



MARKET RECAP REPORT 11/16/2020

Sector Leaders

Banks

Energy

Metals

Stock Gainers

FBM 26%

TISI 22.5%

ROAD 18%

GMS 15.5%

GCO 13.7%

CEQP 12.5%

Volatility Gainers

- BBVA
- GME
- FUV
- RWT
- BIIB
- DHT

High Call Volume

- WBT
- KDP
- LBTYK
- TSEM
- PS
- LI

Bullish Options

- AMD
- TWLO
- RKT
- LI
- BA
- FSLY
- DISH
- TSM
- TEAM
- DRI
- MPC
- SNOW

Market Review: Stocks started the week strongly positive into November options expiration week and a pre-market boost from Moderna highlighting a strongly effective COVID vaccine. Tech lagged as the rotation trade was in order on the premise of a return to normalcy in travel, work and the overall economy. Banks, Energy and Metals saw the strongest moves higher along with Transports, and Semiconductor a bright spot in Tech. It was a trend-up day for breadth though indices did not make a lot of progress, the S&P still working out of a long weekly consolidation pattern setting up for continuation into a seasonal strong period for markets. We get a few economic data points tomorrow morning as well as Retail earnings from Home Depot and Wal-Mart.

S&P Chart:



Resistance	Support
3,680	3,520
3,855	3,400
4,000	3,365

Options Action Trends: CR, WWD two industrials with Aerospace end-markets saw unusual call buying. We saw late morning size buys in **MAR**, **HLT** puts for April expiration. **RUN**, **ENPH** two growth Solar names saw March and February call buys. We saw more December calls adjust out in Software growth leaders like **WDAY**, **TEAM**. We also noted some smaller December put buys across top Industrial names.

What's On Tap: Retail Sales, Import/Export Prices, Industrial Production and Fed Speakers. Earnings from WMT, HD, SE, NIO, ARMK, KSS.

Trade Tracker Portfolio Changes:

- 1) No Change

Sector Laggards

Software

Internet

Bonds

Stock Losers

RAPT -47%

CSPR -18%

CYRX -13.5%

SPT -12%

REZI -10.5%

SPCE -10%

Volatility Losers

- TCO
- MRNA
- HDS
- CRNC
- JWN
- JD

High Put Volume

- TWOU
- YETI
- BEKE
- EGHT
- REV
- NAVI

Bearish Options

- BIIB
- AEO
- MTB
- CIEN
- JBLU
- FOXA
- SHAK
- BIDU
- VIAC
- NVTA
- HLT
- MAR



FEATURED OPTIONS RADAR REPORT



Marathon Petro Size Bull Position Adjust to April

Ticker/Price: MPC (\$39.90)

Analysis:

Marathon Petroleum (MPC) with 20,000 April \$45 calls bought today for \$2.60, adjusting another 10,000 January \$30 calls which adjusted out to buy 40,000 April \$40 calls last week. MPC shares are working out of a small range and firmly back above its 200-day for the first time since February with vaccine progress driving optimism around the economy re-accelerating in 2021. MPC has a big volume shelf at \$41/\$42 and then gap back to \$53. The \$22.58B company trades 15.3X FY22 earnings, 0.28X sales and 36.5X cash with a 6.2% yield. MPC reached a deal in August to sell their Speedway business to 7&I for \$21B which is expected to close in Q1 2021. The deal gives MPC over \$16B in after-tax proceeds and focus now turns to utilizing that capital to strengthen the balance sheet, pay down debt, and explore capital return options. MPC could explore a buyback as much as \$10B. Further, the company continues to simplify their long-term cost structure and invest in renewables including converting older refineries into renewable facilities and ramp production in North Dakota on renewable diesel. Analysts have an average target for shares of \$42, although a number of firms cautious until they see better crack spreads and signs of a demand recovery which should happen in early 2021. Short interest is 4.8% and up from around 1% in early 2019. Hedge fund ownership fell 4% in Q2, Elliott Management a buyer of call options equivalent to around 4M shares. MPC hasn't seen a lot of insider activity in 2020 but a number of large buys at higher prices in 2019 including a \$600,000 buy from a director at \$48.

