



MARKET RECAP REPORT 11/30/2020

Sector Leaders

Software

Biotech

Semi's

Stock Gainers

CAS 65%

VERI 32%

GTHX 25%

MSTR 20%

MRNA 16%

NVAX 16%

Volatility Gainers

- QS
- CAAS
- KNDI
- VERI
- GME
- TRNE

High Call Volume

- CX
- AVYA
- BOX
- DBX
- NUAN
- GES

Bullish Options

- NET
- BOX
- SWKS
- QRVO
- GES
- ENPH
- FSLR
- NVAX
- ROST
- GPS
- DBX
- FDX

Market Review: Stocks were lower to start the week after a record November for global markets, though Tech showed plenty of strength early in the US session. Overseas we got further strong economic data from China and Japan as recoveries strengthen. Markets pulled back further in the morning with no major catalyst outside of month-end profit taking following the strong November and sentiment on a number of indications became a bit frothy last week and saw a lot of the parabolic movers from the past two weeks pull back 10% or more. Tech breadth held up the best with strength in Software, Semiconductors and Biotech while Energy, Banks, Housing, and Metals continued to trade in unison and were the weakest groups. The S&P held above its key 8-day moving average into the afternoon. We have a light schedule tomorrow with ISM Manufacturing and overall the market in a catalyst-void but could see start of month fund buyers.

S&P Chart:



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

Options Action Trends: In early action two Semi plays in RF saw January calls buying in size with **SWKS**, **QRVO**. Solar leaders **FSLR**, **ENPG** saw large bullish trades early. Opening put sellers continued in REITS like **PLD**, **DRE**, **ELS**. Bull covered risk reversals were active in **ROST**, **GPS**, **GES** in Retail. We saw large lots of December puts sell to open in names like **MTCH**, **GPN**, **FTCH**. Massive midday trades bought longer dated upside calls in **MA**, **V**.

What's On Tap: ISM Manufacturing. Fed's Powell, Evans, Brainard Speak.

Trade Tracker Portfolio Changes:

- 1) Closed ½ **WORK** Call Spreads \$6.30 (Opened \$2.20)

Sector Laggards

Energy

Banks

Housing

Stock Losers

NKLA -23%

KNDI -19%

APPN -17%

GP -12.8%

JMIA -12%

NOAH -11%

Volatility Losers

- CLVS
- OGI
- ACB
- CLCT
- APT
- APPN

High Put Volume

- ECPG
- GPN
- KNDI
- SRPT
- APPN
- SOHU

Bearish Options

- M
- MSTR
- GME
- PLUG
- T
- CNK
- MAC
- LGND
- TME
- NSC
- UNFI



FEATURED OPTIONS RADAR REPORT



Calls Accumulate in Glu Mobile into Strong 2021 Game Lineup

Ticker/Price: GLUU (\$9.95)

Analysis:

Glu Mobile (GLUU) traded 30X daily calls on 11/20 and on 11/27 traded 15X daily calls with nearly 7000 March \$10 calls bought on Friday at \$1.35 to \$1.45 and the December, January, and March \$9 strike calls have recently accumulated. GLUU broke out of a weekly base in early November and back near May and July highs, looking to clear this \$7/\$10.50 range that would target a move to \$14. GLUU is a leading maker of mobile games, an industry seeing consolidation, and mobile is expected to be the fastest growing segment of the gaming industry. Its three core products are seeing strong bookings growth with Design Home, Covert Fashion, and Tap Sports Baseball. It also has three new launches and three key games in development, Deer Hunter a key one it thinks has a lot of potential. GLUU is starting to realize the early stage benefits of scale and posted strong bookings with Design Home and Kim Kardashian: Hollywood last quarter. GLUU is also excited for the launch of Table & Taste seeing the food category as a larger addressable market than both the home décor and fashion categories. GLUU has a \$1.63B market cap and trades 18.5X Earnings, 3.2X Sales and 35.5X FCF with revenues seen rising 35% in 2020 and another 10% in 2021. GLUU carries no debt and has \$350M in cash with intent to do M&A. Analysts have an average target of \$11.50 with short interest at 11.6% of the float hitting a one-year high and rising 61% Q/Q. On 9/1 Goldman started shares Buy seeing bookings growth driven by new launches and contributions from tick-in acquisitions, noting though EBITDA margins lag peers, it sees room for expansion and benefits to come from operating leverage. UBS started shares Buy with a \$13 target back in June noting GLUU will benefit from multiple secular tailwinds with increased engagement and consumption shifts between platforms while the growing installed base and international expansion are opportunities. Hedge Fund ownership fell 17% in Q3 filings.

