



MARKET RECAP REPORT 1/28/2021

Sector Leaders

Precious Metals

Financials

Utility

Stock Gainers

SGRY 20%

AG 20%

AFG 16.7%

CVLB 16%

SLM 14%

UFI 14%

Volatility Gainers

- GTE
- GNW
- UA
- RAD
- SWN
- GSAT

High Call Volume

- CHEF
- TXMD
- ERIC
- FLWS
- REAL
- VIRT

Bullish Options

- FSLY
- AMD
- SQ
- BCS
- BA
- PAAS
- INTC
- GLUU
- TTD
- SE
- UA
- REAL

Market Review: Stocks were modestly lower overnight and into the open after a historic rise in the volatility index on Wednesday arising from liquidation of hedge fund positions due to the targeted short squeezes and also the FOMC commentary on the economy cooling. Earnings came in strong for Tech leaders Service-Now, Apple and Microsoft though reactions were less favorable. Initial jobless claims came in better than expected and Q4 GDP at +4% in-line with consensus. Through midday we saw top quality names recover and the short squeeze names give back gains, a return to some normalcy. Retail was the most beat up group with that move while Solar, Energy and Bonds also weak. Markets continued higher through the early afternoon with strong breadth in trend-up action, accumulation day, the S&P working back above 8 and 13 day moving averages. Earnings remain active tonight and tomorrow as well as a lot of economic data to see how this weekly candle shapes up.

S&P Chart:



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

Options Action Trends: Size call buys active early in growth favorites like **FSLY**, **AMD**, **SQ**. Put buyers targeted consumer staple plays **K**, **GIS**. Silver names saw a ton of speculative call buying and sharp IV rises. Some size call buys came back into beaten up leading Metals names like **AA**, **GOLD**, **VALE**, **FCX**.

What's On Tap: Personal Income/Spending, Chicago PMI, Pending Home Sales and Consumer Sentiment. Earnings form SAP, CVX, LLY, HON, CHTR, CAT, CL, ROP, ERIC, JCI, LYB, PSX, CHD, BAH.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Open **NVDA** February \$510/\$500 Bull Put Spreads at \$4.20 Credit – No Fill

Sector Laggards

Semi's
Retail

Solar
Energy

Banks
Solar

Stock Losers

GMW -62%

AMC -60%

BB -40%

FOSL -40%

BBBY -37%

REV -30%

Volatility Losers

- AMC
- EXPR
- BB
- SPRO
- BBBY
- CSTM

High Put Volume

- BB
- LB
- BGS
- GME
- K
- PBI

Bearish Options

- PTON
- K
- GIS
- BIIB
- BB
- MAC
- FOLD
- MEOH
- PBF



FEATURED OPTIONS RADAR REPORT



Unusual Speculative Call Buying in Small Cap Energy Play

Ticker/Price: CPE (\$14.20)

Analysis:

Callon Petroleum (CPE) traded 10X daily calls on 1/27 with most of the focus on February \$17 calls that traded 13,000X in the \$0.65 to \$1 range with shares starting the day at \$13 and IV30 rising 22.5% on the day. CPE has previously seen 15,000 January \$5 puts sold to open and some buyers in January \$20 calls with 3500 now in open interest. CPE is flagging the last few weeks under \$15.60 resistance and above moves out of a large base that measures back to \$24 into a low volume pocket. The \$525M small cap Energy company trades 5X EBITDA and 0.43X Book though debt concerns. Forecasts seen EBITDA up 47% in 2020 but down 1.5% in 2021. Callon Petroleum is an independent oil and natural gas company focused on the acquisition, exploration and development of high-quality assets in the leading oil plays of West and South Texas. Its activities are primarily focused on horizontal development in the Midland and Delaware Basins, both of which are part of the larger Permian Basin in West Texas. Analysts have an average target near \$14 with short interest high at 20% of the float but down 25% Q/Q. Citi raised its target to \$16 last week and Truist on 12/31 to \$14 citing solid operations and solidified liquidity though still needs to reduce its mountain of debt through more transactions. RBC took its target to \$20 in December noting its leverage to Oil prices and improvement in operational and financial metrics.

