



MARKET RECAP REPORT 11/25/2020

Sector Leaders

Software

Biotech

Internet

Stock Gainers

SWIR 28.5%

WORK 28%

FSR 22.5%

JMIA 18%

ANGO 12.7%

BCOV 11%

Volatility Gainers

- GNW
- WORK
- JMIA
- BCOV
- PLTR
- CLSK

High Call Volume

- ADNT
- FSR
- IDEX
- CARG
- NWL
- UFS

Bullish Options

- DKNQ
- DAL
- AMZN
- CARG
- AIR
- BHVN
- AMD
- COST
- NVDA
- ADNT
- SNAP

Market Review: Stocks pulled in modestly overnight with the US Dollar continuing to show weakness and lawmakers reached a deal for an outline of the annual spending bill. It was an active morning for economic data, Durable Goods Orders for October beating estimates, and Q3 GDP in-line at +33.1% while Jobless Claims jumped again above expectations. New Home Sales for October beat estimates while Consumer Sentiment remained subdued. It was a day for Tech outperformance with the recent leading groups pulling in a bit, and a midday headline of Salesforce looking to buy Slack helped. Banks, Energy and Housing led declines while overall market breadth went to positive from negative late morning. The S&P weekly remains just inside a recent range and continues to look bullish while the NASDAQ setting up for a potential strong breakout as well, all signals firmly bullish into a strong seasonal period.

S&P Chart:



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

Options Action Trends: Call buyers were active in Semi leaders **AMD, NVDA** early.

What's On Tap: Turkey, Stuffing, Pumpkin Pie, Sweet Potatoes, Football, & Beer.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Banks

Housing

Stock Losers

GPS -19.5%

RVP -11.5%

NKLA -11%

MESO -8%

BLNK -8%

CRSR -7.8%

Volatility Losers

- HIMX
- PAA
- DDD
- BLNK
- SY
- SOLO

High Put Volume

- TXT
- PAGP
- UL
- MCRB
- HLF
- PEN

Bearish Options

- TAP
- BBBY
- MRNA
- FHN
- TXT
- SWKS
- CRDF
- VALE
- REGN
- PSX
- EOG
- XOM



FEATURED OPTIONS RADAR REPORT



Unusual Call Buys in BioTelemetry

Ticker/Price: BEAT (\$52.45)

Analysis:

BioTelemetry (BEAT) traded 18X daily calls on 11/24 as 1050 May \$55 calls were actively bought near \$5.80, highly unusual in a name lacking any other notable open interest. BEAT was a big gainer from 2013 to 2019 and in September 2019 pulled back to retest a key early 2018 breakout and forming a large monthly base on the chart with RSI starting to move bullish out of that basing range. On a move above \$55 the highs near \$80 come into play and potentially higher highs. BEAT is the leading remote medical technology company focused on delivery of health information to improve quality of life and reduce cost of care. BEAT provides remote cardiac monitoring, centralized core laboratory services for clinical trials, remote blood glucose monitoring, and original equipment manufacturing that serves both healthcare and clinical research customers. Its cardiac monitoring business accounts for 85% of revenues. The \$1.76B company trades 25.25X Earnings, 4X Sales and 24.6X FCF with a solid balance sheet and revenues seen growing 15% in 2021 and EBITDA rising 17%. BEAT has 28% adjusted EBITDA margins and a 2.3% FCF yield. Analysts have an average target of \$55 on shares with short interest at 11.6% of the float up 20% Q/Q hitting a five year high. BEAT is coming off a strong beat quarter with a sharp rebound in business. Needham started shares Buy on 9/11 citing the sales mix shift in Healthcare, continued ramp of Geneva Health Solutions remote monitoring, and strong Research bookings should contribute to revenue growth acceleration. BEAT has ample room to take share from ECG monitors. Hedge Fund ownership jumped 10% in the latest quarter filings. BEAT's cardiac monitoring services tracks cardiology office visits, which were down 18% Y/Y in Q3 and remain constrained by COVID restrictions. BEAT is expanding its sales team 15-20% to support a myriad of growth opportunities and collaborations. The Research business is the smallest portion of business, but high margins and recurring with the largest TAM, and BEAT sees revenues doubling Y/Y the next few years.

