



MARKET RECAP REPORT 11/2/2020

Sector Leaders

Energy

Materials

Housing

Stock Gainers

LL 17.5%

FTCH 14%

FSR 13.5%

LI 12%

CVA 11.5%

BMA 11%

Volatility Gainers

- RRC
- AA
- CLVS
- AEO
- NTR
- DGLY

High Call Volume

- ING
- DNKN
- ARLP
- DGLY
- CDNS
- OUT

Bullish Options

- GPS
- LVS
- MU
- UBER
- MDT
- TMO
- FB
- HMI
- AAPL
- NVDA
- SE

Market Review: Stocks kicked off the week with a sharp jump without any real catalyst outside of an oversold bounce ahead of the US Election. Oil continued weakness with Macro concerns resurfacing on the resurgence of COVID causing lockdowns. The October PMI number for October came in strong, highest level since January 2019, and ISM Manufacturing also with a strong number. Strength was broad-based with Energy, Materials, Solar, Industrials and Banks leading the way on Macro optimism. Tech and Biotech were weak as 2020 top gainers continue to see profit taking ahead of potential capital gain tax changes. The gains faded midday into the early afternoon with Tech weakness and the oversold bounce lacked sustainability but saw some breadth improvements late day with a bounce. We get more economic data tomorrow but the focus is really on the Election this week and even the packed earnings schedule is taking a back-seat.

S&P Chart:



Resistance	Support
3,350	3,300
3,400	3,240
3,500	3,130

Options Action Trends: We saw bullish call flow early in large cap Tech leaders like **AAPL, FB, NVDA**. There were OTM November put sales in quality names **DOCU, TEAM, GPN, and COUP**.

What's On Tap: ISM NY, Factory Orders. US Election. Earnings from PGR, HUM, RACE, ETN, TRI, EMR, JCI, SYY, MCK, W, ZBRA.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Software

Biotech

Tech

Stock Losers

TEN -14%

RGS -8.8%

MTLS -8.7%

PBYI -8%

INSM -7.3%

IMUX -7%

Volatility Losers

- OPK
- RIG
- EIGI
- FIT
- DNKN
- APT

High Put Volume

- HQY
- GPN
- STAA
- CDLX
- PVH
- ELAN

Bearish Options

- SBUX
- AAXN
- CDLX
- MRVL
- PH
- CNMD
- PVH
- VFC
- PEN
- VIPS
- AVTR



FEATURED OPTIONS RADAR REPORT



CRISPR Size Call Buys into Pullback

Ticker/Price: CRSP (\$91.80)

Analysis:

CRISPR Therapeutics (CRSP) on 10/30 with 1,650 January \$90 calls opening around \$15 in large trades, a name with very limited notable open interest outside of a 10/15 trade that sold 300 January 2022 \$130 calls to buy the \$110/\$80 put spreads in a likely collar strategy against a long stock position. CRSP was a relative strength name in Biotech with shares tripling from March to October and recently pulled back retest a bull wedge breakout level while the rising 21-week MA has been supportive so currently \$85/\$90 zone offer solid support. The \$6.75B Biotech is in the gene editing industry with a portfolio of therapeutic programs in a range of disease areas. CRSP has a wide range of ongoing clinical studies and early pipeline programs in regenerative medicine and in vivo gene editing for rare disease. Analysts have an average target of \$103 and short interest elevated at 9.8% of the float and rising 78% Q/Q. BAML initiated coverage at Buy in October with a \$110 target, saying "CRISPR's technology platform has generated a de-risked potentially best-in class curative therapy for transfusion-dependent beta-thalassemia (TDT) and sickle cell disease (SCD) as well as a trio of next-gen allogeneic CAR-T therapies for both liquid and solid tumors that could have superior safety and convenience benefits over the current generation of autologous CAR-Ts." BAML sees \$2B peak sales by 2030. Crispr announced more encouraging data from the Phase 1/2 CTX001 Sickle Cell and Beta-Thalassemia trials at the June EHA mtg. Another update is expected in 2H20, most likely at the Dec 2020 ASH mtg. Phase 1/2 trials of CTX120 in Multiple Myeloma and CTX130 in r/r Renal Cell Carcinoma and T-Cell cancers are now underway, although initial results are not likely until 2021. Hedge Fund ownership fell 3% in Q2 filings, ARK Investment with a large \$700M position is notable.