Hawk Vision:



Hawk's Perspective: MPC shares have risen nearly 50% in a couple weeks so not too enticed to jump into a refiner until it sets back up and retraces some of this move. With that said, **MPC** is the best positioned of the Refiners to enjoy a better environment in 2021.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Tower Semi Bullish Positions Accumulate

Ticker/Price: TSEM (\$23.40)

Analysis:

Tower Semi (TSEM) with 1500 December \$24 calls bought for \$0.95 and 850 January \$24 calls bought \$1.30 to open, and a name with consistent bullish flow recently as 5750 April \$23 calls have been bought and 4500 of the \$20 puts sold to open. TSEM also has 3000 January \$22 calls in open interest bought and 7000 of the \$25 calls. TSEM shares traded above \$35 back in 2017 and currently looking to clear July highs and January highs at \$23.50 and \$25.50 respectively to open up room to run. The \$2.38B Semi trades 16.8X Earnings, 1.95X Sales and just 3.4X cash, a nice value name. TSEM has been a slower growth name in a strong sector with just 1.9% revenue growth and 9.6% EBITDA growth seen in 2020 but 2021 seen with 8.1% and 21% growth respectively. The company is capitalizing on strong trends in the IoT market, the looming 5G deployment, and rising data traffic with 60% of their revenue in the Power and RF/HPA markets. Their Specialty Analog business is well-positioned in a lot of growing end-markets including automotive, industrial/machine learnings, medical, and VR/AR. Connectivity, Energy Efficiency and Smart Systems are key growth themes. TSEM has more than 60% market share in optical transceivers (SiGe) and seeing growth in data-center and 5G. TSEM also has an intriguing opportunity in the Micro LED Display market. Analysts have an average target of \$26 and short interest low at 2.7% of the float. Jefferies reiterating a Buy last week and \$28 target while Craig Hallum at Buy with a \$25 target. Hedge Fund ownership fell modestly last quarter.

Hawk Vision:



Hawk's Perspective: TSEM is a lower growth, lower margin Semi so although the recent surge in options activity is interesting and valuation attractive, there are plenty of more liquid alternatives to be trading in this group that have better growth profiles.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Tenneco Bulls Plays for Long Term Upside

Ticker/Price: TEN (\$8.90)

Analysis:

Tenneco (TEN) bullish spread today sold 1,000 January 2022 \$10 ITM puts and bought the \$8 calls for a small net credit and name which has seen a lot of smaller accumulation in the January \$10 and \$11 calls in October. The December \$9 and \$10 calls also with over 1500 each in OI from buyers in late October. Insiders active buying stock, too. In August, a director bought \$230,000 in shares at \$7.70 and in late 2019 the CFO bought \$566,000 in stock at \$9.45. TEN has been a laggard in the space but sets up well above \$9.50 for a move out of a narrow multi-month range and potential out to \$13-\$14. The \$665M auto parts company trades 3X earnings, less than 0.10X sales, and 27.5X FCF. TEN focuses on clean air, powertrain, and ride performance systems for light vehicle and commercial trucks. Their production has ramped back up during the Summer months while China and EMEA volumes strengthened. TEN is focusing on reducing debt, improving their inventories to better balance capital intensity, and divest non-core business lines while focusing on higher-growth lines like advanced suspension tech and NVH performance materials. Analysts have an average target for shares of \$6 with limited coverage. JP Morgan raising estimates on 10/22 citing strength for suppliers worldwide with China greatly outperforming. Short interest is 6.7% and down from around 10% in June. Hedge fund ownership fell 20% in Q2, Carl Icahn remains the top holder with 9.1M shares and Appaloosa a new 1.1M share position. In January, a former Icahn protégé Dan Ninivaggi publicly called for TEN to explore a sale. He saw value in the company shedding its aftermarket parts unit or the entire company.