Hawk Vision:



Hawk's Perspective: BEAT at \$46 was ideal entry, this monthly base is massive, and though the short float is a concern, potential to be a real winner among small caps.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Call Spreads Open in Aviation Services Play

Ticker/Price: AIR (\$28.90)

Analysis:

AAR (AIR) very unusual options action with 2000 May \$35/\$45 OTM call spreads opening this morning, trading 60X daily calls with earnings expected mid-December. AIR shares have jumped recently closing a key volume pocket from the COVID sell-off. AIR is a diversified provider of products and services to the worldwide aviation and government and defense markets. It says long-term commercial aftermarket growth trends are favorable although there is uncertainty in certain fleet types as commercial operators re-evaluate their structure. AAR operations are affected by the amount of commercial aircraft flying and flight hours. Aviation Services segment provides aftermarket support and services for the commercial aviation and government and defense markets and accounted for approximately 95% of sales. Its sales are split 62% commercial and 38% government. The \$1.05B company trades just 16.6X Earnings, 8X FY22 EBITDA, and yields a 1% dividend. AIR sees revenues rebounding 13% in 2022 and down 16.5% in 2021. Analysts have an average target of \$24 with short interest low at 3.8% of the float. Truist started coverage earlier this month at Buy, and CSFB raised its target to \$27 in September. Hedge Fund ownership jumped 7% in the latest quarter.

Hawk Vision:



Hawk's Perspective: AIR has risen sharply the last two weeks and with the worst likely behind the Aerospace group it could make AIR a potential M&A target, highly unusual options trades in it here.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Size Bullish Spread in Lowe's into Weakness

Ticker/Price: LOW (\$154)

Analysis:

Lowe's (LOW) opening spread sells the March \$135 puts to buy the \$170/\$190 call spread for a small net credit, 4500X and still has size in the March \$160 and April \$150 calls from early November. Shares have been in a strong trend since March and pulling back recently to the 23.6% Fibonacci with a move above \$165 set up for an explosive run higher. The \$116.85B company trades 17.65X earnings, 1.58X sales, and 9.2X cash with a 1.55% yield and low double-digit growth. LOW posted 30.4% comps last quarter and 106% online sales growth Y/Y, still plenty of room for runway at only 7% of overall sales. LOW is seeing broad-based strength in their DIY business and launching a significant investment in merchandising and a floor reset in stores to help close the gap with Home Depot (HD) on the Pro side. LOW sees a big shift to project-based layouts versus product-based layouts helping improve sales per square foot as well. Analysts have an average target for shares of \$170 with a Street High \$205 from Jefferies. Baird positive on 11/18 noting that LOW has plenty of room to improve productivity and expand its EBIT margins in the years ahead thanks to the management's reinvesting its top-line strength. Short interest is 0.7% and the lowest in nearly 10 years. Hedge fund ownership fell 3.5% in Q3, Pershing Square with 12.4M shares, their top position.

Hawk Vision:



Hawk's Perspective: LOW is a quality name and still like the renovation/remodel market but the HD chart looks a bit healthier right now and favor it to LOW.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Size Call Buyers in Netease

Ticker/Price: NTES (\$93)

Analysis:

NetEase (NTES) weak today down around 4.5% but steady accumulation of the June \$100 calls with over 2,000 being bought between \$8.20 and \$8.90. NTES doesn't attract a lot of notable positioning but does have 400 March \$84 synthetic spreads in OI and sellers in the January \$78 puts on 11/3. Shares are starting to work out of a weekly bull wedge and above \$100 has room up to \$115-\$120 measured target and continuation of the strong trend from mid-2019. The \$64.3B company trades 22.2X earnings, 6.9X sales, and 4.3X cash with a 1% yield. The company has an interesting set of verticals with music arm and an online education platform called YouDao. Gaming is by far their main focus and NTES is the second-largest provider in China with a number of top titles like Fantasy Westward Journey, Onmyoji, and Knives Out. NTES has a big IP portfolio that gives them not just a deep pipeline of future gaming titles (Lord of the Rings, Rise to War, and Infinite Lagrange all big releases set for 2021) but also venturing into areas like feature films and other products. NTES saw core revenue growth of 13% in Q3 with strong monetization through in-game buy and expansion packs. NTES has been rolling out more casual versions of top titles to bring in new players to their legacy SLG (simulation) and ACG-themed games (Anime and Comic based). Analysts have an average target for shares of \$98 with a Street High \$107.60 from Nomura. Goldman positive on 11/2 seeing 25% revenue growth easily achievable as they expand game franchises overseas. Hedge fund ownership fell 16% in Q3. Short interest is 1.5%.

Hawk Vision:



Hawk's Perspective: NTES was a weekly bull wedge pattern highlighted to start the week and a name that gets less attention than peers but in a strong industry and posts great numbers. A move back over \$96 should get it moving.