Hawk Vision:



Hawk's Perspective: CRSP an intriguing name in a hot space that could attract M&A interest, alert in at \$97 level currently.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Fair Isaac Size Calls Position into Earnings

Ticker/Price: FICO \$390.40

Analysis:

Fair Isaac (FICO) buyers of 1,625 February \$400 calls on Friday, 10/30, paying from \$29.50 to \$38, the only notable positioning in the name. FICO has earnings on 11-10 and higher seven of the last ten, although not a big mover with an average 3.3% closing. Shares are back around their 200-MA and low-end of a narrow multi-month range under \$450. A move higher and breakout targets \$500+. The \$11.4B company trades 38.6X earnings, 9.3X sales, and 38.3X FCF with mid-teens growth. FICO is a leading provider of products and analytical services around credit scoring. FICO's legacy business has a large moat with financial institutions like banks, credit card processors, insurers, retailers, and others, and growing at a steady mid-single digit rate. They've invested big in a long-term bet on software and the cloud with their Analytic Cloud business which is seeking to become the preeminent decisioning platform for business-to-consumer relations. FICO sees 2021 as a pivotal year as they open up the API and allow others to build onto it while also building partner programs. Analysts have an average target for shares of \$464. Wells Fargo has a Street High \$550. Jefferies positive on 10/9 citing Q3 industry volume checks for the Scores segment as well as cost savings. Needham raising their PT on 9/21 after turning incrementally more positive coming out of his call with a FinTech consultant, who held leadership roles at FICO for over 20 years, discussing trends in credit scoring and financial data. Short interest is 2.3%. Hedge fund ownership fell 14.5% but Melvin Capital a top five holder with 1M shares and adding last quarter. In March, a director bought near \$200,000 in stock at \$193.88.

Hawk Vision:



Hawk's Perspective: FICO is a high-quality company and back at the 200-day with a nice hammer reversal on Friday, ideal risk/reward spot

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Carvana Bulls Active into Weakness

Ticker/Price: CRSP (\$91.80)

Analysis:

Carvana (CVNA) with 785 May \$190 calls bought today up to \$41.70 and follows buyers in the November \$200 calls last week. CVNA has 725 May \$150 short puts in OI as well as bullish short puts in the January \$145 strike from early September while the Jan. \$170, Jan. \$230, and February \$210 calls all with notable buyers in August. Shares have pulled back about 25% from all-time highs in September and back-filling a gap from 9/22. The broader weekly bull flag has support around \$160 and a measured move out to \$300+ on an extension. The \$32.6B company trades 7.4X sales and 66X cash with high-30% to low-40% growth. CVNA pre-announced a strong quarter back in September so last week's earnings event more muted than expected despite delivering solid numbers. CVNA remains the fastest growing auto retailer in the US with 39% growth in units sold and their first EBITDA positive quarter. CVNA has highlighted inventory shortages this year as demand significantly jumped during the pandemic and starting to see positive flows from their auto buying business which is helping them get back to pre-pandemic levels. They expect to see a significant inflow of new vehicles as they expand out their buying teams and position for a strong 2021. Analysts have an average target for shares of \$201.50 and Street High \$270 from Goldman. Stifel upgrading last week to Buy calling the company the 'Amazon of automotive retail' as the path to pre-pandemic inventory levels is clearer, has a favorable view of the company's long-term growth as the online leader in the category. Short interest is 28% but down from as high as 60% in 2019. Hedge fund ownership fell 9% in Q2. Tiger Global the top holder with 6M shares and Spruce House, Whale Rock, and Natahala Capital all notable holders as well in the top ten.

