



MARKET RECAP 11/26/2021

Sector Leaders

Bonds

REITS

Internet

Stock Gainers

GLBE 13%

PSTG 12.5%

HPQ 10.45%

MTTR 9.5%

MQ 9.5%

W 8.4%

Volatility Gainers

- KURA
- UA
- AVXL
- DWAC
- BBIO
- S

High Call Volume

- NRG
- HTZ
- IHRT
- TASK
- WPC
- ACI

Bullish Options

- X
- JD
- KR
- LYFT
- WYNN
- LNC
- VST
- BKNG
- IRNT
- PFE
- AFRM
- GE

Market Review: Stocks finished the week with a volatility shock as investors fled to safe-haven assets with the uncertainty surrounding a new COVID variant emerging, Nu. The pandemic playbook was back in play with stay at home names the only thing rallying while Macro-sensitive and travel related names were hit hard. Bonds rallied sharply on the safe-haven trade and put the recent yield rise to bed. Breadth was extremely weak in the opening hour as we took out key support levels and the VIX rose 50%. The selling subsided a bit around the 4600 level with the 34-day moving average also coming into play but plenty of ugly weekly candles and the NYSE sell signal from last week remains in place as a time of caution until we see healthier price-action.

S&P Chart:



Resistance	Support
4720	4600
4880	4550
5000	4500

Options Action Trends: We saw some small call buyers come into Casino names into early weakness with **WYNN, MGM**. The big Banks **MS, GS** each saw large January opening put sales into weakness. Some beaten up Energy plays like **DVN, OXY** saw bullish activity as well.

What's On Tap: Looking ahead to next week Monday kicks off with Fed speakers and Housing Data, Chicago PMI on Tuesday, ISM Manufacturing on Wednesday, and Friday the main catalyst of the week with November PMIs, Factory Orders, ISM Services and the Jobs Report. The earnings schedule slows but a few notable Tech reports will include **CRM, SNOW, MRVL, CRWD, SNPS, DOCU, ZS, VEEV, OKTA, NTAP, PLK, ASAN, ESTC, SMAR, AMBA**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Materials

Retail

Transports

Stock Losers

JWN -29%

GPS -23%

PLAN -20%

ADSK -17.7%

DUOL -11%

DDS -8.3%

Volatility Losers

- AUPH
- PSTG
- RIVN
- BBBY
- PHG
- FUTU

High Put Volume

- AMJ
- DUOL
- TDUP
- LQD
- NCR
- SKIN

Bearish Options

- BUD
- JPM
- EB
- JETS
- BA
- QCOM
- AFRM
- AMAT
- SYK
- VNO
- ERIC
- ITW



FEATURED OPTIONS RADAR REPORT



Call Buyers See Strong Environment Persisting in 2022 for Fertilizer Leader

Ticker/Price: MOS (\$36.35)

Mosaic (MOS) on 11/23 with 5000 January 2023 \$50 calls bought to open for \$1.4M and follows a trade on 11/12 that bought 50,000 March \$50/\$60 call spreads to open. MOS is a name with a lot of open interest and overall skews bullish with these two recent trades most notable. MOS shares have pulled back nearly 20% off October highs and putting in a base right above VWAP off the July lows while the 200-day moving average is below at \$33.87. MOS needs to get back over \$38 and clear room or a move to \$41 or higher. MOS is the world's leading producer and marketer of concentrated phosphate and potash crop nutrients. MOS is also the leading fertilizer production and distribution company in Brazil following its 2018 deal for Vale Fertilizantes S.A. Phosphates is 36% of sales but the low margin business at 12% while Potash at 23% of sales has 44% margins and Fertilizantes at 40% of sales has 39% margins. MOS on its last earnings call expects strength continuing through 2022 with grain stocks remain limited and global corn and soybean demand is elevated, driven in part by surging Chinese demand and rising global biofuel demand. For Potash, MOS expects supply could potentially catch up with demand, as a small surplus is expected in the back-end of 2022. MOS currently has a market cap of \$14.15B and trades 6X Earnings, 4.5X EBITDA and 24X FCF with revenues seen rising 42% in 2021 and 12% in 2022 with EBITDA increasing 132.5% and 17.9% respectively. Analysts have an average target of \$43.50 with short interest at 2% of the float. Citi cut shares to Neutral with a \$46 target on 11/1 concerned that cyclical stocks peak 6-12 months ahead of peak earnings and sees this as the case with MOS. Mizuho started at Buy with a \$55 target in October seeing elevated pricing a positive for multiple years to come.

