



## MARKET RECAP REPORT 11/13/2020

### Sector Leaders

Hotels

Energy

Casinos

### Stock Gainers

PDD 14.2%

U 12.2%

DADA 10.5%

JWN 9.7%

SPR 9.5%

BEKE 9.4%

### Volatility Gainers

- SNDL
- KCAC
- SOLO
- NIO
- KNDI
- PDD

### High Call Volume

- NIU
- WBT
- HST
- CSTM
- LI
- CVE

### Bullish Options

- DISH
- HA
- NIU
- ULTA
- RNG
- DOCU
- APD
- WYNN
- ADBE
- LVS
- ACM
- JWN

**Market Review:** Stocks were higher overnight and into the open attempting to close the week on a positive note as COVID has come back into focus with earnings slowing, the Election over, and Macro quiet. The promising vaccine news boosted markets but reality starting to set in that it will still be a very tough next six months with sporadic lockdowns or stay-at-home orders. Consumer Sentiment came in sharply below expected at 77 vs 79 forecast and down from 81.8 in October. Concerns around the Election and COVID weighing on responses. It was a fairly bifurcated market again today with 're-opening' plays like casinos, hotels, airlines and others outperforming while the 'stay at home' plays like ZM, QDEL, and PTON all sold off. There's optimism around more vaccine candidates with Moderna data coming possibly next week. Energy, industrials, materials all led again today while tech was the laggard. Broader picture, however, is the S&P set for its highest closing price ever for a week and held the recent re-test of the flag breakout while continuing to consolidate above its rising 8-EMA, short-term momentum favors a continuation higher.

S&P Chart:



Resistance	Support
3,560	3,400
3,650	3,300
3,855	3,240

**Options Action Trends:** Regional airliners like **JBLU**, **HA** saw early unusual call buying, a trend over the past week. We saw November protective action in Retail into earnings for **KSS**, **TJX**, **ROST**. We saw bullish adjustments in large call positions for high growth Software names **RNG**, **ADBE**, **DOCU**.

**What's On Tap:** The schedule slows down with the focus on China data on Monday and the OPEC meeting later in the week. Earnings stay busy with key reports from HD, WMT, LOW, TGT, TJX, LB, NUAN, NVDA, INTU, WDAY, BIDU, and PANW

### Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **CRM** January \$270 Calls \$9.50

### Sector Laggards

Autos

Utilities

Telecom

### Stock Losers

AMWL -12.5%

BIGC -8.5%

ZM -7%

PTON -7%

NIO -6.8%

DDOG -5.5%

### Volatility Losers

- CRON
- FTCH
- CORT
- PLTR
- REV
- HPQ

### High Put Volume

- BCS
- HST
- KEYS
- ARNC
- CG
- PKI

### Bearish Options

- BBBY
- KKR
- PANW
- KEYS
- ROST
- TJX
- STLD
- CXW
- UAL
- SSNC
- VALE
- IDXX



## FEATURED OPTIONS RADAR REPORT



### Bullish Put Sales in CrowdStrike a Popular Trade

**Ticker/Price:** CRWD (\$137.2)

#### Analysis:

**CrowdStrike (CRWD)** on 11/12 with more bullish activity as June \$115 puts sold to open 2200X in a \$2.5M trade and the November \$143 OTM calls with buyers 1100X. CRWD has also seen 800 June \$175 calls open recently, 1200 January 2022 \$115 short puts open, 2500 December \$120 short puts open, and overall short puts a popular trade in the name. CRWD pulled back to test its August bull flag weekly breakout this week and bounced, also coming at the rising 21-week moving average, a key support level for growth/momentum stocks. The next upside target past record highs on Fibonacci extensions is \$188 as the 223.6% level, and a similar target measured move out of the flag forming. CRWD will next report 12-2. The \$28.2B cloud security leader is trading 35X FY21 EV/Sales, premium valuation, and expects revenues to rise 70% in 2021 after jumping 110% and 93% the last two years, a top growth name in a large and growing industry. The company is one of many benefiting from more widespread Work-from-Home policies during the pandemic as companies look to secure a wider array of devices. CRWD is expanding their Falcon Prevent product for Home Use, especially across ransomware which has been prevalent, while also introducing Burst Licensing for remote workers. Organizations are shedding outdated systems and accelerating their move to modern cloud-native technologies to meet the demands of today's threat landscape. It sees a large and expanding TAM of \$29.2B in 2021. Analysts have an average target of \$160 and short interest has been rising. Baird upgraded shares to Outperform with a \$155 target this week on the strong opportunity and favorable competitive positioning and strong management execution. Mizuho raised its target to \$170 in October expecting CRWD to take further share from legacy and next-generation security endpoint vendors with its impressive cloud native architecture. Piper upped its target to \$175 citing rapid migration to cloud driving security transformation and rapidly growing addressable market. Goldman upgraded to Buy in October with a \$176 target on its disruptive platform and ability to penetrate core markets with high efficiency, noting its hyper-growth compared to peers. Hedge Fund ownership fell 16% in Q2 filings, notable top holders include Tiger Global, Coatue, Whale Rock, Matrix, and Jericho.