Confidence Ranking: \$\$

Market/ETFs

Lithium (LIT) buyers early for the July \$70 OTM calls for \$1.55 to open, over 1270X, ETF has a lot of exposure to China with nearly 50% of assets in materials and industrial names there

Retail (XRT) buyers 7000 December \$60 puts up to \$1.72

Industrials (XLI) with 11,000 January \$92 calls opening \$1.57 as the \$85 close at \$5.23, keeping a runner

Oil & Gas Exploration (XOP) buyer 3000 January 2022 \$60/\$80 call spreads at \$5.75

S&P (SPY) big buyer today of 10,000 April \$340 puts for \$12.11

NASDAQ (QQQ) seeing spreads in February sell 5000 of the \$267 puts to buy \$296/\$309 call spreads

Gold (GLD) opening seller 2000 June \$163 puts for \$5.70 earlier today

Consumer & Business Discretionary/Services

Disney (DIS) with 3000 June \$120 puts sold \$3.75 bids

Capri (CPRI) with 500 ITM Jan. 2022 \$27.50 calls bought for \$14 today, some Feb. calls adjusting out

Bed Bath (BBBY) sinking with 12,700 January \$24 puts opening \$3.85 to \$4.05. **BBBY** now also seeing 2,250 December 31st (W) \$22 calls bought up to \$2.25

CarGuru (CARG) buyers of 1,100 January \$25 calls for \$1.45 to \$1.70 to open, follows the 4,000 December \$25 calls bought yesterday

Draft Kings (DKNG) buyers of 1500 Dec. 11th (W) \$50 calls from \$2.00 to \$2.55, small flag forming

TripAdvisor (TRIP) opening sale 5000 December \$26 puts \$1.05 to \$1

The Gap (GPS) buyer of 3750 December \$22.50 calls for \$1.24, adjusting lower the \$25 calls into weakness that close 7500X

Melco (MLCO) with 5,275 December \$17 puts sold to open today \$0.30/\$0.25

Six Flags (SIX) buyer of 450 June \$25 calls for \$9.60 today, re-opening play that has rallied lately. **SIX** now also with 1,500 December \$30 puts sold to open for \$0.80. **SIX** 2000 Dec \$32.5 straddles sold to open here

Ulta Beauty (ULTA) spreads are selling the Dec. 4th (W) \$252.50 puts 875X to buy the \$280/\$305 call spread for a net \$4.45, earnings on 12-3

Nordstrom (JWN) next week calls active earlier and now 10,000 April \$30 bought \$4.75 as \$22.5 adjust

Zynga (ZNGA) with 10,000 Dec. 31st (W) \$8 straddles sold to open

Bally's (BALY) big jump last week on their deal with Sinclair and today 500 January \$50/\$45 strangles sold for \$5.75

Macy's (M) December \$12/\$10 bull risk reversals active 10,000X

AMC Entertainment (AMC) buyer 4000 Dec. 31st (W) \$3 calls \$1.64

Consumer Goods

CostCo (COST) earnings 12-10 but seeing 3000 Dec. 4th (W) \$395 OTM calls hot this morning with buyers as shares break out. **COST** has November sales data on 12/2, likely catalyst ahead of earnings

AB In Bev (BUD) with 660 June \$75 calls bought today \$3.75 to \$3.80 into the lows

National Beverage (FIZZ) nice bull flag and declared a special dividend last night, IV rising here with 1500 Dec. \$100 calls bought up to \$4.60

LoveSac (LOVE) buyer 500 December \$30/\$35 call spreads for \$2, reports in December

Constellation Brands (STZ) with 1,750 Jan 8th 2021 (W) \$205/\$185 bull risk reversals bought for \$6.15 ahead of 1-7 earnings, higher five of the last seven

Wal-Mart (WMT) buyers of 4000 February \$170 calls \$1.55 offer

Energy

CleanSpark (CLSK) a name I profiled a few weeks ago as a MicroGrid play unusual 1750 March \$12.50 calls with buyers \$2.85

First Solar (FSLR) buyer 1000 December \$94 calls \$3.50 offer

Diamondback Energy (FANG) with 1500 March \$40 puts being sold to open \$4.075, name that has seen 5500 March \$40 calls bought and 3000 of the \$50 calls bought

Daqo New Energy (DQ) with 700 January \$54/\$33 bull risk reversals bought for \$0.25, nice bull flag forming in the name