Hawk Vision:



Hawk's Perspective: MOS needs to confirm this base with a close back above \$38 but see value at these levels and think a lot of the peak concerns are jumping the gun in many names.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Size Call Buy in Best-in-Class Software Name as 21-Week EMA Support Hit

Ticker/Price: TEAM (\$393)

Atlassian (TEAM) with a large trade this week that opened 2275 March \$460 calls for over \$10M in an adjustment and still has 9500 December \$280 calls bought for \$57M on 7/30 in open interest. TEAM shares sold off this week with growth stocks and touched lower YTD value support that lines up with some support from September as well as the ever-important rising 21-week moving average. TEAM has been on a parabolic trend move since the breakout in June and the recent low is also a 38.2% Fibonacci of the move since March lows. TEAM expects to become a \$5B+ revenue company with 100M cloud monthly active and they have wide reach into collaboration, coding, workflow management and more and their software transition remains in the early innings with plenty of room for growth, just 58% of all revenue in FY20. Longer-term, TEAM should continue to be a big winner as DevOps becomes the big focus for enterprise digital transformations. TEAM is coming off a 53% growth quarter for its cloud platform and has some of the best unit economics in the entire Software industry. In Q1, Atlassian added 11,746 customers, up 74% Y/Y, growing the customer base 30% YoY to 216,500. 99% of these new customers are starting the Cloud. Management framed the opportunity at its Investor Day a year ago, from a dollar perspective, management estimates a \$24 billion overall TAM, \$13 billion derived from technical teams (where they see the opportunity to more than triple the paid user base with the current product set) and \$11 billion from non-technical teams (with the opportunity to be much bigger as the broader 1.1 billion in global information workers is penetrated). TEAM currently has a \$101B market cap and trades rich at 38X EV/Sales with revenues seen rising at a 25% CAGR the next three years. Analysts have an average target of \$500 and short interest is low at 1.5% of the float. MSCO raised its target to \$505 after the quarter seeing valuation justified by the strong momentum with durable 30%+ FCF growth. RBC raised its target to \$515 seeing current Street estimates overly conservative. Baird raised its target to \$520 seeing datacenter customers migrate to cloud at a faster pace and top of the funnel, expanding workflow opportunity, and the powerful Atlassian partner network and platform are seen as key drivers.

Hawk Vision:



Hawk's Perspective: TEAM has a nasty daily chart but the weekly remains intact and the 21-week should provide a key level to get long against in one of the strongest Software names in the market.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Bonds (TLT) buyer 50,000 Dec. \$150/\$155 call spreads \$1.38

Global Jets (JETS) buyer 5000 January 2023 \$20 calls \$3.40 into morning lows, and we also saw some bullish AAL, DAL action at the same time

Consumer Goods

Kroger (KR) early buyers 5000 Dec. 3rd (W) \$44 calls as it breaks out of value and grocers were pandemic winners

Tesla (TSLA) with 5650 January 2023 \$1125 calls and 9500 of the \$1150 calls opening for over \$410M this morning as Sep. 2022 \$1025 and \$1050 calls adjust

G-III Apparel (GIII) to report on 12-1 and 1100 Dec. \$30 calls bought \$2.40 into early weakness

Take Two (TTWO) strong name today and 400 March \$165/\$190 call spreads bought for \$10.75