Hawk Vision:



Hawk's Perspective: CVNA remains a top growth name, a group out of favor recently, but the weekly flag set up above the rising 21-week moving average still bullish, and a name to turn to if the market moves back to a buy signal.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Volatility Index (VIX) buyers 12,000 February \$40/\$50 call spreads

Solar (TAN) protective spread here into the election sells 3000 Jan. \$85 calls to buy the \$65/\$55 put spread

Energy (XLE) the March \$29 calls being bought for \$3.25 today, over 4750X, and looks to be adding to open interest

Gold (GLD) buyer 5000 next week \$182.50 calls up to \$1.20

Russell Value (IWN) aggressive sweep buyers 2500 Dec. \$110 calls \$3.30 offer

S&P (SPY) into morning strength with size buyers of 5000 March \$325 puts near \$20.80 for over \$10.5M

NASDAQ (QQQ) back near 21-week MA support seeing some size positioning buying 17,000 March \$300 calls for around \$15M while selling the \$215 puts to open for around \$11M

Tech (XLK) with 5000 Nov. 13th (W) \$109/\$100 put spreads bought to open for \$2.10 into Election uncertainty. **XLK** buyer 1000 January 2022 \$110 calls for \$15.10

Short Treasury (TBT) spread buys the June \$17/\$15 bull risk reversal for \$0.48 and sells the March \$21 calls, 7500X total for a one cent credit

Russell (IWM) afternoon buy of 7500 February \$145 puts to open \$7.55. **IWM** also today the Nov. 27th (W) \$160/\$165/\$170 call butterfly opening 10,000X20,000

Homebuilders (XHB) sweep buyers of 6000 January \$48 puts \$1.70 offer

Consumer Discretionary/Services

Gap (GPS) early buyer 3000 next week \$19.50 calls \$1.21/\$1.22

Las Vegas Sands (LVS) buyers 3000 weekly \$50 calls early

Starbucks (SBUX) buyer 2000 Nov. \$83 puts \$1.64

Abercrombie (ANF) with more than 3,200 November \$16 calls rolling out to buy the December \$15 calls 2,100X for \$1.28

RH (RH) with 700 November \$360 calls bought for \$11.35 today, stock replacement strategy

Caesar's (CZR) March \$45/\$37 bull risk reversals opening 400X at \$4.95 debit

Discovery (DISCA) with 1,000 April \$20 puts sold to open this morning for \$2.05

PVH Corp (PVH) with 3,000 November \$70 calls sold to buy the \$55/\$40 put spread for \$0.31

Kohl's (KSS) buyer 4000 weekly \$21.50 calls for \$0.63 to open

VF Corp (VFC) buyer 2000 November \$68.5/\$63.5 put spreads for \$1.70

Match (MTCH) with 1,265 November \$120/\$135 call spreads bought for \$5.03 into earnings on 11-4

Consumer Goods

Wrap Tech (WRTC) with 3,000 November \$7.50 calls bought up to \$0.15, cheap play on potentially more protests this week after the Election

Huami (HMI) unusual buy 500 June \$12.50 calls for \$2.95, a \$735M Chinese maker of wearable tech.

Turtle Beach (HEAR) with 1,000 November \$19/\$14 put spreads bought for \$1.65, 1000X, into 11-5 earnings

Callaway (ELY) with buyers of the January 2022 \$17 calls today for \$4, over 1295X after their deal for TopGolf last week

Foot Locker (FL) buyer of 1000 November \$37 puts for \$2.29 and spread with sales of the \$33.50 and \$33 puts 1000X each

Nu-Skin (NUS) buyer 500 November \$50/\$55 call spreads into 11-4 earnings

Advanced Auto (AAP) with 1,500 November \$155 calls sold to open for \$4.90 to \$4.40 into earnings on 11-10

