



MARKET RECAP REPORT 1/25/2021

Sector Leaders

Retail

Bonds

Utility

Stock Gainers

GME 50%

BB 33%

IRBT 28%

AUPH 23%

MAC 20%

UNFI 19%

Volatility Gainers

- GME
- BB
- CHS
- AMC
- BBBY
- EXPR

High Call Volume

- CSPR
- PETS
- SGMS
- CHS
- TAK
- IRM

Bullish Options

- KLIC
- INSG
- PDD
- SGMS
- SPWR
- LLY
- IRM
- BX
- NEE
- SE
- MDLZ

Market Review: Stocks were higher overnight but gave up most of the gains into the open, some concerns with US travel bans and an overall COVID situation with new variants likely to push out the recovery strength to 2H21. The morning kicked off with a euphoric frenzy in equity and option markets for highly shorted stocks and then the rug was pulled out late morning. Meanwhile there was a flight to safety in large cap quality and momentum quality sold off as a possible source of funds for hedge funds covering blown up short positions. Energy, Banks and Metals worst performing groups for the third straight day as that trade continues to unwind. The S&P tested and bounced at the rising 13-day moving average and saw the short squeeze moves unravel. Breadth started to improve early afternoon with S&P futures holding 2021 trend support on the lows.

S&P Chart:



Resistance	Support
3,855	3,610
4,000	3,520
4,140	3,400

Options Action Trends: It was a wild session with a lot of the flows in the junk names seeing short squeezes but saw good two-way action as both bullish and bearish bets taking place now into the thick of earnings season. Real meaningful size trades were lacking for the first time in a while with so much retail speculation.

What's On Tap: House Price Index. Earnings from MSFT, JNJ, VZ, NVS, TXN, NEE, SBUX, AMD, AXP, RTX, GE, LMT, CNI, COF, PLD, PLUG, ROK, AD, DHI and more.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Banks

Metals

Stock Losers

SOL -21%

STIM -15%

ROAD -10%

KERN -9.7%

OII -9%

CYRX -8.5%

Volatility Losers

- AUPH
- SRNE
- F
- ZNGA
- TRLY
- AFRM

High Put Volume

- BB
- GME
- SOL
- BGS
- EAT
- EPR

Bearish Options

- MRNA
- TJX
- AAL
- PRU
- LB
- WSM
- DDD
- CLOV
- CRWD
- FVRR
- XRT
- C



FEATURED OPTIONS RADAR REPORT



Bulls Position for Upside in Takeda as R&D Transforms Company

Ticker/Price: TAK (\$18)

Analysis:

Takeda Pharma (TAK) traded 134,000 calls on 1/22 which is 60X daily average with size buys in February \$19 calls, March \$19 calls, and July \$14 calls. TAK has seen action the last few weeks as well with size buys of April \$17.5 calls, June and July \$20 calls, January \$17.5 calls and opening sales of June and January \$17.50 puts in size. TAK shares have sold off since 2018 but the weekly and monthly charts showing signs of bullish RSI divergences and a large base breakout can occur with a move above \$20.30 that targets \$27-\$30. Cathie Wood has been accumulating shares in TAK the last three months. The \$57B Pharma company trades 21X Earnings with a muted revenue growth outlook. TAK announced in August plans to sell its consumer health business to Blackstone for \$2.3B as it looks to refocus on the business and reduce debt after its \$59B deal for Shire. TAK spoke at the JP Morgan Healthcare Conference earlier this month noting plans to grow revenues 50% by 2030 driven organically by its pipeline and global brands. TAK is a R&D transformation story with 12 new products to be launched between now and March 2025 and 40 products in clinical stage. TAK is focusing on 4 disease areas: oncology, rare genetic and hematology disorder, neuroscience and GI. They also have very targeted R&D effort in plasma-derived therapy and vaccines. The FDA recently approved TAK's sNDA for Iclusig for adult patients with chronic-phase chronic myeloid leukemia with resistance or intolerance to at least two prior kinase inhibitors. In November the FDA accepted TAK-721 for review. Analysts have an average target of \$24 and short interest low at 0.2% of the float. Glenview is the largest holder in TAK and Paulson & Co. the 2nd largest.