Big Lots (BIG) with 500 January \$42.50 calls bought \$4.40 to \$5 into early weakness and ahead of 12-3 earnings

Kraft Heinz (KHC) buyer 15,000 Dec. 10th (W) \$35 calls spread versus 20,000 of the \$37 calls as Dec. 3rd (W) \$36 calls adjust 20K

Consumer/Business Services

Lyft (LYFT) aggressive bull flow into gap down with 4000 Dec. 10th (W) \$42 calls bought \$1.77 offer

Wynn (WYNN) buyer 450 Dec. \$83 ITM calls \$5.15 to \$5.35 into early weakness

MGM sweep buyer 1200 Dec. \$42 calls at \$1.14 offer

DraftKings (DKNG) with 6000 April \$25 puts sold to open \$1.40 to \$1.34

Booking (BKNG) buyer 1000 Dec. 23rd (W) \$2200/\$2300 call spreads as next week 2300/2400 spreads adjust

Lowe's (LOW) buyer of 1000 December \$252.50 calls into weakness up to \$5.86

Live Nation (LYV) working well off lows with 2000 March \$100 calls bought \$12.19 as the \$120 calls adjust into weakness

Norwegian Cruise (NCLH) into weakness with 10,000 January 2023 \$20/\$30 call spreads bought as January 2022 versions adjust out a year

The Gap (GPS) with 4000 June \$16 puts sold to open \$2.20 to \$2.15 into weakness continuing from earnings last week

Etsy (ETSY) opening sale 300 January 2024 \$300 calls for \$76.50

American Eagle (AEO) with 740 Jan. 2023 \$28 calls bought into morning weakness for \$4.65

Royal Caribbean (RCL) with 7000 March \$80/\$100 call spreads bought as February spreads adjust

Xerox (XRX) with 3500 Dec. 2022 \$20 puts being sold to open into lows near \$3.65

eBay (EBAY) buy-write sold 5000 January \$75 calls \$2.67

Energy

Devon Energy (DVN) into weakness with 3750 January \$44/\$35 bull risk reversals opening at \$0.33 debit

Apollo (APO) spread sells 2500 June \$65/\$60 put spreads for \$1.30 credit to buy 2500 June \$75 calls at \$5.60

Occidental Petro (OXY) with 1500 June \$26 puts sold to open for \$3.55

Energy Transfer (ET) with 3000 July \$9 calls bought near \$1 as shares pop off lows

Financials

Lincoln National (LNC) unusual 1025 deep ITM December \$50 calls bought \$16 to \$16.30 into early 7% drop

JP Morgan (JPM) buyer of 1000 April \$145 puts \$5.60 to \$5.80

Affirm (AFRM) holding strong with 3500 Dec. \$135 calls being bought this morning \$9.40 up to \$12

Goldman Sachs (GS) with 5000 January \$350 puts sold to open for \$7.30

Morgan Stanley (MS) with 10,000 January \$85 puts sold to open \$1.41

Kimco (KIM) with 6500 January \$22.50 puts sold to open \$0.85 to \$0.80

Capital One (COF) buyer of 600 March \$129.40 puts for \$5

CoStar Group (CSGP) buyer 3500 December \$77/\$71 put spreads that closes the 1500 Dec. \$80 puts recently bought

SoFi (SOFI) with 1400 July \$17.50 short puts opening \$4.05 bid

Bank America (BAC) large opening buy of 2400 September \$38 ITM calls for \$8.90

Schwab (SCHW) with 2275 June \$95 calls being bought \$2.12

Healthcare

Pfizer (PFE) buyers of 2950 September 2022 \$65 OTM calls at \$2.47 offer this morning

EcoLab (ECL) unusual buying of 1200 December \$230 calls in the \$4 to \$4.50 range, a hygiene play

Stryker (SYK) with 1900 December \$250 puts opening for \$1.8M as the \$260 puts adjust down again, name that could be impacted by less surgeries if pandemic worsens