Sony (SNE) coming off a strong quarter and 500 Jan. 2022 \$100 calls bought today for \$6.50, recently saw some bull spreads adjust higher as well

Hershey (HSY) with 1000 November 6th (W) \$140/\$149 call spreads bought for \$3.10 into earnings on 11-6

Altria (MO) opening sales active 3000 Nov. \$37 puts today \$1.38

Costco (COST) Jan. 2022 \$460/\$560 call ratio spreads opening 500X1000 today

Post Holdings (POST) opening sale of 750 November \$85 puts for \$2.10, stock replacement

Energy

Conoco (COP) with 1,000 December \$29 puts sold to open today for \$2.26 with oil's reversal

Sun Power (SPWR) with the March \$18/\$30 call spread bought 700X1,400 for \$0.95, similar to spreads in peers like **CSIQ**, **FSLR** last week

Exxon (XOM) IV falling all morning with 7000 November \$33 puts being sold to open

Kinder Morgan (KMI) with 1850 March \$12 puts selling to open \$1.22

Apache (APA) up 7% on day highs with 4000 Nov. 13th (W) \$10 calls bought this morning \$0.23

Financials

Wells Fargo (WFC) with over 60,000 November \$24.50 calls bought \$0.12 to \$0.18. **WFC** also with a spread that sells the Dec. 11th (W) \$22 calls and buys the \$21 puts for a net \$0.12, 70,000X.

Cardlytics (CDLX) with 1,380 November \$70/\$60 put spreads bought for \$3.50 into earnings tonight, lower two of the last three

Square (SQ) with 2,400 November 27th (W) \$165 calls bought this morning between \$9 and \$9.50 into the current pullback

Global Payments (GPN) with 8900+ November \$140 puts sold to open for \$1.05 to \$0.95

Morgan Stanley (MS) opening sale of 1000 March \$43 puts for \$2.24, stock replacement, and earlier another 5,500 January \$50 calls being bought

Aon (AON) with 400 April \$190 calls bought for \$11.10 to \$11.20 to open today into weakness

American Financial (AFG) with 400 December \$75 calls bought up to \$6 today, unusual size for the name

ING Group (ING) rising after 6000 November \$7 calls opened this morning \$0.425, earnings 11-5

US Bank (USB) over 8650 January \$35 puts sold to open from \$1.28 to \$1.25, adjusting back some Jan. \$25 puts, high-quality regional bank

Tanger Factory Outlet (SKT) with 850 Jan. 2023 \$3 ITM calls opening \$3.80 to \$3.85

Sun Communities (SUI) back to September lows seeing a spread sell 400 December \$120 puts to buy the \$150/\$170 call spreads, net \$0.99 debit

Athene (ATH) large buy 3000 February \$30 puts \$2.80 to \$2.90 into earnings tomorrow morning. **ATH** now with 1000 January \$30 puts bought \$2.15, adjusting back the \$25

Entertainment Property (EPR) buyer 5000 Dec. \$25 calls \$2.16 adjusts out of \$22.5 calls

American Express (AXP) size late day buy 4000 January \$100/\$110 call spreads for \$3.31

Healthcare

Horizon Pharma (HZNP) rebounding from the early lows and 425 May \$80 calls bought up to \$11, follows the 1,200 May \$85 calls bought on Friday

ThermoFisher (TMO) with the Dec. \$480 calls opening 950X for \$26.05 as the Nov. \$440 calls bought on 10/12 adjust

Health Equity (HQY) with 950 deep ITM Dec. \$85 short puts rolling to June \$65 short puts today which open for \$17.20, 1000X. **HQY** also with 1,000 June \$60 puts sold for \$13.95 as more Dec. short puts roll

CRISPR (CRSP) with 400 November \$95 calls bought up to \$2.80 today to open, follows the size January calls on Friday

Regeneron (REGN) with 550 February \$530/\$500 bull put spreads opening at \$11.60 credit. **REGN** spreads up to 1150X