#### Hawk Vision:



**Hawk's Perspective:** CRWD remains the preferred security name along with ZS/OKTA and gave a nice dip recently, a top name that should continue to do well despite premium valuation.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Put Sales in MSG Sports Show Confidence in Vaccine Gap

**Ticker/Price:** MSGS \$171.94

#### Analysis:

**MSG Sports (MSGS)** with over 5,800 February \$165 puts sold to open this week including 2,600 on 11/12 between \$7 and \$5.90. The more than \$3.5M in premium sold at the strike is the largest trade in OI but on 10/16 a trader sold 550 December \$145 puts to buy the February \$155 calls in bull risk reversals. Shares gapped higher this week with the vaccine news and now consolidating in a small range with a breakout above \$180 setting up for a long run. MSGS has a big volume node at \$220 and traded as high as \$300 in February prior to COVID and the shutdown of the NBA season. The \$4.19B company trades 7X sales and 68X earnings. MSGS is a pure-play on two sports franchises, the NY Knicks of the NBA and the NY Rangers of the NHL. The other assets it includes are development teams in the AHL and NBA G League as well as an e-sports franchise. MSGS was spun out from the entertainment properties in April and has traded at a discount to private valuation ranges due to COVID and the shutdown of the leagues. In the latest Forbes rankings the Knicks were valued at \$4B while the Rangers at \$1.55B. Analysts have an average target for shares of \$202. JP Morgan with an Overweight rating and \$195 PT in October noting that shares are currently pricing in a 40% discount to private market valuation and this gap should narrow over the next 14 months as team values move higher. MSCO starting at Buy in July with a \$210 PT. They think in a post-vaccine world there will be a sold-out Madison Square Garden for Knicks and Rangers games and improving on court/ice performance and strong revenue and EBITDA growth potential. Short interest is 4.9%. Hedge fund ownership fell 31% in Q2, Long Pond Capital and D1 Capital both top holders. Silver Lake a notable holder with 1.9M shares and the second largest holder behind owner James Dolan. In November 2019, there were media reports that they wanted to take a bigger stake in the teams and potentially could buy the franchises from Dolan.

#### Hawk Vision:



**Hawk's Perspective:** MSGS is an interesting name with the valuation gap over 30% to private market estimates and the development league teams not included at all. The options are not the most liquid so one to target using stock.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Ulta Beauty LEAPS See Long-Term Return to Leadership

**Ticker/Price:** ULTA \$255

#### Analysis:

**Ulta Beauty (ULTA)** with 1,000 January 2022 \$340 calls opening \$20 and 500 of the \$350 calls at \$17.30 today, sizable trades in the name that has seen buyers in the Jan. 2022 \$330 calls lately as well. ULTA has also seen the March \$240 calls bought on 11/10 for more than \$1.6M. Shares gapped higher this week after announcing a partnership with Target and consolidating above a range breakout at \$240 that has a longer-term target up to \$330. ULTA is also breaking a multi-year downtrend. The \$13.92B company trades 23X earnings, 2.2X sales, and 31.25X FCF with mid-single digit growth. ULTA has been working through re-openings and gradual re-launching of services during the Summer while their expanded curbside business is thriving and around 20% of orders. The company invested a lot in their e-commerce platform in 2019 and bearing fruit with the shift in spending as sales up 200% in Q2 and record growth. They continue to win market share across most of the 'prestige' categories and mass beauty will recover with the store re-openings as the side lends itself to more walk-in shopping versus enthusiasts. ULTA sees opportunity to continue to expand SKUs and growth within skincare, bath, and PCA, areas where they saw double-digit comp growth in July and becoming a greater focus with makeup sliding during the pandemic. ULTA also expects higher spending during the holidays through omnichannel as guests there spend about 3X more than in-store shoppers and they've expanded out supply chain and logistics to better handle higher volumes this year as penetration in the channel has doubled since November 2019. Analysts have an average target for shares of \$255 and Barclays a Street High \$300. Loop Capital positive yesterday noting that the Target shop-in-shops model will generate "high margin royalty income with very little cannibalization" of Ulta's core business. BMO also sees a capital light / margin heavy deal as the arrangement will consist of a royalty paid to Ulta for a curated assortment of specifically selected "hero" SKUs meant to elevate Target's beauty selling experience and further amplify Ulta's offering and experience. Short interest is 4.5% and near 1-year lows. Hedge fund ownership rose 3.5% in Q2. Insiders active in the name with the CEO buying stock last year around \$237 for more than \$300K and a director adding \$59M in stock at \$241.50.