Hawk Vision:



Hawk's Perspective: CPE feels like a potential M&A target or otherwise a good name to look at if Oil prices make a move as it has a nice reward/risk here.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Position for CF Industry Strength in 2021

Ticker/Price: CF (\$40.85)

Analysis:

CF Industries (CF) size buyer 2000 January \$45 calls at \$5 offer to open late day on 1/26 and follows recent buys of March \$45, February \$50, and August \$50 calls. CF also has some notable short puts in January 2022 at \$30, \$27.5, and \$25 strikes. CF shares pulling back to this week with commodities to re-test its early January bull flag breakout and sits on the rising 34-day moving average. On the weekly CF shares forming a large triangle pattern and trend resistance off 2015 and 2018 highs comes into play at \$50.50. CF is a leading global chemical and fertilizer company and principal nitrogen fertilizer products are anhydrous ammonia (ammonia), granular urea, urea ammonium nitrate solution (UAN) and ammonium nitrate (AN). The global nitrogenous fertilizer market is expected to grow at a compound annual growth rate of 4.5% from 2019 to 2025 to reach USD 85.38 billion by 2025. CF is the largest ammonia producer with a ton of infrastructure and can be a major player in blue or green ammonia which is key for sustainable agriculture as well as potentially hydrogen and solar markets. CF has one of the best cost structures in the industry and is positioned well for natural gas fluctuations which are a major operating cost. On the demand side India and Brazil have been very strong and there is not a lot of new capacity coming over the next five years. The \$8.75B company trades 26.4X Earnings, 10X FY21 EBITDA, 2.15X Sales, 13X FCF and yields 2.95%. CF forecasts see 8.6% revenue growth and 8.4% EBITDA growth in 2021. Analysts have an average target at \$43.75 and short interest down 30% Q/Q to just 1.5% of the float. JPM raised its target to \$52 on 1/25 with ammonia and urea fertilizer prices rising with strong demand. Cleveland Research raised to Buy on 1/12 with a \$53 target citing rising European gas costs improving the spread with the US with US farmer economics and favorable weather conditions improving. Stephens upgraded to Overweight on November citing CF's leverage to the US corn outlook. Hedge Fund ownership rose 4.85% in Q3 filings.

Hawk Vision:



Hawk's Perspective: CF remains in a bullish trend and I continue to like the Ag set-up in 2021, though the 55-MA near \$38.20 could provide a better spot to base and these are positioning longer-term so no real rush.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Boeing Calls Position for Vaccine Acceleration, Spring Delivery Growth

Ticker/Price: BA \$197

Analysis:

Boeing (BA) buyer of 2,000 May \$210 calls early for \$17.60 to \$18 and follows buyers yesterday for 1200 April \$220/\$240 call spreads after earnings. BA has seen a lot of bull flow this week including the March \$205 calls bought over 3000X on 1/25 above \$14 and also August spreads selling 1000 of the \$180 puts and buying \$220/\$260 call spreads. Shares are back at the high-end of a big volume node from 2020 as well as the 50% retracement of the rally in November with a \$208.50 key to triggering a resumption higher. The \$110.4B company trades 1.75X sales and 4X cash with expectation for a big bounce-back in EPS this year. 2021 is expected to be a big turnaround year for Boeing as production begins to normalize and they continue to clear a number of regulatory hurdles with respect to MAX flights resuming. The company resumed deliveries in December out of inventory and flights have tallied over 5,500 hours in the air since November. BA sees tailwinds from the defense bill which supports growth for their defense portfolio which booked \$5B of orders in Q4 and adding more from the USAF in January. Analysts have an average target for shares of \$217 and Street High \$307 from RBC on 1/4. UBS upgraded to Buy in December noting that out-year free cash flow estimates have moved "materially higher" and he sees advances coming back faster for MAX 737 to 50 aircraft per month by 2025. The firm also thinks that COVID vaccine efficacy of 95% was the "catalyzing event" for the restart of the aero cycle, and historically, when the aero cycle works, so does the stock. Short interest is 1.88%. Hedge fund ownership rose 2.75% in Q3, Arrowstreet Capital a top buyer of 2.6M shares. In August, BA saw the first notable open market buy in years as a director bought \$200,000 in stock at \$173.36.

Hawk Vision:



Hawk's Perspective: BA is back at a nice risk/reward spot against the high-volume node from Summer 2020 and a move above \$208.50 can get it going again, perhaps with the JNJ data on Monday

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Revolve Calls Position for Continued Strength

Ticker/Price: RVLV \$37.85

Analysis:

Revolve Group (RVLV) pops higher with 1,500 June \$30 calls bought \$11.40 to \$11.70, name that has held up well this week. RVLV has seen some protective positions open into earnings in late February while 500 June \$50 calls bought earlier this week as well. Shares have been trending well and back near the IPO range from 2019 which originally traded up near \$50. RVLV could be due for a breather in the short-term but 21-MA at \$34.50 has been supportive since November. The \$2.7B company trades 49.5X earnings, 4.4X sales, and 16X cash. RVLV sees 25% EPS growth in 2020 and 10% in 2021 with revenue growth accelerating up 18%. RVLV is an interesting play on the re-opening and a return to 'normal' as the pent up demand for social gatherings is expected to drive demand for apparel purchases. The company said at the Barclays TMT conference in December they are preparing both marketing and inventory levels for a resurgence in the Spring/Summer while the pandemic has brought forward a lot of new eyes to their digital-first platform which they expect to carry-forward. RVLV is coming off of a mixed quarter but investing in their long-term outlook with International a big focus and expanding their owned brands. Analysts have an average target for shares of \$25 and a Street High \$42 from KeyCorp. Guggenheim positive in December citing an improved outlook for apparel in 2021 given optimism surrounding a vaccine and the return to some element of normalization. BTIG positive on 12/18 seeing RVLV uniquely positioned around women's apparel and accessories and with just 0.3% share, a huge runway for growth especially with their millennial/Gen Z focus. Short interest is 9.59% of the float, down from around 14% in late 2020. Hedge fund ownership jumped in Q3, over 110%, with Point72, Palisade Capital, and Caas Capital all with notable buys.

Hawk Vision:



Hawk's Perspective: RVLV relative strength stands out and sets up as a nice re-opening/vaccination play into the 1H, a move back to that 21-MA an ideal spot

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Retail (XRT) buyers of 2500 September \$90 calls \$11 to \$12.75, selling 3500 of the \$100 calls, and selling 4000 of the \$120 calls

NASDAQ (QQQ) block of 75,000 June \$290 puts opened at \$13.01 adjusting April \$283

High Yield (HYG) buyer 25,000 June \$85 puts for \$1.88, spread with \$80 which may be adjusting

Silver (SLV) large trade sold 14,000 January 2023 \$22 puts to open \$3.95

Consumer Goods

General Mills (GIS) buyers of 1,500 February \$60 puts for \$1.40 to \$1.50

Kellogg (K) the March \$60/\$55 put spread bought 1500X for \$1.38 into 2-11 earnings

Peloton (PTON) the March \$125/\$105 put spread being bought 1000X for \$4.80 ahead of 2-4 earnings

Sleep Number (SNBR) stock replacement bought 500 June \$145 calls for \$9.10

Vivint Smart Home (VVNT) buyer of 1000 May \$20/\$25 call spreads \$1.60

Smith and Wesson (SWBI) ITM block of 2750 February \$10 calls opened for \$7

Chef Warehouse (CHEF) another 4000 April \$35/\$40 call spreads bought today

Callaway (ELY) the March \$31 calls bought 3,000X for \$1.69 with the \$24 puts sold for \$1.26

Campbell Soup (CPB) with 3,457 March \$55 calls bought with the May \$45 puts sold in bull risk reversals opening at \$0.89 credit

Consumer/Business Services

L Brands (LB) opening sale 2500 February \$42 puts for \$4.25

Nordstrom (JWN) aggressive sweep buy 1000 next week \$40 calls \$2.60 offer

Glu Mobile (GLUU) jumping with nearly 10,000 June \$15 calls bought up to \$0.55 from \$0.40

Nielsen (NLSN) with 2500 May \$24 calls sold to open for \$2.40

Expedia (EXPE) buyer of 2,000 March \$110/\$100 put spreads for \$2.65 ahead of earnings in mid-Feb

Under Armour (UA) aggressive buyer 2000 Feb \$15.50 calls \$1.10 to \$1.35

RealReal (REAL) with 1950 August \$25 calls opening up to \$6.20

Carvana (CVNA) with 750 March \$250 puts sold to open today \$28.40 in a stock replacement. **CVNA** also seeing the March \$300 calls bought today with the \$210 puts sold, over 800X

Shake Shack (SHAK) spreads selling 1000 June \$105 puts and buying 1000 March \$135 calls

Booking (BKNG) with 300 April \$2040 calls bought early today \$135 to \$142, large trade

Grub Hub (GRUB) IV higher mid-morning with 600 June \$75 calls bought for \$9.80 to \$10, deal with Just Eat expected to close in 1H of 2021 and the latter has earnings in early March

Dish (DISH) seeing offer call sweeps 1900 June \$37.50 calls \$2.54 offer and 1300 of the \$32.5 calls \$4.10 to \$4.15

Fetch (FTCH) hammering on 55-MA and buyers 1500 April \$60 calls \$9.15 offer

Las Vegas Sands (LVS) spread sold 10,000 March \$40 puts and bought the \$55/\$60 call spreads

L Brands (LB) with 5,000 March \$45/\$55 call spreads bought today for \$2.60

Dillard's (DDS) with 2,000 August \$105/\$80 strangles sold to open today for \$34.50

