



# MARKET RECAP REPORT 11/20/2020

## Sector Leaders

Solar

Software

Semi's

## Stock Gainers

- SOLO 38%
- BLNK 21%
- MESO 21%
- FUV 18%
- DTIL 15%
- EOSE 12%

## Volatility Gainers

- SOLO
- BLNK
- EOSE
- TRNE
- SPI
- RIOT

## High Call Volume

- AYRO
- SBE
- GLUU
- KNDI
- WBT
- WSM

## Bullish Options

- MU
- CLF
- BSX
- MDB
- MTCH
- ANF
- GLUU
- SPG
- CNC
- TEAM
- BMY

**Market Review:** Stocks dipped after the close Thursday but recovered into the open in another quiet night of news into November options expiration. COVID remains in the headlines but better treatments and optimism for a vaccine have balanced out those fears while incremental lockdown news being watched. The other ongoing headwind is fiscal stimulus with discussions back on-line while the VIX curve indicating the early January Georgia run-off that will decide the Senate is seen as the major risk-event near-term. Tech stocks were standouts early while breadth of the rest of the market deteriorated in the opening hour. Software, Internet and Semiconductors all with strong moves while Energy, Banks and Industrials pulled back. It was an inside week and head into a quiet Holiday week though plenty of economic data coming next week.

S&P Chart:



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

**Options Action Trends:** In early action we finally saw some large bear flows return with big put buys in **PLTR, SPWR, VIAC, MAC**. Bullish flow was seen in med-tech names like **BSX, SYK, TNDM**.

**What's On Tap:** Looking ahead to next week we have a shortened Holiday trading week, and start the week with Flash November PMI numbers. Wednesday is packed with data including GDP and Durables Goods. The earnings schedule is light but a few large cap reports due from Medtronic, Dell, Autodesk, Deere, Analog Devices, Best Buy, and Dollar Tree.

## Trade Tracker Portfolio Changes:

- 1) No Changes

## Sector Laggards

Energy

Banks

Industrials

## Stock Losers

- GSX -19%
- AVRO -14%
- HVT -10%
- RYAM -8.5%
- MAXN -7.5%
- WDAY -7%

## Volatility Losers

- HIBB
- EOLS
- EXPR
- FCEL
- DTIL
- COTY

## High Put Volume

- MDX
- BEKE
- SOLO
- USFD
- AVYA
- NUAN

## Bearish Options

- PLTR
- SPWR
- GES
- MAC
- VIAC
- AMAT
- HEI
- APPN
- AZPN
- UHS
-



## FEATURED OPTIONS RADAR REPORT



### Put Sales See Minimal Downside in PetIQ

Ticker/Price: PETQ (\$28)

#### Analysis:

**PetIQ (PETQ)** unusual activity in the name this week as short puts in November expiration moved to December where 4900 of the \$30 puts sold to open, and on 11/18 the \$28 puts with 2,880X sold to open, confident in a name trading near \$28. These short puts are the only real notable open interest in the name. On the chart PETQ shares in a choppy range since 2018 and forming a possible inverse head and shoulders pattern with \$37 a key breakout level for a targeted move to \$57. PETQ is a pet medication and wellness company operating through a products and services segment, products spanning a number of indications while also including dental treats and various vitamins. The services segment operated at pet retailers across 41 states and includes diagnostic testing, vaccinations, microchipping and wellness checks. The veterinary services market is \$28.5B and products market at \$9B and PETQ looking to redefine the market. PETQ has been a strong growth story with sales at a 50% CAGR since 2016 and EBITDA at an 80% CAGR. The \$765M company currently trades 19.75X Earnings, 1X Sales and 37.75X FCF with revenues seen rising 7.4% this year due to disruptions and 21% in 2021. Analysts have an average target of \$40 and short interest is high at 22% of the float. Jefferies on 10-15 at Buy with a \$41 target noting the clear opportunity for an underserved and overpaying population for affordable care and services access. Guggenheim in June raised its target to \$44 with a Buy rating as a name having the largest upside/downside symmetry in animal health stocks and sees benefits from accelerating adoption of telemedicine and movement to online channels. Hedge Fund ownership fell 5% in the latest quarter filings.