#### Hawk Vision:



**Hawk's Perspective:** These positions are obviously with a longer-term view and **ULTA** was a comps leader for many years, so could see a multi-year recovery as it emerges from the pandemic as a true omnichannel winner. Short-term, earnings in focus on 12-3 and consolidating nicely above the recent range, a nice risk/reward spot

**Confidence Ranking:** \$\$

# ***Additional Options Flow***

## **Market/ETFs**

**Russell (IWM)** buyer opening 10,000 December 4th (W) \$167/\$158 put spreads for \$1.47. **IWM** also with 1550 March \$175 puts opening \$11.70

**Regional Banks (KRE)** with 13,200 Dec. 31st (W) \$47.5/\$53 call spreads bought for \$1.70, looking for further rise in yields

**S&P (SPY)** buyer 2200 June 2021 \$381 calls for \$9.15

**Communications (XLC)** with 3,000 January \$65 calls sold in a buy-write for \$1.85, heavy weight towards **FB** and **GOOGL**

## **Consumer & Business Discretionary/Services**

**Dish (DISH)** size buyers early 5000 March \$35 calls up to \$2.93

**FarFetch (FTCH)** hot name lately and today 500 Jan. 2022 \$65 calls being bought for \$10.60 to \$11.30 to open, shares trading around \$50

**Cinemark (CNK)** with spreads today selling the March \$7.50 puts to buy the \$15/\$25 call spread , 6500X for \$0.90

**Ross (ROST)** with 2250 November \$105/\$97.5 put spreads bought with the \$114 calls sold, earnings 11-19. **TJX** with November \$65 calls sold to buy \$60/\$55 put spreads 5500X, earnings 11-18.

**Caesars (CZR)** the Nov. 27th (W) \$59 puts bought 1000X for \$2.84 and spread with sales of the Nov. \$54 puts for \$0.68

**Match (MTCH)** trade puts on December \$135/\$150 call ratio spreads 1600X2400 as some \$120 calls close

**Dick's Sporting (DKS)** buyer 1000 November \$52 calls \$1.30 offer

**Wynn (WYNN)** large bull covered risk reversal sells June \$65 puts to buy the \$95/\$110 call spreads, 5000X. **WYNN** also seeing 1000 December \$97.50 calls bought for \$3.95 as the \$110 calls are sold for \$1.30. **WYNN** now also seeing 1,350 December 4th (W) \$90/\$100 call spreads bought on the day, similar to LVS

**Las Vegas Sands (LVS)** with 1,500 February \$60 calls bought for \$4.55, some January positions adjusting. **Las Vegas Sands (LVS)** the December 4th (W) \$56/\$62 call spread bought 1100X for \$2.40 into the next Macau numbers

**Lyft (LYFT)** with 4,000 January 2023 \$40 calls sold for \$11 in a buy-write

**Overstock (OSTK)** the January \$65/\$85 call spread bought for \$3.45 today with the \$45 puts sold for \$3.85 to open, 1400X

**Estee Lauder (EL)** the April \$280 calls opening for \$8 today, 425X, as the January \$210 calls roll up into strength

**Carparts.com (PRTS)** with 3,000 OTM April \$17.50 calls bought for \$1.20 to \$1.35

**Planet Fitness (PLNT)** spread here sells the February \$52.50 puts to buy the \$75/\$95 call spread 5,000X for \$2.20, another re-opening play that gapped higher on Monday and has pulled back to re-test the range

**Kohls (KSS)** spread sells 4000 November \$25.50 calls to buy the \$22/\$19 put spread ahead of 11-17 earnings, stock-tied

**Nordstrom (JWN)** with 16,666 April \$22.50 calls bought for \$1.84 and spread with the sale of 8,333 April \$12.50 puts for \$1.43, also seeing another 3,000 January \$15 calls trade up to \$3.40 with buyer flow. **JWN** also with spreads here selling the Jan. 2022 \$10 puts to buy the \$20/\$42.50 call spread 5000X