Hawk Vision:



Hawk's Perspective: TAK looks to be a potential winner in Pharma the next five years and with shares depressed at these levels seems a nice reward/risk for a patient play.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Casper Bulls Position for Upside as Small-Cap Moves Towards Profitability

Ticker/Price: CSPR \$8.30

Analysis:

Casper Sleep (CSPR) unusual volume today with nearly 10,000 September \$7.50 calls bought to open up to \$4 and running around 55X average with IV30 up nearly 100%. CSPR doesn't have a ton of open interest and name which has been fairly quiet since its debut in early 2020. Shares are working out of a narrow base today above \$8 and above \$9.75 has significant room to run with a low-volume gap back to its opening range around \$12-\$15. The \$295M company trades 0.62X earnings, 3X cash and working towards profitability which is now expected in mid-2021, far ahead of schedule. CSPR has benefitted from the pandemic's shift to more online sales as they initially grew in the e-commerce channel and have well established infrastructure to thrive. The company has been working towards profitability and a number of positive inflections in late 2020 including declines in customer acquisitions costs and better marketing leverage. They also continue to see margin expansion as they scale as they take advantage of their third-party manufacturing model. CSPR sees 2021 as a big year for growth with continued expansion in North America and building out their existing retail partnerships with Target (TGT) and Costco (COST) to give them a much more robust omni-channel strategy. CSPR sees their overall market opportunity with tons of runway with Sleep a growing pillar of health & wellness with a \$432B TAM across mattresses, bedding, bedroom furniture, and sleep accessories. Analysts have an average target for shares of \$10 with a Street High \$16. Goldman cutting to Neutral in November noting that they still think the company's wholesale-led path to EBITDA profitability will drive improvements in margins and earnings, but sees this being balanced by elevated brand risk. Short interest is 5.5%. Hedge fund ownership rose 13.5% in Q3. Insiders have been active buying stock too. In August, the Chief Product Officer and Chief Strategy Officer added at \$8.50-\$8.65 and in February a director bought around \$200,000 in stock at \$12. New Enterprise Associates, a fund with a big 10%+ stake and board seats, added \$30M in stock at \$12 too in the IPO.

Hawk Vision:



Hawk's Perspective: CSPR is an interesting name that has flown under the radar vs better plays in the space like TPX but a lot of potential to grow in a big space, so one to keep on the radar as it sets up again

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Scientific Games Draws Bullish Positioning After Board Refresh

Ticker/Price: SGMS \$44

Analysis:

Scientific Games (SGMS) big block of 9,500 April \$50 calls opens \$4.10 today, follows buyers at the strike on Friday 975X for \$4.10, first notable action in a while for the name. SGMS in a strong trend higher since September and pulling back to the rising 21-MA last week in a small bull wedge. A run above \$45.50 sets up for a test of new highs and then measured move to \$54. The \$4.25B company trades 1.5X sales and 4X cash and expected to return to profitability this year. SGMS has a number of big opportunities ahead of it with expansion of cashless gaming solutions, sports betting, and iGaming while their core lottery business has been stabilizing into the latter half of 2020. SGMS announced a big board refresh in September aimed at evaluating new strategies for growth and unlocking shareholder value from the deep library of tech and IP. The company noted in Q3 they are targeting better cash flows and deleveraging and any potential update on strategy would be net positive. Analysts have an average target for shares of \$39 with a Street High \$60 from Truist. The firm thinks the industry's Q4 results may be soft, but the management commentary will focus on vaccine distribution that should ramp over the next few quarters, opening up a tidal wave of pent-up demand for in-person social engagement and experiences. Jefferies with a \$55 PT last week and expecting the company's lottery and leased equipment business to show stability, while slot sales gradually recover to 85% of fiscal 2019 levels by fiscal 2022. Short interest is 7.3% and down from around 10% in late 2020. Hedge fund ownership rose 38% in Q3, Park West a new buyer of 1.6M shares. Sylebra Capital remains a top holder with over 8.6M shares.

Hawk Vision:



Hawk's Perspective: SGMS has been quietly in a very strong trend and recent pullback gives a nice risk/reward entry for a continuation higher

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Treasury (TLT) strong on highs with 4000 March \$155 calls bought earlier \$2.35

South Korea (EWY) buyers of 9000 March \$92 puts to open \$3.70 to \$3.85 this morning, could see some tensions with North Korea pop back up with new US admin

China (FXI) with 25,000 March \$52 puts bought \$1.55 to \$1.58 to open

Emerging Market (EEM) stock replacement sold 10,000 Dec. \$55 puts to open \$5.35 bid

Consumer Goods

Tootsie Roll (TR) very unusual action with 1500 February \$35 calls bought up to \$2.40

WW (WW) with 1375 July \$20 puts sold to open \$2.45 to \$2.35

National Beverages (FIZZ) up 20% and 450 March \$115 calls bought \$6.30 to \$7.60