EOG Resources (EOG) sellers of 1,000 April \$65 calls from \$3.05 to \$2.85

Philips 66 (PSX) buys of 600 May \$60 puts \$5.50 offer

Exxon (XOM) with 5000 February \$42.50 puts bought \$4.10 to \$4.20

Financials

First Horizon (FHN) with 1000 May \$12 puts bought \$1.25

LendingTree (TREE) buyer 350 December \$280/\$300 call spreads

Simon Property (SPG) with 4,000 December \$75 calls closing today from buyers of 11/11 and adjusting to the January \$90/\$110 call spread that opens for \$4.04

JP Morgan (JPM) with 1675 March \$110 puts sold to open for \$4.10 to \$3.85 in a stock replacement

Healthcare

Exelixis (EXEL) with 1000 May \$14 puts sold \$0.74 and 500 of the \$25 calls bought at \$0.96 to \$1.05

BioHaven (BHAVN) aggressive buys 900 December \$110 OTM calls \$2.75 offer

Moderna (MRNA) with 2,000 April \$90 puts bought for \$12.90, spread with the \$70 puts sold at \$6.00. **MRNA** also buyer 2500 January \$105 calls \$11.80

Vertex (VRTX) opening sales of 450 December \$210 puts for \$3.60, size insider buying into the recent gap down as well

WW (WW) with 2,000 January \$32.50/\$27.50 strangles bought today for \$3.70

Medtronic (MDT) with 4500 February \$125 calls bought as the Dec. \$120 adjust

Global Blood (GBT) with 1,000 January \$45 puts sold to open for \$4.10 in a stock replacement

Telemed (TDOC) with 1350 April \$175 puts from \$19 down to \$18.50, shares trying to find support around the 200-day MA with the recent pullback

Pfizer (PFE) with 1860 Jan. 2023 \$33 calls opening for \$1.2M

Mirati Therapeutics (MRTX) bullish spread today buys 500 January \$240 calls for \$13.41 and sells the December \$210 puts for \$4.68 to open, tight flag forming above its 21-MA and under new highs, name that has shown relative strength

Amedisys (AMED) with 500 November 2021 \$180 puts bought for \$12 with stock, high-quality play on home healthcare and hospice

Walgreens (WBA) more bull flows today with the Dec. 24th (W) \$40 calls bought 2,000X up to \$0.88

Herbalife (HLF) with 2,500 May \$35 puts sold to open today from \$1.30 to \$1.20

Cardiff (CRDF) strong Biotech name the past few months seeing unusual 1800 May \$10 OTM puts bought for \$2.20

Sorrento (SRNE) with 2800 June \$4 calls sold to open today \$3.70 to \$3.80

Quidel (QDEL) buyers of the January \$270 calls over 700X for \$1.95 to \$2.30 today, weak with the vaccine news lately but testing going to remain in high-demand in 2021

Horizon Therapeutics (HZNP) with the February \$75/\$90 call spread bought 2,500X5,000 for \$0.80 net debit, high-quality biotech which still has 4,000 February \$80 calls in OI

AbbVie (ABBV) stock replacement sells 3,000 January \$97.50 puts for \$2.01

Arrowhead (ARWR) with 1000 January \$65 calls sold to open for \$2.70

Becton Dickinson (BDX) with 300 January 2023 \$230 puts sold to open \$38, recent laggard, and March \$240/\$250 call spreads bought earlier today

Industrials

Delta (DAL) buyer 1000 Dec. 31st (W) \$41 calls for \$2.30

Adient (ADNT) buyers of 580 July \$35/\$45 call spreads for \$2.57, relative strength leader in the auto parts space lately. **ADNT** call spreads up to 2500X

Team (TISI) buyer of 500 June \$12.50/\$17.50 call spreads today, starting to see some large March calls adjust out and up. **TISI** June call spreads to 3000X as more March calls roll

American Air (AAL) with 8000 December \$14.50 puts sold to open down to \$0.78 in stock replacements

Li Auto (LI) opening sellers 4000 next week \$38 puts \$2.40

General Electric (GE) with 3000 June \$10 puts sold to open \$1.19

Spirit Aero (SPR) a key Aerospace supplier with 1300 January 2023 \$32 puts sold to open for \$10.50

Boeing (BA) strong move off morning lows seeing 4500 Dec. 31st (W) \$220 calls bought \$10.50 to \$11.60

Aecom (ACM) with 1,500 January \$55/\$60 call spreads bought for \$1.25

Lockheed (LMT) with 300 March \$340 puts sold to open for \$8.50

General Motors (GM) buyer 8000 January \$46 calls \$2.70, adjusts Dec \$43

Hawaiian Air (HA) buyers of the January \$18 ITM calls for \$4.10, expected to see flights ramp up into year-end and early 2021