**the Gap (GPS)** with 7500 November 27th (W) \$21.5/\$19 put spreads bought for \$0.71, targeting 11-24 earnings

### Consumer Goods

**Beyond Meat (BYND)** spread this afternoon buys 1,100 January 2023 \$90 calls for \$58.85 and sells the Jan. 2022 \$125/\$95 put spread and the January 2022 \$170 calls

### Energy

**Cenovus (CVE)** small Energy name with 2500 March \$5 calls bought \$0.40 to \$0.45

**Range Resources (RRC)** with 8000 December \$8/\$6 bull risk reversals bought for \$0.18

**Philips Partners (PSXP)** with 3,750 March / June \$37.50 call calendar spreads bought for \$0.60

**Vale SA (VALE)** spread sells 5000 June \$12 calls to buy the \$10 puts for a small debit

**Diamondback Energy (FANG)** with the December \$35 calls opening 4,000X this afternoon for \$2.05 as the November \$35 calls roll

**First Solar (FSLR)** with 1000 January 2023 \$50 puts sold to open for \$5.50, popular in the name lately

**Marathon Oil (MRO)** with the December \$5/\$6 call spread bought 20,000X for \$0.29 as the November \$5 calls adjust

**Murphy Oil (MUR)** with over 5,400 December \$10 calls bought this afternoon up to \$0.50, IV rising

**Petrobras (PBR)** with 5000 January 2023 \$10 puts bought for \$3.26

### Financials

**KKR Corp (KKR)** buyer 2800 January \$35 puts for \$1.10 to \$1.20

**Moneygram (MGI)** strong trend chart and aggressive buys 600 May \$6 calls \$2.35 offer

**Digital Realty (DLR)** with 900 April \$150 calls bought for \$5.20 with the \$135/\$120 bull put spread opening for \$3.90

**Discover (DFS)** with 500 January 2022 \$75 calls bought today for \$14.40

**Citigroup (C)** opening sales of the January 2023 \$40 put for \$5.50 to \$5 today, some stock replacements

### Healthcare

**Biogen (BIIB)** buyer of 200 March \$260 calls for \$26, adjusting some Jan. calls into their PDUFA

**CareDx (CDNA)** adjustment of 1300 February \$60 short calls to the \$70 strike, likely adjusting a buy-write

**Opko Health (OPK)** opening sales 3700 January 2022 \$4 puts \$1.32

**Sarepta (SRPT)** buyer 360 January 2022 \$200 calls for \$20, spot that added 300X on 11/10

**IDEXX Labs (IDXX)** unusual 300 November \$440 puts bought \$3.50 to \$5

**Bristol Myers (BMY)** today with 500 June \$65 puts sold to open for \$6.05 in a stock replacement

**Progeny (PGNY)** spreads this afternoon are selling the December \$35 calls to buy the \$30/\$25 put spread near 900X into strength

**Encompass Health (EHC)** the December \$75 calls bought 3,000X today for \$2.25 as some November positions adjust

### Industrials

**Niu Tech (NIU)** with 1,000 March \$25 calls opening today \$13.80 to \$14.20 into the breakout, another small-cap China EV play with a focus on smart e-scooters

**United Rentals (URI)** buyer of 250 June 2021 \$220 calls for \$20 to \$23.50 with shares near 1-year highs

**Hawaiian Air (HA)** buyers 2000 November \$18 calls on the open \$0.60 to \$0.75. **Hawaiian Air (HA)** now with 5,000 April \$20 calls bought for \$2.77 to \$2.78 and spread with the April \$23 calls sold 6500X for \$1.80

**Jet Blue (JBLU)** another 3000 January \$13 calls being bought after adds yesterday

**United Parcel (UPS)** opening sales 5250 January \$190 calls \$1.20 to \$1.16. **UPS** short January \$190 calls are being sold as part of ratio spreads with \$180 calls up to 2800X

**KeySight (KEYS)** buyers 4000 November \$110 puts up to \$1.59, earnings 11-18

**Howmet Aero (HWM)** buyer of 1000 May \$27/\$35 call spreads for \$1.13. **HWM** also now with 2,000 May \$30 calls bought \$1.10 to \$1.25

**Boeing (BA)** buyers of 2000 Dec. 4th (W) \$205 calls for \$2.29 and then later \$2.64 today, expecting a decision on the MAX soon. **BA** also with afternoon buyers of the January 2022 \$230 calls from \$26.05 to \$26.30, over 1000X

**Corrections Corp (CXW)** with 850 ITM March \$8 puts bought up to \$2.03 today as some Nov. positions adjust, likely regulatory headwinds under Biden

