retention remained solid at 119%. DOCU has shifted its sales strategy to back to a demand generation mode of cross-sell, upsell and departmental expansion. DOCU still sees itself very early in the opportunity penetration and changes it is making to the go-to-market strategy will take a few quarters to play out. DOCU expects billings deceleration to ~15% vs 37% in FY22, and op margins ticking down to ~17% at the midpoint from 20% in FY22. DocuSign's management is undertaking numerous changes in their North American sales organization, as well as an ongoing search for a new Chief Revenue Officer (CRO). FY23 will be a heavy investment year for DocuSign, with most of the operating margin impact coming from increased hiring. Analysts have an average target of \$115 and short interest at 6.8% of the float is up 46.7% Q/Q. Wedbush cut shares to Underperform in early May with a \$60 target seeing the hyper-growth story as over. RBC raised its target to \$135 in April seeing a broader opportunity in the agreement cloud and sees upside long-term. On the chart, DOCU shares have worked off a base near \$65 and flagging above a value zone with the 55-MA overhead as resistance just under \$90, but above, room to run to \$97. VWAP from the big gap down last December is near \$114. Weekly MACD is positive after shares bounced from extreme oversold and round-tripped the pandemic rally with recent lows holding near 2018 highs. DOCU options are pricing in a 14.6% move on earnings with 30-day IV Skew steep at +13.8 comparing to the +3 52-week average. DOCU's put/call open interest ratio is at the 45<sup>th</sup> percentile and average IV30 crush is -16%. DOCU has an opening seller of 1400 June \$85 puts on 6/3, also 500 Sep. \$72.5 puts bought on 5/31 and opening sellers of Sep. \$100 calls on 5/26. Largest OI is 20,000 Sep. \$60 calls bought for \$63M on 4/26, short July \$100 calls are in OI 4500X, short June \$100 puts 2500X, and a 5/4 buyer of 3000 July \$95 calls.

Trade to Consider: Long **DOCU** July \$85/\$100/\$115 Call Butterfly at \$2.75 Debit

## Open Interest Checks

Ticker	Contract	Prior OI	New OI	OI Change
PEP	21 OCT 22 175 CALL	1,314	4,156	216.29%
PG	21 OCT 22 155 CALL	1,678	3,866	130.39%
CHWY	16 SEP 22 30 PUT	1,544	3,291	113.15%
X	15 JUL 22 23 CALL	1,098	2,198	100.18%
KO	18 NOV 22 62.5 PUT	1,372	2,372	72.89%
AA	16 SEP 22 80 CALL	1,795	2,768	54.21%
EA	15 JUL 22 150 CALL	2,443	3,663	49.94%
PARA	19 AUG 22 30 PUT	7,078	9,681	36.78%
OXY	19 AUG 22 80 CALL	5,451	7,288	33.70%
ZEN	20 JAN 23 120 CALL	2,499	2,415	-3.36%
ASO	21 OCT 22 40 CALL	1,667	1,289	-22.68%
LTHM	20 JAN 23 25 CALL	3,338	1,659	-50.30%
TSLA	16 SEP 22 1350 CALL	5,068	2,335	-53.93%
ORCL	16 SEP 22 72.5 CALL	11,627	4,801	-58.71%