#### Hawk Vision:



**Hawk's Perspective:** PETQ has a high short float and no major call activity but the company looks attractive as a disruptor in a strong pet industry and the reward/risk is sure compelling at current levels.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Large Trade Looks for More Gains in Nanostring

**Ticker/Price:** NSTG (\$47.35)

#### Analysis:

**Nanostring (NSTG)** with an unusually large trade on 11/19 as 2000 December \$50 calls opening at \$3.20 as a trade closed out 1000 November \$40 calls at \$7 that were bought near \$2.25. NSTG does not have any other notable open interest. NSTG is a name that has climbed 700% since 2018 and this week working out of weekly consolidation to new highs. NSTG is a small-cap play in the hot bioprocesses space. Its core technology is a unique, proprietary optical barcoding chemistry that enables the labeling and counting of single molecules. This proprietary chemistry may reduce the number of steps required to conduct certain types of scientific experiments and allow for multiple experiments to be conducted at once. nCounter can be used to analyze the activity of up to 800 genes in a single experiment. nCounter is also used by clinicians to analyze gene activity relevant for diagnostic applications. GeoMx DSP, which was made commercially available in 2019, is designed to enable the field of spatial genomics. While nCounter and other existing technologies analyze gene activity as a whole throughout the totality of a biological sample, GeoMx DSP is used to analyze specifically selected regions of a biological sample in order to see how gene activity might vary across those regions or in certain cell types. NSTG is essentially a “pick and shovel” play in genomic research. NSTG currently has a \$2.1B market cap and trades just under 18X sales, revenues seen rising 29% in 2021 and 20% in 2022. Analysts have an average target of \$45.50 and short interest is 9.4% of the float. UBS recently out with a \$52 target while MSCO initiated in September at Equal Weight with a \$43 target with valuation concerns. Hedge Fund ownership rose 9% in the latest quarterly filings, notable that ARK Investment has a 1% portfolio position and the largest holder of NSTG.

#### Hawk Vision:



**Hawk's Perspective:** NSTG is among this exciting group of growth stocks in life science and bioprocesses, though valuation at 19X sales with less growth than some peers a concern, no doubt the rising tide across this group has a long way to go.

**Confidence Ranking:** \$\$

# ***Additional Options Flow***

## **Market/ETFs**

**S&P (SPY)** over 50,000 Dec. 4th (W) \$370 calls bought \$0.63 to \$0.66

**Ultra-Short Dow Jones (SDOW)** afternoon buys 10,000 December \$16 calls \$0.65 offer

**High Yield (HYG)** with 20,000 March \$87 puts sold to open for \$3.20, been a popular strategy in it since the Fed backstop

**Tech (XLK)** with 2000 January 2022 \$110 synthetic long positions opening at \$10.30 debit

**Russell (IWM)** trade put on 5000 February \$187/\$168 bull risk reversals at a credit

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

**Under Armour (UA)** buyer 2000 January 2022 \$25 OTM calls \$0.95

**Match (MTCH)** opening sale 300 March \$130 puts for \$12.43

**Dave and Buster (PLAY)** with 1000 December \$22.50 puts being sold to open \$1.75, popular strategy of late

**Guess (GES)** with 2000 December \$14 puts sold to open \$0.75 to \$0.70. **GES** opening sale 1050 June \$16 puts \$3.90

**Abercrombie (ANF)** buyers of 1,500 December \$20 calls for \$1.95 to \$2

**Glu Mobile (GLUU)** buyers active 4500 January \$9 calls \$0.80/\$0.85 offers

**Penn National (PENN)** buyers of 500 June \$60 puts for \$9.20 to \$9.35

**Sony (SNE)** bull flag and 450 January 2022 \$110 OTM calls are bought \$4.60 offer

**Dick's Sporting (DKS)** opening sale 2500 January 2023 \$60 calls \$11.50. **DKS** also 1000 Nov. 27th (W) \$58 puts bought for earnings next week

**MGM** opening sale 1500 February \$25 puts for \$2.12, popular strategy all week in it

**Carvana (CVNA)** buyers 1400 next week \$230 calls earlier up to \$7+. **CVNA** also 7000 Dec. 4th (W) \$200 puts sold to open

**Starbucks (SBUX)** with 5800 February \$110/\$80 bull risk reversals opening as January \$92.5 calls adjust

**TripAdvisor (TRIP)** with 1200 January 2022 \$25 puts being sold to open \$5.05

**Nike (NKE)** near a new high with 1000 Dec. 31st (W) \$140 calls bought \$2.80 to \$2.95 today, earnings 12-18 and seen a lot of bullish activity

**Expedia (EXPE)** 8 MA bounce last two sessions and coiled after the vaccine jump, size buyers 7500 January 2022 \$130 calls \$20 to \$21 today, name that has seen huge call size accumulate into weakness since COVID and done pretty well, mostly all longer dated

**Charter (CHTR)** buy-write sold 300 June \$700 calls \$36.30

**Match (MTCH)** opening seller 700 January 2022 \$165/\$135 strangles for \$40

## **Consumer Goods**

**Pepsi (PEP)** opening sale 1400 Dec. 24th (W) \$140 puts \$2.15

**BJ's (BJ)** with 1300 February \$45 calls bought \$2.60 to open into weakness

**Kroger (KR)** buyer 2000 December \$32 puts \$0.97

### Energy

**Sun Power (SPWR)** buyer of 12,500 March \$24 puts for \$5.85, adjusting the January \$20 puts. **SPWR** also with 4,250 March \$22 puts bought up to \$4.70