AerCap (AER) with 3,000 February \$60 calls sold to open down to \$0.47, adjusting some Dec. short calls from earlier this week

United (UAL) the December \$46 calls being bought 3,000X as the \$42 calls roll up in strikes

Lennar (LEN) buyer 2500 Dec. 24th (W) \$76.50 calls \$3.70, adjusts January \$75

Stratasys (SSYS) two days of strength after a VW contract and seeing 3000 March \$17.5/\$22.5 call spreads bought this afternoon.
SSYS March \$15 puts sold to open 1500X with those spreads

Materials

Commercial Metals (CMC) buyer 1500 December \$22 calls \$0.45, unusual for the name

Agnico (AEM) with 1,000 May \$60 puts being sold to open today for \$5.28 into weakness

Summit Materials (SUM) block of 1000 January 2022 \$22.50 calls sold to open \$3.32

Nucor (NUE) buyer of 1000 April \$52.50 puts for \$3.50 with stock

Lyondell (LYB) buyer 1500 January \$100 calls \$1.35

Tech and Telecom

Advanced Micro (AMD) January \$100 calls hot trading 12,500X with 27,459 as shares clear a key range

NVIDIA (NVDA) buyers 2000 February \$590 calls \$20.35 to \$20.75

Fortinet (FTNT) with 1000 December \$125 calls sold for \$2.55 in a buy-write

Pinduoduo (PDD) buy-write sells 1000 April \$200 calls \$7.50. **PDD** 700 January \$125 puts sold to open at \$7

Cisco (CSCO) the March \$48 calls sold to open 5,157X for \$0.60

Etsy (ETSY) with 3,000 January 2023 \$115 puts sold to open today for \$25.50, working out of a bull wedge this week with recent highs up around \$155 and likely sees sales jump over the Holidays from the new customer adds earlier this year brought on the platform

Snap (SNAP) buyers of 4,950 June \$55 calls for \$4.70 to \$4.85 to open, shares looking to clear a multi-week range going back to earnings in late October

Adobe (ADBE) with the December \$395 puts being sold to open today down to \$2.03, over 1000X

Aspen Tech (AZPN) earlier range breakout trigger also seeing unusual action today with 600 December \$130 calls opening as \$125 adjust

PagerDuty (PD) with 300 May \$30 calls opening as December \$30 adjust

Skyworks (SWKS) with 1200 next week \$136 puts bought \$2.50 to \$3.10

Weibo (WB) buyer 1000 December \$47.50 calls \$1.05

Revolve (RVLV) breaking out and buyer 1300 December \$22 calls \$1.60 also sells the \$19 puts

DocuSign (DOCU) with 425 January 2022 \$180 puts being sold to open for \$25.80 in stock replacements today

Coupa Software (COUP) with 1,500 March \$350 calls sold to open today from \$31.50 to \$29.90

Appian (APPN) with 700 January \$120 puts bought for \$7.10 with stock

Magnite (MGNI) with 2,500 March \$22.50 calls bought today for \$2.50 to \$2.85. **MGNI** also with 2,000 March \$25 calls being bought today between \$2.65 and \$2.50

Dropbox (DBX) with 1700 July \$16 puts sold to open today for \$1.23

Atlassian (TEAM) opening sale 300 January 2022 \$180 puts for \$23

Z-Scaler (ZS) buy-write sells 500 January 2022 \$170 calls for \$23

Broadcom (AVGO) with 550 March \$410 calls sold to open today near \$20.50

J-Frog (FROG) triggering base breakout at same time as December \$70 and \$75 calls heat up 2500X and 1300X

Dynatrace (DT) buyer of 3,000 January \$35 puts for \$1.75, tied to stock

Palantir (PLTR) January 2022 \$40 calls opening 7750X today as November \$30 short calls extend a possible buy-write

TI (TXN) session lows and 2,500 June \$145 puts being bought for \$9.05 with long stock

Yelp (YELP) with 700 May \$40 calls being bought for \$2.90 to \$3.10

BlackBerry (BB) quietly been on a run the last two weeks out of a long range, June \$8 calls bought 2900X today \$0.41/\$0.42

Qualcomm (QCOM) with 500 January 2023 \$160/\$110 bull risk reversals opening at \$8 debit

Commscope (COMM) with 4000 December \$12 calls opening for \$0.80 as the \$11 calls adjust higher from 11/13 buys

Utility

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Not Investment Advice or Recommendation

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