Hawk Vision:



Hawk's Perspective: TEN is an interesting deep value name and above \$10.85 can run a long way while the M&A potential alluring as well with some auto part consolidation in 2020. It is a name that can get re-rated in 2021, though **APTIV** may favorite play in Auto with much better growth potential.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) March \$390 calls with 20,000 opening this morning as January \$385 adjust, look to be adjusting short calls, potential buy-write position. **S&P (SPY)** January \$370 block of 66,000 January \$370 calls opens \$6.38 as November \$350 calls take profits. **SPY** Dec. 7th (W) \$372 calls with 15,000X bought earlier today to open and 3500 Dec. 21st (W) \$340 calls opening for \$8.5M

Russia (RSX) buyer 6500 May \$24/\$27 call spreads at \$0.60

Russell (IWM) leading the rally with Bank/Energy exposure and 42,500 Dec. 31st (Q) \$185 calls bought \$2.74 and 21,250 of the \$190 calls sold \$1.47

MSCI EAFE (EFA) large collar adjusts out of February \$70/\$55 to \$73/\$65 at 25,500X. EFA also 20,000 Dec. \$69 pus sold to open \$1.30 today

Regional Banks (KRE) buyer 6000 December \$47/\$42 put spreads for \$1.24

Airline ETF (JETS) with 2000 January 2022 \$23 puts sold to open today \$5.93 to \$6.05

Tech (XLK) afternoon buyer 2400 March \$118 puts \$5.85

Consumer & Business Discretionary/Services

Starbucks (SBUX) early buys 4500 Nov. \$98.50 calls \$0.55 to \$0.67

Activision (ATVI) opening sale of 1,125 December 24th (W) \$71 puts for \$1.11 into the Holiday season, console launches

RH (RH) buyer 200 next week \$420/\$450 call spreads

Yeti (YETI) with 8000 Dec. 4th (W) \$50 puts sold to open \$0.50, also seeing 285 February \$52.5 calls bought near \$9.10

American Eagle (AEO) spread sells 5,000 December \$18 calls to buy the \$15/\$13 put spread into earnings next week, likely protective

Macys (M) with 4,950 December \$7 puts sold to open today \$0.48 to \$0.45

Dish (DISH) buyer 4250 December \$37.50 calls \$0.93 as the \$32.5 adjust

Disney (DIS) buyer 2000 Dec. 11th (W) \$143 calls \$5.75 as the \$138 adjust

Viacom CBS (VIAC) into strength seeing the December \$31/\$28 put spread bought 2,850X for \$0.85. **VIAC** now also with 8000 January \$31 puts bought up to \$2. **VIAC** the March \$35 puts up over 24,950X now with a block of 4000 at \$5.50. **VIAC** now 10,000 January \$37.50 calls bought \$0.57 to \$0.65

Darden (DRI) spread sold 450 December \$105 puts and bought the \$115/\$125 call spreads

Hilton (HLT) size buyer 2000 April \$95 puts \$5.60 to \$5.70 into strength

Marriott (MAR) with 2,000 April \$105 puts bought for \$6.30, similar to **HLT**

Cedar Fair (FUN) with 500 October \$40 calls bought to open today \$5, beneficiary of the vaccine and current timetable with availability widespread ahead of their big Summer season

Draft Kings (DKNG) with 2,500 May \$65 calls sold to open today \$2.80 in buy-writes

TAL Education (TAL) with 6500 January \$70 calls opening for \$5.5M as November \$67.5 adjust

Vodafone (VOD) big run last two weeks seeing 30,000 April \$17 calls open at \$1 as the \$15/\$18 call spreads adjust

Signet (SIG) with 2000 December \$29/\$32 call spreads bought as the \$25 calls adjust, 12-3 earnings

Dave and Busters (PLAY) opening sale 14,000 January 2022 \$17.50 puts at \$4.90. **PLAY** also seeing spreads today sell the December \$20 puts to buy the \$25/\$30 call spread 1000X

Liberty Global (LBTYK) large block 50,000 January \$20 ITM calls sold to open for \$2.25