**Blink (BLNK)** buyer 1000 March \$22.50 calls \$5.20 offer earlier

**Hess (HES)** nice consolidation above the 200 MA and 1000 January \$55/\$42.5 bull risk reversals opening for a net credit

**Sun-Run (RUN)** with 1700 January \$70/\$80 call spreads opening, strong move out of a nice base this week

**Marathon Petro (MPC)** with 2500 September 2022 \$47.50 calls being sold to open today

### Financials

**Square (SQ)** with 1,500 December 4th (W) \$200 calls bought up to \$6.55

**Intercontinental Exchange (ICE)** buyers of 645 March \$110 calls for \$2.05, coiled weekly bull wedge under new highs

**KE Holding (BEKE)** opening sale 1800 April \$55 puts for \$8.40. **BEKE** also with 1800 July \$55 puts sold to open for \$11 in a stock replacement today

**Macerich (MAC)** buyer 10,000 January \$10 puts \$1.55 to \$1.60. **MAC** also 5000 March \$10 puts bought \$2.35

**Simon Property (SPG)** near consolidation breakout and 1000 June \$80 calls bought \$11.90 look to add to OI. **SPG** opening seller 840 Jan. 2023 \$50 puts for \$8.50

**CBOE Holding (CBOE)** buy-write with 1000 January \$92.50 calls sold \$2.60

**Fiserv (FISV)** opening sale 500 March \$115 ITM puts \$8.60

### Healthcare

**Gilead (GILD)** with 500 Jan. 2023 ITM \$50 calls bought \$13.20 to \$13.40

**Boston Scientific (BSX)** buyer 1000 January 2022 \$30 ITM calls for \$7, name that saw lots of put sales into recent weakness

**Hill-Rom (HRC)** opening sale of 1000 December \$90 puts for \$1.05/\$1 with shares flagging below the 200-day

**Halozyne (HALO)** consolidating the recent strong run and 1150 OTM December \$44 calls bought \$0.75 today

**Agios (AGIO)** with 600 January \$45 calls sold to open today \$4.05/\$4.04

**Good-Rx (GDRX)** with 1,000 January \$35 puts sold to open today \$3.55 to \$3, shares rebounding a bit from early week weakness

**Centene (CNC)** with 1000 January 2022 \$62.50 puts sold to open \$9.50

**Bristol Myers (BMY)** spreads selling 2500 June \$55 puts to buy the \$62.5/\$72.5 call spreads

**Stryker (SYK)** tightly flagging under new highs with 400 March \$260 calls bought for \$4.50

**Tandem (TNDM)** buyer 300 January 2022 \$120 calls for \$12.10 with shares weak lately but touching the rising 200 MA today

**Fulgent (FLGT)** hot genetics name with 500 December \$32.5 puts sold to buy the \$42.5/\$52.5 call spreads

**Universal Health (UHS)** spread sells 850 July \$155 calls to buy the \$130 puts at net \$8.20 debit in a large bear risk reversal in the Hospital name

**E-Health (EHTH)** interesting sweep of nearly 500 May \$60 puts \$7.20 aggressive on wide bid-ask, name been target of short reports in the past

**Sage Therapeutics (SAGE)** with 800 February/June \$60 put calendar spreads opening at \$7.45 debit

**UniQure (QURE)** stock replacement bought 500 January 2022 \$50 calls for \$15.10

### Industrials

**DR Horton (DHI)** with 1,375 December \$72.50 puts sold to open for \$2.05

**Welbilt (WBT)** buyer 2500 September \$12.5/\$17.5 call spreads as bullish positions accumulate

**Heico (HEI)** spread sells 600 December \$135 calls and buys the January \$125 puts for a net \$1.73

**Triumph Group (TGI)** unusual buyer 1000 January \$12.50 calls \$1.15 offer, Boeing supplier

**General Motors (GM)** opening sale 2000 June \$40 puts \$4.15

**Aecom (ACM)** buyer 1000 January \$55/\$65 call spreads for \$1.45

**Tesla (TSLA)** with 2000 Dec. 24th (W) \$540 calls opening as the Dec. \$515 calls adjust. **TSLA** also today with 1300 June 2021 \$525/\$360 bull risk reversals opening, adjusting out of January risk reversals