## *OptionsHawk Market Blitz*

*Monday, June 6th 2022*

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### Extras

**Arkk (ARKK)** buyer of 5000 July \$42/\$35 put spreads for \$2.32

**China (FXI)** buyer of 10,000 Jan. 2024 \$40 calls \$1.98

**Metals (XME)** buyer of 20,000 July \$53/\$50 put spreads

**S&P (SPY)** into the close large buyer 3300 June 2023 \$370 calls for \$20M+

**Iovance (IOVA)** opening seller 10,000 July \$7.50 puts \$0.90 with the insider buy filing

**Airbnb (ABNB)** stock replacement bought 400 June 2023 \$120 calls for \$26.60

**Aflac (AFL)** large opening sale 2000 January 2024 \$60 put for \$8

**Academy Sports (ASO)** buyer 1500 October \$40 calls \$3.30 offer

**BHP (BHP)** afternoon buyers of 2800 July \$72.50 calls for \$1.55

**Barnes and Noble (BNED)** opening seller 4000 October \$2.50 puts \$0.45

**Boston Scientific (BSX)** buyers 10,000 OTM July \$45 calls at \$0.30, recent rumors of potential JNJ interest

**Coinbase (COIN)** afternoon buyers of 2800 August \$70 puts \$15.90 offer, size bear flow

**Digital Realty (DLR)** buyer 800 October \$145 calls \$4.70 offer

**Devon Energy (DVN)** with 23,300 July \$80 calls opening \$3.30 as the \$70 calls adjusted

**Freeport (FCX)** opening seller 2500 July \$46 puts ITM for \$5.70

**Turtle Beach (HEAR)** late day sweep buyers 2500 July \$17 calls \$1.55 offer

**Hormel (HRL)** buyer 1500 January \$40 puts for \$1.60

**Herbalife (HLF)** large buy of 6000 January 2024 \$30 calls \$3.40 to \$3.50

**Mongo DB (MDB)** more massive bull trades with 2500 each of the January 2023 and January 2024 \$260 calls bought to open for \$43M total

**Medtronic (MDT)** buyer 3000 June 10<sup>th</sup> (W) \$97.50 puts as other strike adjusted

**Melco (MLCO)** buyer 1875 January \$5 calls for \$1.75, a play on Macau bottoming

**Pan American Silver (PAAS)** buyer 4950 January \$23 puts for \$3.20

**PDC Energy (PDCE)** buyer 1000 July \$79.50 puts \$4.30 offer

**SM Energy (SM)** buyer of 800 November \$70 calls \$3.60 offer

**Seritage Properties (SRG)** buyer 4000 October \$12/\$16 call spreads for \$0.30

**Tyson (TSN)** large sweep buyer 3000 June 2023 \$77.50 puts \$5.80 offer

## *OptionsHawk Market Blitz*

*Monday, June 6th 2022*

**UPS (UPS)** buyer 500 Jan. 2024 \$140 puts at \$10.65 offer

**Verizon (VZ)** buyer 2000 January \$49 calls \$3.90 offer as June calls adjusted

**Wayfair (W)** June 10<sup>th</sup> (W) \$62 calls with hot afternoon action with 5000 trading near \$2

**Petco (WOOF)** buyer 1500 June 2023 \$12.50 puts \$1.925

**Wynn (WYNN)** afternoon buyer 2000 July \$65 puts \$4.25

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## What They're Saying

**Yum Brands (YUM)** at Bernstein Conference on solutions for changing consumer habits.... “So there were trends towards consumers looking for more ease, more digital ordering, more off-premise. These were things that were happening anyway. And thankfully, in our business, we've been working on solutions for that, making big investments in tech that paid off really well in the pandemic. So I don't know that there's a lot of things that are going to reverse. When you can provide a consumer an easier experience, they're going to stick with that. In fact, in our Q1 results, we talked about the fact that we set a new digital sales record. We also set a new digital mix record. So not only are the sales numbers climbing, but the mix, the percentage of orders that are being ordered digitally is climbing as well. And that's despite the fact that in Q1, we saw a climb in our dine-in business. So customers are returning to the restaurants, but they're still using digital solutions.”