Capri (CPRI) with 1,500 May \$25 puts sold to open for \$3 this afternoon

Angie's Homeservices (ANGI) with 10,000 December \$10 puts sold to open for \$0.60 to \$0.55

Match (MTCH) with 8000 Nov. 27th (W) \$120 puts sold to open today for \$0.40 to \$0.38

AutoHome (ATHM) buyers of the December \$90 puts for \$2.35 to \$2.40, over 1325X with earnings expected soon

Planet Fitness (PLNT) buyer of 2,500 January \$72.50 calls for \$5.10, re-opening play and likely longer term share gainer in the space as smaller owner/operators close

Consumer Goods

Kimberly Clark (KMB) the December 24th (W) \$140 calls being bought 1300X for \$3.40 to \$3.70, recent insider buying into weakness

Coty (COTY) buyers of 3,300 February \$6 calls up to \$0.50, strong quarter and strength in the Premier channel which lends itself to brick-and-mortar

Signet (SIG) the December \$29/\$32 call spread bought 2000X for \$0.94 as the \$25 calls adjust higher into strength, earnings 12-3

Tyson (TSN) the December \$62.50 puts sold to open today 1000X for \$1.50

Costco (COST) with 1,000 December 4th (W) \$380 calls bought \$6.80 to \$6.90 ahead of 12/2 November sales data

Callaway (ELY) with 5000 December \$18 calls bought to open for \$1.15, closing the November \$15 calls and rolling up and out

Energy

SunPower (SPWR) with 1,000 December \$22 puts sold to open for \$3.15 in a stock replacement

Enphase (ENPH) buyer 500 February \$145 calls \$10.50

Sun-Run (RUN) with 500 March \$80 calls bought for \$3.20 into the pullback and base

Concho (CXO) with 3,000 December \$50/\$45 put spreads opening for \$1.20 as the Dec. 11th (W) \$43 puts adjust

Callon Petro (CPE) unusual buying of 1000 January 2022 \$10 calls \$2.80 to \$3.20, Permian Basin name, potential M&A name with the consolidation move in Energy

Conoco (COP) buyer 4250 December \$36/\$32 put spreads as the \$31 puts adjust

Financials

Rocket Co (RKT) with 5,000 December 4th (W) \$24 calls bought from \$1 to \$1.13

M&T Bank (MTB) buyer 425 Dec. \$125 puts \$7.10 offer

Itau Unibanco (ITUB) with 10,000 December \$5.50 calls bought for \$0.25 as the \$4.50 calls roll up 5000X

Lamar Advertising (LAMR) with 1,500 December \$75 calls bought \$5.10 to \$5.20, adjusting some Nov. \$70 calls from 11/3

Aflac (AFL) with 18,900 February \$47.5 calls sold to buy the \$30 puts, adjusting a November position and likely collar on shares

Ally Financial (ALLY) with 1675 March \$31 calls sold to open \$3 bids into strength

Macerich (MAC) buyer 8000 March \$8 calls \$2.20 with the **SPG/TCO** deal price news this morning

Zillow (Z) with 2,000 January 2023 \$70 puts sold to open for \$13

Healthcare

Biogen (BIIB) buyer 2000 December \$265 puts \$24.80, closes 1500 Nov. \$250 puts. **BIIB** afternoon buyers of 450 December \$275 calls for \$7

Zimmer Biomet (ZBH) with 600 December \$135 puts sold to open today for \$1.75 to \$1.70, beneficiary of higher elective surgery rates

Teva Pharma (TEVA) with 6,000 June \$9 puts sold to open today for \$1.06, stock replacement

Invitae (NVTA) with 725 March \$50 puts bought today \$9.20

BioHaven (BHVN) seller 1000 December \$115 calls \$2.60 as November \$95 adjust

CVS Health (CVS) block of 3500 May \$75 calls trades \$4.95, will confirm OI tomorrow but looks to be adding. **CVS** seeing size Nov \$70 calls roll to Jan \$72.5 this afternoon

WW (WW) with 1,000 April \$20 puts sold to buy the \$27.50/\$37.50 call spreads for \$1.16 net debit, seasonally strong period for the company