Whirlpool (WHR) buyer 300 September \$250 calls \$10.60 offer into 1-27 earnings

Clorox (CLX) with 550 July \$250 calls bought today \$6.10 to \$7.20 range, third straight day of calls bought

Nike (NKE) off lows with February calls hot, the \$138 calls 3000X and the \$140 calls 6900X active

Mondelez (MDLZ) with 12,000 February \$57.50 calls bought to open today \$1.07 to \$1.12 into earnings on 1-28

Church & Dwight (CHD) the February \$90 calls being bought 1250X for \$1.60 ahead of earnings on 1-29

Kroger (KR) the February \$36 calls being bought today over 2,400X for \$1.54, big move for the name where short interest has surged lately

B&G Foods (BGS) also with 5,000 May \$30 puts bought this afternoon \$3.30 to \$3.50

United Natural (UNFI) now with 1,000 August \$30 puts bought \$7.70. **United Natural (UNFI)** with 1000 March \$25 puts bought today for \$2.35 to \$2.40. **UNFI** also with 950 May \$30 puts bought for \$6.60

BJs Wholesale (BJ) with 2500 August \$30 puts sold to open today for \$1.25

Consumer/Business Services

Viacom (VIAC) OTM April \$60 calls bought \$1.76 to \$1.86

MSG Network (MSGN) buyers of 700 March \$17.50 calls

Dick Sporting (DKS) buyer 1000 September \$90 calls \$4.30 to \$4.60, 20% of float short

Dave and Buster (PLAY) buyers 22300 February \$34 calls, 25% float short

Chico's (CHS) IV starting to ramp with 2500 May \$5 calls bought up to \$1, though not as highly shorted as others

L Brands (LB) weak with 5000 weekly \$44 puts being bought up to \$1

Under Armour (UA) with 1,000 ITM July \$10 calls bought today up to \$6.60

Dillards (DDS) with 400 March \$95 calls bought \$12.20, highly shorted department store operator

Ollie's (OLLI) with 1300 March \$120 calls bought today for \$5.30, rolling up the March \$110 calls from 1/15

At Home (HOME) the March \$25/\$19 put spread bought 1500X for \$1.65

Nordstrom (JWN) higher by 11% today and spread is selling 2,000 July \$30 puts for \$2.82 and buying the April \$50 calls up to \$1.95, as some March ITM calls adjust

TJX Co (TJX) the March \$70 calls being sold to buy the \$62.50 puts this morning over 4000X for \$0.37

Expedia (EXPE) buyers 3000 February \$135/\$150 call spreads this morning. **EXPE** a lot of bull flow today also 1500 March \$135 calls bought \$9.45 to \$9.90

William Sonoma (WSM) the February \$130 puts being bought 1000X today from \$2.75 to \$3.10 into the pullback from the highs

Las Vegas Sands (LVS) buyers 7500 February \$52.50 calls spread with the \$60 calls

VF Corp (VFC) the August \$85 calls being bought 500X today for \$8.50 ahead of earnings this week, 1-27

Funko (FNKO) with over 7500 February \$15 calls bought today for \$0.25/\$0.30, shares flagging under recent highs

PVH (PVH) buyer 1500 February \$100/\$115 call spreads \$3.05

Sirius (SIRI) working off 200-MA base and highly shorted name at 18% of the float, big blocks of February \$6.50 calls bought earlier today with 80,000 trading on he day

Vroom (VRM) the January 2022 \$50 calls being bought \$7.20 to \$7.50 to open, over 500X. **VRM** moving to highs with 4000 February \$40 calls being bought \$1.90 to \$2.40

Overstock (OSTK) with 500 September \$65 puts sold to open today for \$20.25 to \$20.05 in stock replacements

Shake Shack (SHAK) spreads selling 1500 September \$90 puts to buy the \$125/\$150 call spreads

The Gap (GPS) with 1,350 Jan. 2023 \$22 puts sold to open for \$6.60 in stock replacements

Energy

Matador (MTDR) with 1000 November OTM \$25 calls bought for \$2 to open

SunPower (SPWR) buyer of 1000 March \$60 calls \$6.45 offer sweep

BP PLC (BP) buyers active 2500 March \$23 calls this morning up to \$1.42

Ballard Power (BLDP) with 1,000 March \$35 puts sold to open today for \$4.10, adjusting some Feb. short puts

EOG Resources (EOG) with 1000 Feb. 26th (W) \$53 calls bought \$4.15 to open, targeting earnings on 2-25

Hess (HES) buyer 1200 March \$67.5 calls \$1.50

Cimarex (XEC) buyer of 300 Jan. 2022 \$40 calls for \$11.20 today

Financials

Intercontinental (ICE) with 1,300 March \$115 calls bought \$2.90 to \$3 into the recent pullback