**CIGNA (CI)** Analyst Day on the Evernorth business and biosimilars... “Now Evernorth's opportunities for growth are compelling. And in fact, our balling proposition is resonating with buyers. Already today, 2/3 of the Fortune 50 entrust their health with Evernorth. Seven of the top 8 health companies work with us, and Evernorth has a relationship with the top 10 health plans. Now today, Evernorth's total addressable market for health plans is massive. It's over \$900 billion. And Evernorth today provides services to approximately 60% of all of the health plans in the U.S., but only are capturing about 9% of the addressable market. So that leaves us with a lot of headroom to meaningfully deepen those relationships to grow within our existing customers. We also have the opportunity to cultivate new relationships, leveraging our insights and being in a position to connect our solutions and capabilities in a way that meets our health plan clients' needs. Specialty pharmacy generally is about a \$315 billion market across both the pharmacy and the medical benefit, and we expect that to grow in the mid- to high single digits over the next several years. That growth will be fueled by new drug launches, particularly in inflammatory conditions, oncology, rare conditions as well as gene and cell therapies. And those figures include the impact of biosimilars, which will decrease specialty spend overall and represent savings for our clients and patients, while helping fuel growth for Evernorth. The pharmacy build portion of the specialty drug market is about \$190 billion. We expect that to grow to about \$260 billion by 2026. Accredo has an approximate 25% share of that market and generates more than 35% of Evernorth's total revenue. But because of our unique strengths and our capabilities, we expect that we will grow faster than the overall market. Over the next 3 years, we expect that nearly 30% of the top 25 specialty products will face competition from generics or biosimilars. This includes Humira. Humira is a drug which treats a range of different inflammatory conditions, such as rheumatoid arthritis and Crohn's disease. Over the past decade, it's been one of the top-selling drugs in the world. And starting in '23, we'll finally face competition from biosimilars. More generally, we expect biosimilar usage to begin to accelerate in '23, with more significant uptake in '24 and beyond. Today,



## OptionsHawk Market Blitz

Monday, June 6th 2022

approximately 7% of our total specialty spend faces competition from a generic or biosimilar. By 2026, we expect this ratio to exceed 25%. That translates to a \$100 billion market opportunity. And of that \$100 billion, we impact about \$30 billion of that spend, and we expect to be able to drive savings off of that base.”