American Well (AMWL) with 1,000 June \$17.50 puts sold to buy the \$25/\$40 call spread into weakness for \$0.59

Seagen (SGEN) with 875 January \$195 calls bought for \$4.43, adjusting some Nov. \$210 calls from October buys

AbbVie (ABBV) the January \$100 calls active with over 6000 being bought for \$3.60 to \$3.85, trading against 26,000 in OI

Horizon Pharma (HNZP) high-quality name that has pulled back recently and today 1640 February \$60 puts sold to open for \$3.30

Eli Lilly (LLY) with 1800 Dec. 24th (W) \$140/\$145 call spreads opening into weakness

Acadia Pharma (ACAD) buyers 2800 March \$65 calls \$3.50 to \$3.80 aggressive

Regeneron (REGN) with 900 February \$555 calls opening \$40.05 with November \$545 adjusting

Industrials

Delta (DAL) roll of 3000 January \$35 calls to the \$37 strike early

Li Auto (LI) with 6,000 March \$30 calls bought for \$9.00 to \$9.50 today as some December positions adjust into strength

Boeing (BA) up 4.6% and 1350 Dec. 4th (W) \$220 OTM calls bought \$2.80 to \$3.40, also 2000 Nov \$197.5 calls active in smaller lots. **BA** also with 2,000 February \$225 calls bought \$11.60 to \$11.95 to open today. **BA** also today 2000 January 2022 \$295 calls bought \$17.50 to \$17.90

JetBlue (JBLU) with 2,000 December \$16 puts bought \$1.80 to \$1.94 into the gap higher

Woodward (WWD) unusual 535 January \$125 calls bought \$2 to \$2.20, higher today with Aerospace exposure, and reports on 11-19

Team (TISI) a block of 2,000 March \$10 calls bought for \$2.15 as over 2.700 of those \$7.50 calls have now rolled up on the day

Crane (CR) unusual buy here 500 March \$60 calls \$7.30 to \$7.60

Cummins (CMI) with 300 June 2021 \$230 calls bought \$21 to \$22.50, recovering off early lows and a group that sets up well into 2021

Goodyear (GT) with 1900 April \$9 puts sold to open \$0.80

Knight Transport (KNX) with 500 February \$40 calls opening \$3.75 to \$4

Trinity (TRN) with 10,000 April \$25 puts bought for \$3.50 as the January \$22 puts close 7500X

Trane (TT) with 400 January \$145 calls bought today from \$9.50 to \$11.20 to open, name near new highs despite the BAML downgrade last week

Tesla (TSLA) buyer 3500 June \$410 straddles for \$56M, an odd trade for 105,000 December \$20 puts at \$0.02 also opened

GM buyer 4000 Dec. 4th (W) \$39 puts \$0.65 and the \$41 puts 3000X at \$1.25

KC Southern (KSU) with 350 January \$190/\$180 bull risk reversals opening at \$1.55 debit

Materials

Franco Nevada (FNV) with 500 December \$135 puts sold to open today \$5.30 to \$5.20 with shares trading back to the 200-day

Summit Materials (SUM) buyers of the January \$17.50 calls 800X for \$1.90 to \$1.94, bull wedge forming under \$18

Trex (TREX) opening sale 1600 December \$80/\$65 strangles for \$1.75

Arconic (ARNC) seeing 1200 December \$29 puts sold to open \$1.70 to \$1.65, beneficiary of Aerospace recovering

PPG Industries (PPG) buyer of 600 February \$155 calls for \$4.50 in a stock replacement, relative strength name near new highs

Tech and Telecom

Advanced Micro (AMD) buyer 6000 Nov. 27th (W) \$81 calls \$2.45 early after the Cleveland Research upgrade. **AMD** also with 1,000 December \$65 ITM calls bought for \$18.30 to \$18.50 in stock replacements

Twilio (TWLO) over \$1.4M bought in Nov. \$280 calls early 1900X with big target raise this morning. **TWLO** 2300 Nov. \$285 calls hot early as well