Thermo Fisher (TMO) with 800 January \$690 calls sold into strength \$12 down to \$11.20

BeyondSpring (BYSI) shares up 10% and unusual 1000 April \$20 calls bought \$4.50 to \$4.70 this morning

Catalent (CTLT) with 7500 Dec. \$135/\$145 call spreads bought as the 5000 call spreads bought earlier this week adjust up a strike

Industrials

Boeing (BA) buyer 1200 March \$230/\$260 call spreads for \$4.18. **Boeing (BA)** block of 2400 January 2023 \$195 puts bought \$33.

BA also seeing heavy put action in February with 2000 of the \$170 puts and 3250 of the \$150 puts

General Electric (GE) buyer 2000 January \$100/\$10 call spreads for \$2.35

United (UAL) with 5000 January 2023 \$40/\$50 call spreads bought into morning weakness

Eaton (ETN) a top Industrial with bull flow into weakness as 1125 January \$160 ITM calls are bought \$11 to \$11.50

Illinois Tool (ITW) with 325 March \$230 puts bought \$10.30 to \$10.80

Raytheon (RTX) with 550 May \$85 calls bought \$4.55 offer into weakness

ZTO Express (ZTO) buyer 500 July \$31 calls \$3.60 into early lows

Cognex (CGNX) rare options action into multi-month lows as 850 February \$75/\$85 call spreads are bought for \$5.20

American Air (AAL) with 8000 September 2022 \$15 puts being sold to open here down to \$1.90

Delta (DAL) buyer 10,000 March \$39 calls \$2.15 into day lows as the \$49 calls are sold against and may be adjusting

Spirit Air (SAVE) with 10,000 January 2023 \$20/\$30 call spreads bought as January 2022 adjust

Colfax (CFX) with 6500 January \$47.5 puts bought against 5000 Jan. \$42.5 puts and 2500 Jan. \$40 puts as Dec. \$50 adjust

United (UAL) with 10,000 March \$50 calls bought \$2.12, spread versus \$57.5 which may be adjusting similar to DAL

Materials

US Steel (X) with 1435 Dec. 3rd (W) \$22 calls bought \$2.05 into early declines

Tech

EventBrite (EB) buyer 2000 Dec. \$15 puts \$0.55 to \$0.65 as a vulnerable name to new lockdowns

Pinduoduo (PDD) buyer 1000 February \$75 calls \$6.38 to \$6.60, appears some Jan. \$80 calls adjusting

Ironnet (IRNT) unusual buy of 2500 February \$12.50 calls for \$0.75 to open

Amazon (AMZN) with December 23rd W) \$3400/\$3460 call spreads opening 1500X as Nov. 26th (W) spreads adjust

Applied Materials (AMAT) morning buyers of 1125 April \$130 puts to open \$7.85 to \$8

Go-Daddy (GDDY) with 2000 December \$62.50 puts sold to open \$0.85 to \$0.70

Seagate (STX) with 800 January 2024 \$87.5 calls opening for more than \$2M as Jan. 2023 \$80 calls adjust

Sea (SE) trying to hold the 200-MA seeing 750 September 2022 \$320 calls bought to open near \$40

IBM June \$115/\$85 ratio put spreads opening 2000X4000

Apple (AAPL) put sellers getting active again with over 7000 each in Dec. 23rd (W) \$160 and \$155 strikes

Taiwan Semi (TSM) opening sale 1200 July \$105 puts at \$7.15 bid

Upland Software (UPLD) bull risk reversal buying 2500 of the September \$20 calls and selling 5000 of the \$15 puts as strikes adjust

Nvidia (NVDA) strategist putting on June 2023 \$420/\$540/\$580 unbalanced call fly's 1000X2000

Telecom/Utilities

Vistra (VST) with 10,000 January \$22 calls adjusting back to the \$21 strike

Disclaimer:

Not Investment Advice or Recommendation

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