## Earnings Grid

Stock	Next Earn		Open Interest	Historical Moves (8 Q)	Implied Move	Avg. 8 Q	Med. 8 Q	Sum. 8 Q	Hist				
	Date	Time				Max Move	Close Move	Close Move	IV30 Skew	Crush	Put/Call OI %-tile	Short Float	SI Change (3mo)
<a href="#">FUTU</a>	6/6/2022	BMO	Bear: \$11.83M (95%), Bull: \$0.64M (5%)	Higher 4 of 7	11.72%	8.40%	0.26%	-8.82%	7.72	-12.80%	87.67%	12.40%	29.57%
<a href="#">SAIC</a>	6/6/2022	BMO	Bull: \$0.1M (100%)	4	5.61%	6.55%	1.19%	-8.81%	5.1	-22.59%	99.28%	3.58%	13.07%
<a href="#">HQY</a>	6/6/2022	AMC	Bull: \$0.9M (82%), Bear: \$0.2M (18%)	Lower 5 of 8	9.46%	11.11%	-1.06%	-31.90%	10.48	-13.92%	5.87%	4.96%	-5.59%
<a href="#">COUP</a>	6/6/2022	AMC	Bull: \$4.81M (50%), Bear: \$4.73M (50%)	Lower 7 of 8, Lower last 7	15.20%	10.29%	-4.51%	-46.39%	15.47	-16.20%	58.44%	7.13%	-23.68%
<a href="#">SJM</a>	6/7/2022	BMO	Bull: \$0.48M (100%)	Higher 5 of 8	5.04%	5.46%	1.47%	3.40%	5.3	-17.00%	14.04%	6.18%	-24.27%
<a href="#">ASO</a>	6/7/2022	BMO	Bear: \$4.11M (57%), Bull: \$3.08M (43%)	5	10.78%	10.10%	8.48%	35.00%	11.86	-22.35%	95.87%	13.41%	12.74%
<a href="#">UNFI</a>	6/7/2022	BMO	Bull: \$0.55M (100%)	Lower 5 of 8	11.93%	19.01%	-9.90%	-14.91%	7.59	-25.31%	64.13%	3.51%	-17.41%
<a href="#">CBRL</a>	6/7/2022	BMO	Bull: \$0.4M (100%)	Lower 7 of 8, Lower last 5	6.71%	5.47%	-2.35%	-21.09%	6.78	-9.67%	94.45%	6.61%	-19.47%
<a href="#">PLAY</a>	6/7/2022	BMO	Bear: \$1.56M (51%), Bull: \$1.49M (49%)	Even of 8, Higher last 3	10.59%	12.02%	-0.79%	18.90%	11.28	-17.79%	98.80%	10.04%	1.50%
<a href="#">GIII</a>	6/7/2022	BMO	No Trades Since Last Report	5	11.25%	12.01%	6.09%	56.76%	8.38	-23.42%	73.44%	9.43%	2.53%
<a href="#">MOMO</a>	6/7/2022	BMO	Bull: \$0.82M (100%)	Lower 6 of 8, Lower last 2	9.79%	8.29%	-3.90%	-34.10%	9.19	-11.70%	82.23%	5.67%	26.14%
<a href="#">REVG</a>	6/7/2022	BMO	No Trades Since Last Report	Lower 5 of 8	9.78%	13.72%	-2.02%	-31.45%	1.12	-11.30%	98.60%	3.50%	52.43%
<a href="#">CASY</a>	6/7/2022	AMC	No Trades Since Last Report	Lower 7 of 8	6.15%	6.26%	-3.98%	-21.25%	8.91	-23.53%	36.44%	2.00%	31.98%
<a href="#">GWRE</a>	6/7/2022	AMC	No Trades Since Last Report	Lower 5 of 8	7.48%	6.72%	-2.41%	-7.42%	6.45	-26.14%	36.08%	4.03%	3.72%
<a href="#">SMAR</a>	6/7/2022	AMC	Bear: \$2.29M (100%)	Even of 8, Higher last 2	12.45%	14.44%	-0.64%	-32.31%	10.96	-22.30%	51.96%	3.54%	-13.59%
<a href="#">VRNT</a>	6/7/2022	AMC	No Trades Since Last Report	Even of 8	7.25%	6.16%	-0.15%	1.24%	6.28	-28.70%	66.97%	4.00%	-43.36%
			Stock: \$3.61M (59%), Bear: \$1.3M (21%), Bull: \$1.21M (20%)										
<a href="#">THO</a>	6/8/2022	BMO		Higher 5 of 8	9.27%	7.21%	1.66%	19.44%	13.47	-18.59%	77.60%	10.75%	14.89%
<a href="#">QLI</a>	6/8/2022	BMO	Bear: \$0.24M (100%)	Even of 8	11.28%	11.92%	-1.27%	-24.45%	7.98	-28.50%	5.19%	21.08%	-6.21%
<a href="#">LOVE</a>	6/8/2022	BMO	Bull: \$0.3M (57%), Bear: \$0.23M (43%)	4	16.25%	23.53%	16.50%	79.93%	8.19	-22.67%	100.00%	15.95%	4.50%
			Bull: \$1.52M (51%), Bear: \$0.96M (32%), Stock: \$0.48M (16%)										
<a href="#">FIVE</a>	6/8/2022	AMC		Higher 5 of 8	9.31%	9.52%	4.66%	10.32%	10.88	-20.70%	86.79%	4.45%	34.25%
<a href="#">ABM</a>	6/8/2022	AMC	No Trades Since Last Report	Higher 5 of 8	6.74%	10.15%	2.89%	24.50%	0.86	-25.22%	92.64%	2.68%	54.78%
<a href="#">YEXT</a>	6/8/2022	AMC	No Trades Since Last Report	Lower 6 of 8	12.60%	17.13%	-6.24%	-28.61%	-8.39	-26.20%	98.60%	5.95%	21.75%

## Earnings Review

Ticker	Company	Earnings Date	EPS Reported	EPS Consensus	Y/Y Growth	Revenue Reported	Revenue		
							Consensus (\$M)	Y/Y Growth	Forward Guidance
<b>BEFORE MARKET REPORTS</b>									
SAIC	Science Applications Intern	6/6/2022	\$1.88	\$1.77	-3.09%	\$2,000.00	\$1,926.87	6.50%	Raises FY23

## Disclosures

### Disclaimer:

#### **Not Investment Advice or Recommendation**

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