XL Fleet (XL) with 1375 May \$17.5 puts sold to open for \$4.10

MasterCard (MA) buyer 1250 weekly \$332.50 calls \$3.50 to \$3.60 for earnings 1-28

Blackstone (BX) with 1750 June \$67.50 calls bought \$3.35 to \$3.45 offers. **BX** calls over 5000X

Boston Properties (BXP) with 1300 March \$80 puts sold to open for \$1.40/\$1.35 today, a play on 'return to work'

Triterras (TRIT) opening sale of 2,000 August \$5 puts for \$1.38, opened an investigation today into recent short-seller claims

Iron Mountain (IRM) with 4,000 March \$35 calls bought up to \$0.75 into the 7% move higher today

Fiserv (FISV) buyers 1800 February \$110 calls to open \$1.80. **FISV** now 500 Feb 12th (W) \$105 calls bought \$3.50 offer, bouncing right at 200 MA

SLM Corp (SLM) with 3,000 March \$12 puts bought up to \$0.60 and also 2,500 February \$12 puts trading for \$0.35

Capital One (COF) with 1,200 March \$105 puts bought up to \$8.60, many being spread with the \$92.50 puts. **COF** 2000 February \$105/\$110 call spreads bought into tomorrow night earnings

Gartner (IT) with 1000 February \$165 calls bought into weakness today from \$3.90 to \$4.10, some large June \$160 call buys recently

Citi (C) buyer 2000 September \$57.50 puts \$6.35 offer

TPG Pace (TPGY) with buyers of the July \$15 puts today for \$2.90, over 1200X

Vornado (VNO) with 3,200 February \$35 puts sold to open today for \$0.65/\$0.60

Simon Property (SPG) with 4000 February \$100/\$115 call spreads bought as \$90/\$110 adjust

Schwab (SCHW) buyer 2000 January \$40 puts \$2.05

Aflac (AFL) with 1,500 January 2022 \$35 puts bought \$1.65 to \$1.66 tied to stock

Lemonade (LMND) afternoon opening sale 450 September \$210 ITM puts for \$94.30

Western Union (WU) jumping off a nice base with 10,000 May \$24/\$28 call spreads bought

Healthcare

Moderna (MRNA) with over 5,000 February \$125 puts being bought today \$4.45 to \$4.80 ahead of the **JNJ** data. **MRNA** also with 1000 July \$155 calls sold to open \$23.55

Rite Aid (RAD) buyers 2200 March \$23 calls \$0.93

Lilly (LLY) with 1300 February \$210 OTM calls bought \$6.45 to \$6.70

Penumbra (PEN) with 600 OTM March \$360 calls bought for \$6.70 today, over 16% short float and breaking out of a big range today to new highs

Conversion Labs (CVLB) with over 800 March \$10 calls bought today \$4.80 to \$6.00, follows the 5,000 March \$7.50 calls bought on Friday

AstraZeneca (AZN) with 2,000 February \$54.50 calls bought for \$1.49, adjusting higher the \$52.50 calls

Community Health (CYH) jumpy here with 7500 March \$12 calls bought for \$1.10 to \$1.20, IV30 up 12%

Clover (CLOV) spreads are selling the May \$17.50 calls to buy the \$12.50 puts, around 4000X for a small debit

United Health (UNH) with 6,000 February \$315 puts sold to open earlier for \$0.95

Horizon Pharma (HZNP) with 250 Jan. 2022 \$65 calls bought \$23.50, nice flag forming above its rising 21-MA

Henry Schein (HSIC) with 1,000 February \$70 calls bought from \$2.15 to \$2.20

Industrials

Lockheed (LMT) buyers 2300 weekly \$350 calls \$2 to \$2.20 into earnings tomorrow. **Lockheed (LMT)** buyer 300 January \$340 calls \$35.50

Copart (CPRT) weak today but buyers stepping in for 725 May \$120 calls for \$5.30 to \$5.40

PPG Industries (PPG) with 1,000 Feb. 26th (W) \$135/\$140 call spreads bought today for \$2.50

Thor (THO) with 3250 June \$140 calls sold for \$6.40 to \$6.70, adjusting the March \$125 calls that were the short-leg of a bullish spread from 12/29

3-D Systems (DDD) with 1000 March \$30/\$25 put spreads bought for \$1.80

Aptiva (APTV) with 400 August \$140 ITM puts sold to open \$19.20

Howmet Aerospace (HWM) with 2,000 July \$32/\$40 call spreads bought for \$1.12 to open