**United (UAL)** with 2,100 March \$37 puts bought today \$4.85 to open

**Macquarie (MIC)** with 2,500 December 2021 \$20 puts sold to open for \$1.05, follows the \$25 and \$22.50 puts sold this week

**Raytheon Tech (RTX)** buyers of 2,000 November 27th (W) \$67 calls for \$1.20 to \$1.22 today

**Copart (CPRT)** with 500 December \$115 puts sold to open down to \$3.93 today

**GFL Environmental (GFL)** buyer of 2,200 December \$22.50 calls for \$1.60, unusual size for the name that is trading right at a big weekly breakout spot

### Materials

**Air Products (APD)** trader today is buying 250 Jan. 2023 \$220 ITM calls up to \$64.90 and selling the Jan. 2022 \$280/\$220 bull put spread and the Jan. 2022 \$360 calls to open, unique structure we've seen in a number of names this year

**Carpenter Tech (CRS)** unusual volume today as 785 March \$25 calls are bought for \$2 to \$2.40

### Tech and Telecom

**Taiwan Semi (TSM)** buyer 300 February \$80 calls \$15.50 to \$15.60

**Pinduoduo (PDD)** with 2600 Dec. 4th (W) \$170 calls bought \$2.48 keeping on a runner as Nov. \$145 close. **PDD** session highs and 500 December 4th (W) \$140 calls bought up to \$14.90 as the \$120 calls adjust higher

**Knowles (KN)** stock replacement buys 1200 June \$17.50 calls for \$1.80

**II-VI (IIVI)** with 500 December \$60 puts sold to open today \$3.20 to \$3

**Palo Alto (PANW)** with 1,300 November \$242.50 puts being bought today \$3.75 to \$4.05 ahead of earnings 11-16

**Ring Central (RNG)** buyers of more than 1,175 April \$320 calls up to \$33.30, adjusting the November \$275 calls from 11/9 and shares higher and near a weekly range breakout following earnings

**DocuSign (DOCU)** with 5500 March \$180 calls bought \$41.52 as Dec. \$160 roll out and up. **DOCU** now also another 1000 March \$180 calls opening \$41.90

**Sea (SE)** buyer 600 January \$185 calls \$15.65 to \$16. **SE** also with 500 December \$200 calls bought \$8.35 today. **SE** also with 1000 January 2022 \$180 puts sold to open in stock replacements today for \$44.20 to \$43.75

**Alibaba (BABA)** remains weak with the regulatory and Ant Financial overhangs, the Dec. 24th (W) \$235 ITM calls opening 1200X, a buy-write with 1550 June 2022 \$400 calls sold at \$15, and January 2022 \$280/\$420 call ratio spreads 1700X3400 new trades today

**Adobe (ADBE)** buyer 4000 March \$420 calls \$66.84 as Dec. \$400 adjust out and up. **ADBE** another 1000 March \$420 calls bought here \$67.80

**Slack (WORK)** with 565 June \$21 puts sold to open today for \$2.10

**Unity Software (U)** the May \$55 puts sold to open today for \$3.20, strong move up 11% on earnings

**Xilinx (XLNX)** stock replacement buys 1,400 Jan \$150 calls for \$2.83, being acquired by AMD in an all-stock deal

**Amazon (AMZN)** buyers of 1000 November \$3,110 calls for \$61 today as some weeklies adjust

**SS&C Tech (SSNC)** with the April \$70 calls sold to open from \$2.80 to \$2.70 today, near 900X

**Sonos (SONO)** with 860 June \$15 puts sold to open from \$2.40 to \$2.35

**T-Mobile (TMUS)** with 1,000 December \$130/\$145 call spreads bought for \$2.68 as some November \$130 calls adjust

**ADTRAN (ADTN)** stock and IV higher this afternoon with 485 February \$11 calls bought up to \$2.25

**Jumia (JMIA)** with 1,500 September \$30 calls sold to open for \$3.10

**I Robot (IRBT)** size buyers of the February \$80 puts over 3400X at \$11.30, adjusting some December \$90 puts down and out

**Commscope (COMM)** strong afternoon and over 8950 December \$11 calls being bought up to \$0.65

**Dropbox (DBX)** another 2,000 January 2023 \$15 puts sold to open for \$2.45 today, adjusting some Jan. 2022 puts out

**Lam Research (LRCX)** with 1,700 December \$450 calls sold to open for \$10 today, likely buy-write strategy into strength

### Utility

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**Not Investment Advice or Recommendation**



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