Discovery (DISCA) with 2,500 April \$40 puts sold to open \$4.30 today

Angie's (ANGI) buyer 4000 May \$17.50 calls \$1.75 to \$1.85 offer

Energy

Continental Resources (CLR) March \$25/\$30 call ratio spreads trading 4500X6750. **CLR** 1000 March \$20 puts sold to open \$2 as well

PBF Energy (PBF) with 1200 June \$9 puts bought \$2.20 to \$2.25

Financials

Macerich (MAC) with 7000 June \$35 calls being sold to open \$3.50 to \$3.35

Barclays (BCS) buyer 10,000 June \$8 calls \$0.60 to \$0.65 offers. **BCS** also 1150 September \$16 deep ITM puts sold to open \$8.80

Square (SQ) with 5000 June \$240 calls bought \$20.35 to \$21. **SQ** Feb. \$227.50 calls 1000X bought \$8.25 offer now

Western Union (WU) with 14,070 March \$22 puts sold to open \$0.75, follows size bull call spreads this week

Morgan Stanley (MS) with 3,000 Jan. 2023 \$70/\$100 call spreads bought today for \$7.60

PagSeguro (PAGS) with 1300 February \$52.50 calls bought \$1.50 to \$1.80 today

Visa (V) buy-write sells 2,500 Jan. 2022 \$250 calls today for \$6.80

Fleetcor (FLT) with 1,000 February \$290 calls bought for \$3 to \$3.10 today and spread with the \$220 puts sold 500X for \$1.60, earnings 2-4

Zillow (Z) with the Jan. 2022 \$85 puts sold to open for \$8.80 here 1000X. **Z** moving to highs with 2800 February \$150 calls opening \$4.50 with \$135 calls adjusting

Banco Bradesco (BBD) opening sales 5500 January \$4.50 puts \$0.68

Toronto Dominion (TD) with 10,000 March \$55 puts bought for \$1

Nasdaq (NDAQ) buyer of the February \$140 puts for \$3.40 to \$3.50, 900X

Healthcare

Biogen (BIIB) another 1,000 March \$275/\$235 put spreads bought this morning for \$22.90, ahead of their PDUFA

Acceleron (XLRN) with 1000 March \$125/\$115 strangles sold to open for \$11.70

Rite Aid (RAD) the February \$32 calls being bought 1250X here around \$4.05

Conversion Labs (CVLB) more bull flow with buyers of 1,500 February \$12.50 calls up to \$9.60, follows the March and May calls bought last week in size

Takeda (TAK) buyer of 3,000 June \$19 calls up to \$1.65, IV climbing a bit and name with recent call buys in size

GW Pharma (GWPH) with 300 March \$130 synthetic longs opening as Feb. \$120 calls adjust, a roll strategy often seen in Biotech names

Nant-Health (NH) unusual buys of 1500 June \$5 calls \$1.50 to \$1.75

Amicus Therapeutics (FOLD) with 4,000 February \$20/\$12 put spreads bought for \$3.20 into data

Zoetis (ZTS) with 500 March \$155 puts sold to open for \$5.80 in a stock replacement

Industrials

Pulte (PHM) down after results and 2600 February \$42 puts sell to open \$1.30

Tesla (TSLA) complex spread sold 1000 March \$910 calls and 1000 of the \$860/\$810 put spreads to buy 1000 April \$820 calls, that April call buy for \$13M. **TSLA** moving back to highs with 1000 Feb. 26th (W) \$1100 calls bought \$10.50 to \$10.60

Generac (GNRC) the February \$230 puts bought 1000X today \$4.90 to \$5 into earnings on 2-11

Spirit Air (SAVE) the June \$40 calls being bought 2000X for \$1.66 today, adjusting higher the \$30 calls

Tenneco (TEN) with 3,300 March \$12 calls bought for \$0.90/\$0.95 into the pullback to September support

Ford (F) spread sells 20,000 September \$9 puts \$0.99 and buys 20,000 of the \$14 calls \$1.04

Ingersoll Rand (IR) buyer of 500 Sept. \$40 calls today for \$6

Vivint Smart Home (VVNT) the May \$20/\$25 call spread bought 1000X for \$1.60 into weakness

Virgin Galactic (SPCE) seeing 1685 April \$60 OTM calls bought today

Raytheon (RTX) with 1,950 August \$65 puts sold to open from \$5.85 to \$5.65

Thor Industries (THO) the March \$125 calls being bought 2,850X for \$10 and spread with the sale of the June \$150 calls for \$7.40, adjusting higher from some March \$100 / June \$140 spreads bought on 12/29