Hyllion (HYLN) basing for a few weeks seeing 2000 September \$17.5/\$40 call spreads bought today

Boeing (BA) August spreads selling 1000 of the \$180 puts and buying \$220/\$260 call spreads

GE with 2000 September \$10 puts sold to open for \$1.07 in a stock replacement

General Dynamic (GD) stock replacement bought 600 May \$155 calls \$8.80

Materials

Cliff's (CLF) buyer of 1,000 April \$16 calls for \$2.55 with the strong guidance. **CLF** also with the March \$19/\$21 call spread opening 7,500X15,000 today

Freeport (FCX) buyer 2500 April \$29 calls for \$3.45 offer

Alcoa (AA) with 1,500 July \$16 puts sold to open \$1.75 with shares pulling back right to VWAP from the Sept/Oct lows

Danimer Sciences (DNMR) with the May \$50 calls being sold to open between \$8 and \$7.20, 1500X, big run lately in the \$3.25B specialty chemicals name

Tech and Telecom

Bilibili (BILI) with buyer of a 1,000 March \$150 calls this morning for \$15.50 to \$15.70

Kulicke and Soffa (KLIC) unusual 1600 April \$40 calls bought \$2.35 to \$2.50

Inseego (INSG) buyers early for 4000 January 2023 \$35 calls for \$5.80 to \$5.90

Apple (AAPL) buy-write with 10,000 April \$165 calls sold \$4.55. **AAPL** buyer 5000 April \$135 puts \$6.89 to \$6.93 an hour ago. **AAPL** longer term trade bought 1000 Mar. 2023 \$190 calls \$17.65 to \$18

Taiwan Semi (TSM) buyer 1800 Feb. 26th (W) \$140 calls \$3.10 to \$3.15

Pinduoduo (PDD) big jump early with 3500 February \$220 calls bought \$4.05 to \$5.30. **PDD** 750 Apr. \$180 puts sold to open \$22.80. **PDD** also 500 June \$180 puts sold \$30.55 to open

Snowflake (SNOW) buyers 2000 weekly \$305 OTM calls early \$5.90 to \$6.90

Sea (SE) opening sale 1000 August \$200 puts \$23.80 in stock replacement. **SE** also a buyer of 700 September \$310 calls today \$19.85 offer sweeps

Kaleyra (KLR) with an unusual 1,200 February \$17.50 calls bought this morning from \$1.35 to \$1.60, a small cap cloud-based customer communications company based in Italy

EBAY with 700 ITM July \$49 calls bought up to \$11.25

I-Robot (IRBT) up over 20% as well today with the March \$110 calls bought up to \$14.70, 575X

VeriSign (VRSN) buyers unusual 1300 February \$210 OTM calls \$1.65 to \$1.85, earnings 2-11

Crowd-Strike (CRWD) with 1,250 July \$135 puts bought \$3.50 to \$4.05 today

Alibaba (BABA) with 5000 Feb. 12th (W) \$250 puts sold to open \$6.48 adjusting out of February

DataDog (DDOG) with 1500 April \$120 calls sold to open \$8.15 to \$8. **DDOG** 2000 July \$130 calls sold to open for \$10 as well

NetEase (NTES) buyer 350 September \$160 calls \$7.60

Fiverr (FVRR) with 400 July \$150 OTM puts opening \$12.50 to \$13.90

Facebook (FB) block of 1000 April \$270 puts sold to open at \$18

Palo Alto (PANW) with 1700 Mar \$400 calls sold to open \$7.50 to \$7.25

Carvana (CVNA) with a block of 3,600 May \$250 puts opening for \$32.90 today, tied to stock

ViaSat (VSAT) the March \$45 calls being bought 2,500X today for \$2.65 to \$2.70 with shares near a multi-month base breakout

Palantir (PLTR) the March \$33 puts being bought for \$6.80, over 15,000X as the \$28 puts adjust back

Vonage (VG) with 4,750 February \$12 ITM calls bought for \$1.90 in a stock replacement

Unity (U) buyer 1200 February \$195 OTM calls \$3.60 to \$3.70

Doordash (DASH) opening sale 1000 January \$300 calls \$32.20 to \$32

Utility

Next-Era (NEE) call buyers active 2300 February \$92.5 calls and 3850 March \$92.5 calls with a flight to safety theme starting today in larger caps. **NextEra (NEE)** block of 5000 March \$90 calls bought \$2.44 as 6000 of the \$85 calls adjust

Exelon (EXC) buyer 2300 January \$30 puts \$0.85

Disclaimer:

Not Investment Advice or Recommendation

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