LiveRamp (RAMP) with 700 December \$60 ITM calls opening \$4.40 to \$4.60

Taiwan Semi (TSM) with 3500 Dec. 4th (W) \$110 calls opening as Nov. \$96 adjust and keep a small runner. **TSM** also 1200 April \$115 calls bought \$3.80 to \$4

2U (TWOU) opening sellers 12,000 December \$25 puts \$0.20 to \$0.25

Fastly (FSLY) buyer 1200 January \$85 calls aggressive at \$5.30 offer, also trading January \$110/\$120 call spreads

Veeva (VEEV) with 800 March \$230 puts sold to open today for \$11 to \$10.50 into the pullback, back at the low-end of August/September value

Atlassian (TEAM) buyer 3000 March \$170 calls \$33.62 as Dec. \$150 adjust, similar to large Tech adjustments to March last week

Mercado-Libre (MELI) stock replacement buys 100 January 2023 \$2100 calls for \$141.50

Pinduoduo (PDD) with the January \$185 calls bought 1,000X for \$5.60 to \$5.75

JD.com (JD) into weakness a buyer of 2,000 February \$85 calls here for \$8.80 to \$9.00 to open

Micron (MU) with 25,000 December \$65 calls opening \$1.42 as November \$57.5 adjust

Booking (BKNG) stock replacement buys 100 April \$2300 calls for \$114.20

Palo Alto (PANW) with 7000 Dec. \$300 calls opening up to \$2.20, though all trading below theoretical value, but IV indicating buyer flow, up 5.8% on solid results

Netflix (NFLX) with 2200 January \$465 puts being sold to open near \$22 today

Workday (WDAY) with 1200 January \$230 calls bought \$12.82 as Dec. \$210 start to adjust ahead of earnings

Pinterest (PINS) with 5,000 May \$55 calls bought for \$15.35 as the November \$28 calls roll. **PINS** also 20,000 December \$32 calls adjust to May \$55 calls

DocuSign (DOCU) the December 4th (W) \$210/\$220/\$230 call butterfly spread bought 600X1,200 for \$1.10 net debit into 12-3 earnings

Palantir (PLTR) seeing 4000 March \$18 calls sold to open down to \$2.95 bids

Wayfair (W) seeing December \$300/\$290/\$200/\$190 Iron Condors open 400X

Twitter (TWTR) with 1,500 February \$38 puts sold to open this afternoon for \$2.26 to \$2.24. **TWTR** buyer 4000 Dec. 4th (W) \$40 puts for \$0.67

Snowflake (SNOW) IV jumped with 1775 Nov. 27th (W) \$250 calls opening into weakness, being bought \$5+

Vipshops (VIPS) with the December \$24 calls bought 4,250X for \$1.25 and spread versus the sale of \$26 calls 2,125X for \$0.60

T-Mobile (TMUS) with 2450 February \$110 puts sold to open for \$1.82

Upwork (UPWK) buyer of 1000 April \$35 calls \$5 to \$5.20

Alibaba (BABA) buyers 3000 June 2022 \$280/\$450 call spreads

Lyft (LYFT) buyer 5000 Dec. 4th (W) \$36 puts \$0.62

Tencent Music (TME) buyers 1600 April \$17 puts \$2.14 offer

IQIYI (IQ) into earnings tonight with 5500 Dec. 4th (W) \$32 OTM calls bought in a \$0.56 offer sweep

NXP Semi (NXPI) with 600 January 2022 \$130 puts sold to open today in stock replacements for \$15.45 to \$15

Spotify (SPOT) with 300 September \$240 puts sold to open for \$36.20 in a stock replacement, \$1M position

Arista (ANET) with buyers 500 Dec. 4th (W) \$262.50 plus \$4.90 offer and the \$255 puts being bought at \$2.65 to \$1.75 for 1360X

Utility

Exelon (EXC) buyer of 3,000 January 2022 \$43 calls for \$4.10 in a stock replacement, exploring a business separation

Disclaimer:

Not Investment Advice or Recommendation

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