CSX Corp (CSX) with 2300 May \$90 calls bought \$4.85 to \$5.15

Materials

Pan American (PAAS) with 3,000 March \$32 calls bought today \$3.05 to \$3.20 with silver flying this morning

Aqua Metals (AQMS) spec name that has run lately with buyers of 1500 July \$10 calls today for \$2.10 to \$2.50

Sibanye (SBSW) buyer of 5000 March \$17.50/\$22.50 call spreads today for \$0.74, name popular with put sales as well recently

Clearwater Paper (CLW) with 1000 February \$40 calls bought for \$1 into the dip this week, nice weekly flag setting up

Freeport (FCX) size buyer 4000 August \$29 calls \$4.15 to \$4.20. **FCX** now 5000 May \$33 calls bought up to \$2

Barrick (GOLD) buyer 2000 September \$22 calls \$3.10

Alcoa (AA) next week \$18 calls trading 6000X to open up to \$1.35

US Steel (X) with 2,000 Jan. 2023 \$15 puts sold to open for \$4.70, stock replacement

Methanex (MEOH) with 2,000 March \$40 calls sold to open for \$1.15 to \$1

Vale (VALE) March \$19 calls trading 34,500X with February position adjustments and Mar \$17 adjustments

Nutrien (NTR) buyer 3000 Feb. 12th (W) \$52.50 calls up to \$1.47 from \$1.30, earnings 2-17

Tech and Telecom

Fastly (FSLY) early size buys 1500 next week \$115 calls \$4 to \$4.50. **FSLY** calls quickly over 4500X at over \$2M premium

Advanced Micro (AMD) buyer 2000 March 5th (W) \$89 calls for \$6.80

Intel (INTC) size buyers 4500 February \$54 calls \$3.30 to \$3.40. **INTC** sweep buyers 5000 of the Feb \$57 calls as well

Apple (AAPL) down 2% on earnings and 1500 January \$210 calls are bought \$5.05 offer

Uber (UBER) buyers 2000 next week \$53 calls \$1.27 to \$1.45

Trade Desk (TTD) buyers of 875 of next week's \$850 calls for \$8.80 to \$12, nice base forming under \$825

Palantir (PLTR) with 2,000 April \$30 ITM calls bought today for \$11.60 to \$11.90, down 8% and the 8-EMA below around \$33

Qualcomm (QCOM) opening sale 2000 July \$125 puts \$5.90

Sea Ltd (SE) with 1125 May \$290 calls bought today \$10.70 to \$11 with the nice bounce off of December value

Yelp (YELP) seeing 2200 March \$33 calls bought \$4.70 to \$5.20

JD.com (JD) opening sales 1335 September \$80 puts \$8.85 to \$8.65. **JD** with 2500 February \$86 puts sold to open \$2.04 bid

Trip.com (TCOM) with 3,000 September \$30 puts sold to open for \$3

IQIYI (IQ) with 3,000 January 2023 \$15 puts bought for \$4.22 with the \$35 calls sold 2,000X for \$3.97

Snowflake (SNOW) with 300 August \$250 puts sold to open \$40.80 to \$40.50

Uber (UBER) buyers of 3500 January \$85 calls up to \$3.25

Pager Duty (PD) with 500 May \$45 calls bought for \$8.40, adjusting some Feb. calls

Twitter (TWTR) strong on highs with 1750 Mar. 5th (W) \$60 OTM calls bought \$2.08 to \$2.14

Adobe Systems (ADBE) with 3,500 February \$525 calls sold to open today \$1.45 to \$1.25

Crowd-Strike (CRWD) with 3,000 February \$260 calls sold to open for \$1.46 to \$1.23

Ambarella (AMBA) buyer 1300 Feb \$120 calls \$2.25 offer aggressively. **AMBA** now 1100 February \$120 calls \$2.65 offer

Match Group (MTCH) session highs and 1000 Feb. 12th (W) \$140 calls bought up to \$10.20, earnings on 2-2

Taiwan Semi (TSM) buyer of 1500 February \$127 calls this morning \$5.10 offer, aggressive buy, bounced above 21-MA this week. **TSM** also trading 13,000 April \$140 calls \$5.80 to \$6 offer today large lots

Cloudflare (NET) IV rising all afternoon with some big February \$95 call blocks trading up over 6300X now

Micron (MU) today with 12,000 April \$80 calls bought \$6.25 to \$6.40, rebounding strong

Zuora (ZUO) with 1500 June \$18 calls bought \$1.35 to open today and March \$18 calls 1250X

Appian (APPN) with 500 March \$140 puts sold to open for \$6.60 in a stock replacement

Utility

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