Uniqure (QURE) with 1,000 Jan. 2022 \$50 puts sold to open for \$19.80, shares carving out a multi-month base and name which formerly garnered a lot of M&A attention given their unique platform

CVS Health (CVS) with 1,100 Jan. 2023 \$50 puts sold to open for \$8.15, adjusting some Jan. 2022 positions

Conmed (CNMD) with 495 Sept. 2021 \$90 puts sold to open today for \$19.60 to \$19.50, bullish ITM trade for the \$2.4B medical device maker that focuses on minimally invasive surgery

SAGE Therapeutics (SAGE) with the February \$90 calls bought for \$6.30 today, near 500X, steady move higher since March

Penumbra (PEN) with 450 November \$240/\$190 put spreads bought to open for \$10.80

Tesla (TSLA) size buyers of 6950 December \$450 calls today including an interesting spread of 4500 bought versus selling March \$560 calls

Baxter (BAX) with 1,000 Jan. 2022 \$90 puts sold to open for \$16.90 to \$16.80 in stock replacements

Bristol Myers (BMY) with 4000 Dec. \$55 puts sold to open today near \$1.20, earnings 11-5

Reata Pharma (RETA) with 535 December \$125 calls bought today up to \$17.90 in stock replacements, follows some speculative Feb. \$150 call buys recently

NuVasive (NUVA) moves off lows with 1000 OTM November \$50 calls bought for \$0.65 to open

Ascendis (ASND) with 200 April \$165 calls opening \$15.20

Sarepta (SRPT) the January 2022 \$100/\$45 put spread bought 175X525 for \$9.20 today

Industrials

CSX Corp (CSX) strong today and 1,200 deep ITM May \$40 calls opening for \$42.30 to \$42.50. **CSX** also with 2,500 December \$85 calls opening for \$2.50, stock replacement

Nikola Motors (NKLA) with 5,000 December \$20 puts bought for \$4.50 today, name with a lot of lingering concerns after their Chairman left

Parker Hannifin (PH) buyers 400 November \$210/\$200 put spreads into earnings 11-5

Cummins (CMI) with 5000 November \$2140 calls sold to open \$2.80 to \$2.70

Polaris (PII) with 700 January \$80 puts sold \$3.55 to open

Nio (NIO) opening sale of 2,000 Jan. 2022 \$25 puts for \$7.30 in a stock replacement

Materials

Nucor (NUE) another 1,000 January \$47.50 calls being bought today for \$3.70, nice setup just below recent highs

Nutrien (NTR) with 1800 Nov. 27th (W) \$41 calls sold to open \$1.70, earnings tonight

Int'l Flavors (IFF) the December \$110/\$120/\$130 call butterfly spread opening 1,000X2,000 for \$1.53 debit, earnings on 11-9

Weyerhaeuser (WY) with 1,000 ITM November 27th (W) \$26.50 calls bought \$2.25 to \$2.30

Freeport (FCX) with 10,000 February \$20 calls bought \$1.36 today with November \$16 adjusting, also buyers active 10,000 Dec. \$20 calls

Avantor (AVTR) buyers 2000 May \$20 puts \$1.70 offer in unusual action

Tech and Telecom

Micron (MU) opening sales 1325 November \$52 ITM puts \$3.10 bid. **MU** 3000 Dec. \$47.50 puts sold to open today as well near \$2.01

Amazon (AMZN) early action selling 725 Dec. 4th (W) \$3100 puts to open \$188 to \$185 for around \$14M in premium. **AMZN** Dec. 11th (W) \$3000 calls active with opening buys as 1335X are trading near \$179

Twitter (TWTR) opening seller 700 June \$40 puts \$6.90 to \$6.80

Facebook (FB) November 13th (W) \$300 far OTM calls hot this morning 4500X bought

Apple (AAPL) similar to Facebook with Nov. 13th (W) \$110 calls actively bought \$3.20 offers and trading over 6000X early