**Group 1 Auto (GPI)** with 600 December \$125 calls bought against sales of the \$135 and \$140 calls

**Intuitive Surgical (ISRG)** with 400 next week \$740/\$690 put spreads opening as November roll

**Copart (CPRT)** with 4000 January \$120 calls being bought \$2.45 to \$3 aggressively

**American Air (AAL)** stock replacement bought 25,000 May \$15 calls for \$1.48 offer

**General Electric (GE)** with 100,000 June \$10 calls bought today with December \$7 finally adjusting

### Materials

**Cliffs (CLF)** buyer 7500 January \$11 calls \$0.29

**MDC Holding (MDC)** opening sale 2200 December \$45 puts \$1.42

**Freeport (FCX)** opening sale 13,300 January \$18 puts at \$0.42

**Chemours (CC)** with 1350 July \$15 puts sold to open down to \$1.18

**VALE SA (VALE)** buyer 17,000 March \$14 calls for \$0.52

## Tech and Telecom

**Micron (MU)** with 1000 April \$60 puts being sold to open for \$5.60

**Bilibili (BILI)** buyers of 2,000 December \$70 calls for \$1.60 to \$1.78

**Mongo-DB (MDB)** opening sale 300 December \$270 ITM puts \$22.30, earnings 12-10

**Palantir (PLTR)** buyers of 5,000 May \$19 puts for \$5.90 to \$6 into strength. **PLTR** also with 5000 December \$19 puts bought for \$2.45

**Workday (WDAY)** buyer 400 Dec. 4th (W) \$215 calls for \$6.50 looking for a bounce, stock down 7% despite strong beat and raise quarter. **WDAY** 2000 Nov \$212.50 calls active into the dip as well for short-term trades

**Applied Material (AMAT)** buyer 1275 April \$62.5 puts \$1.94. **AMAT** also 750 June \$77.50 puts sold to open \$8.55

**Appian (APPN)** buyer 1000 December \$100 puts \$2.50 to \$2.60

**Twilio (TWLO)** with the value zone breakout seeing large buying 2500 next week \$310 calls \$5.30 offer

**Atlassian (TEAM)** with 950 March \$210 calls being bought \$19 to \$21.90, and 6000 March \$170 and 1650 March \$200 calls opened this week

**Snap (SNAP)** January \$50 calls trading 18,200X vs. OI of 21,468 with buyer flow all morning

**Akamai (AKAM)** opening sale 6200 January 2023 \$115 calls for \$12.60

**FireEye (FEYE)** opening buys 2000 March \$16 calls with shares higher after the \$400M Blackstone investment

**Lyft (LYFT)** large opening sale 5000 January 2022 \$37.50 puts \$8.15

**Workday (WDAY)** stock replacement opens 1500 January 2022 \$330 calls for \$8.60

**Wayfair (W)** seeing 1500 January \$280/\$230 bull risk reversals open today near \$2 debits

**Juniper (JNPR)** with 2800 April \$24 calls being sold to open \$0.67 to \$0.60

**Intel (INTC)** opening sale 1650 July \$42.50 puts for \$3.20

**Pinterest (PINS)** opening sale 5000 January \$60 puts \$2.92

**Ping Identity (PING)** opening sale 1640 January 2022 \$12.50 puts \$1.35

**Aspen Tech (AZPN)** buyer 500 January \$120 puts \$3.50 to \$3.70

**Nuance (NUAN)** continuing strong earnings gains and nearly 1000 April \$41 calls bought \$4.15 to \$4.20 today

**Marvell (MRVL)** opening seller 1250 February \$40 puts \$1.97

**Etsy (ETSY)** buyer 1000 March \$160 calls \$12.60 offer

**Sea (SE)** size opening sale 1080 January 2022 \$175 puts for \$39.60. **SE** also 200 September \$180 puts sold to open \$36.50

**Fetch (FTCH)** a big winner the past few months with 600 April \$46 puts selling to open \$7.95 today in a stock replacement

**Coupa (COUP)** with 750 December \$350 calls sold to open for \$820K midday, earnings 12-7



**Spotify (SPOT)** buyer 250 July \$270 calls \$37 for \$925K

### Utility

**First Energy (FE)** opening sale 2600 January 2022 \$30 straddles for \$8.05

**AES Corp (AES)** afternoon trades with 2500 December \$21 calls and 5500 December \$22 calls being bought, a name that has 20,000 December \$22 calls in OI from a buyer 11/12, after adjustments from seeing a lot of bull flow in November. AES recently traded up to a decade high but pulling back to the 21-MA this week with Utility weakness. AES 30-day IV Skew is bullish inverted, rare for a Utility stock. The \$13.7B utility trades 13.5X Earnings with a 2.73% yield. AES recently announced a deal to merge its renewables business with sPower development platform, to accelerate the safe, reliable transition to cleaner energy solutions in the country. AES also owns some hidden gems with its Fluence energy storage business and clean energy partnership with Google. BAML recently adding to US1 List with a \$23 target noting its discounted valuation to renewable peers.

#### **Disclaimer:**

#### **Not Investment Advice or Recommendation**

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