Marvell (MRVL) opening sale 2000 May \$40 calls \$4.05 bid. **MRVL** now also with 4,750 January \$44 calls bought for \$1.07

Cadence Design (CDNS) with 1,950 May \$110 calls bought up to \$14.10 today to open, attractive story and setup highlighted this weekend

Cardlytics (CDLX) with 1,380 November \$70/\$60 put spreads bought for \$3.50 into earnings tonight, lower two of the last three

Nvidia (NVDA) with more than 3,700 November \$575 calls trading here into the highs from \$6.70 to \$7.55, buyer flow and will check tomorrow on OI

Shopify (SHOP) into weakness today seeing opening sales of 1720 November \$785 puts down to \$6.70

Micron (MU) with 3,000 December \$47.50 puts sold to open today for \$2.01 to \$2.03, stock replacements

Seagate (STX) with 1,000 March \$50 calls bought today from \$3.30 to \$3.35. **STX** also with 1,000 Jan. 2023 \$47.50 puts sold to open for \$11.40 as some Jan. 2022 puts roll from June

Atlassian (TEAM) with 6,600 November \$165 puts sold to open here from \$1.85 to \$1.70, follows some size call buying last week

Bilibili (BILI) with 2,000 June \$30 puts sold to open for \$2.08 today, very coiled weekly setup

Coupa Software (COUP) with 5,300 November \$210 puts sold to open today from \$1.50 down to \$1.20, similar to **GPN** and **TEAM**

DocuSign (DOCU) with 5,300 November \$160 puts being sold to open today for \$0.88 to \$0.78, similar to **GPN**, **TEAM**, **COUP**.

DOCU also with 800 Jan. 2022 \$195 puts sold to open today from \$43.50 to \$43. **DOCU** also with 500 Jan. 2022 \$150 puts sold to open \$19.60 in a stock replacement

Lightspeed POS (LSPD) buyer of 1000 December \$40 calls for \$1.20 to \$1.25, interesting new issue that has pulled back to its early trading range

Lyft (LYFT) with 1,800 October 2021 \$20 puts sold to open from \$4.00 to \$3.80

Ring-Central (RNG) buyer 350 November \$285/\$330 call spreads, earnings 11-9

DataDog (DDOG) opening sellers 400 April \$80 puts \$11.10

Etsy (ETSY) with 800 June 2021 \$130 calls opening \$22.40 as March \$130 adjust

Sea Ltd (SE) with 2,000 December \$125 puts sold to open today for \$3.25 in a stock replacement

Fire-Eye (FEYE) buyer of 5000 Jan. 2022 \$8 puts for \$0.75 today tied to stock

Vipshops (VIPS) with 1720 November \$20.50 puts bought for \$1.35 and also seeing 2,500 November \$19.50 puts bought for \$0.90 to \$0.95

China Mobile (CHL) with 850 Dec. \$27.50 ITM calls bought \$4.30 to \$4.40 to open earlier

Alibaba (BABA) spreads today selling 3000 November \$355 calls and buying \$307.5/\$292.5 put spreads, structure that is generally protective into earnings 11-5

Advanced Micro (AMD) stock replacement bought 7000 January \$77.50 calls for \$5.30

Nutanix (NTNX) buy-write with 1250 April \$42.50 calls sold \$0.52

Fastly (FSLY) weekly \$60 calls up to 1500X with 1000 bought \$5.70 earlier

Pinterest (PINS) afternoon buyers of 5,500 November \$59 calls up to \$2.91. **PINS** the November \$59 calls up over 28.250X now with some spread vs the \$62 calls which may be adjusting back

Oracle (ORCL) buyer 1100 Nov. \$56.50 calls \$1.64 into day lows

Okta (OKTA) buyer 500 Nov. 13th (W) 4200 calls for \$7.80 offer

Criteo (CRO) buyers of 1000 April \$20 calls for \$1.30 to \$1.35

Utility

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