Hawk Vision:



Hawk's Perspective: GLUU has made a big run the last four weeks and though I see value in the name, not as much at this level and prefer the bigger name ATVI.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Spreads in Ross Stores as Off-Price Retail Gains Share

Ticker/Price: ROST (\$107)

Analysis:

Ross Stores (ROST) bullish spreads sell 2125 February \$95 puts to buy \$110/\$130 call spreads, net \$2.45 debits. ROST has not seen any other notable position while closest peer TJX has seen a lot of bullish activity. ROST shares jumped with the rest of the Retail complex on the vaccine news and consolidating since that time, pulling back to start this week with brick and mortar retailers seeing less traffic as COVID cases continue to surge and restrictions being put in place. Shares are flagging and above \$115 should target a run to \$125. The \$39.5B off-price retailer trades 24X Earnings, 3.1X Sales and revenues seen rising 33% in 2022 after a 21.8% decline in 2021. Home Accents & Bed/Bath is the largest contributor of sales at 26% along with Ladies at 26% and Men's, Children, Shoes and Accessories smaller segments. It sees the potential for over 3000 stores longer term with opportunities in the Midwest one key strategic area. ROST fits the mold of a large player set to benefit from market share gains as smaller businesses face pressure and close. The off-price group is also positioned to gain share with consumers seeking value while margins are also rising with a favorably buying environment. Analysts have an average target of \$123 and short interest diving 27% Q/Q to just 0.9% of the float. MKM raised its target to \$124 on 11/20 with higher conviction on its recovery story. Loop raised its target to \$130 and suggested long-term investors buy the name. RBC also raised to \$130 seeing improving demand for consumers treasure hunt experience. Hedge Fund ownership fell 15% in Q3 filings, Vontobel and Coho Partners notable top holders.

Hawk Vision:



Hawk's Perspective: ROST and TJX both favorable names in brick and mortar that often offer opportunistic buying opportunities, we hit it big with TJX calls recently, but want to wait for some more clarity from COVID to be jumping back into Retail.

Confidence Ranking: \$\$

Market/ETFs

Gold (GLD) buyer 2275 March \$172 calls \$4.55

S&P (SPY) with 7000 Dec. 30th (W) \$370 calls opening into early weakness near \$3.13

Russell (IWM) with 17,000 January \$172 puts being bought \$4.35 offers, though coincided with morning lows and could be protective to stock buying

Semiconductor (SMH) buyer 10,000 May \$220 puts \$25.95, stock-tied

Biotech (XBI) block of 3000 January \$130 puts sold \$5.45 with the \$110 puts bought in a bull put spread while 3000 January \$145 calls bought \$1.22 as well

NASDAQ (QQQ) February \$290 puts 17,000X and \$270 puts 8000X active with buyers this morning, also a block of 10,000 March \$300 calls bought \$15.51 and have to confirm OI tomorrow

Russell Value (IWN) with 13,000 December \$115 puts bought \$1.20 to \$1.25 as 5500 of the \$130 calls close out too

Energy (XLE) buyer 4000 February \$37/\$42 call spreads

MSCI EAFE (EFA) with 24,000 January \$75 calls being sold to buy the February \$69 puts, likely protective

Software (IGV) with 7000 January 2023 \$430 calls sold to open \$17.10

Consumer & Business Discretionary/Services

Macy's (M) with 6000 January \$11 puts bought near \$1.53 in early trading

Guess (GES) spreads selling 5000 December \$14 put to buy the \$17/\$21 call spreads

Gap (GPS) similar spreads to Guess with 7500 January \$17 puts sold to buy \$22/\$27 call spreads

Global Payments (GPN) with 11,980 December \$170 puts sold to open, **Match (MTCH)** with 10,980 December \$120 puts sold to open, and **FarFetch (FTCH)** with 10,280 December \$45 puts sold to open

Trip.com (TCOM) with 7000 December \$34 calls bought \$1.66 to \$1.97 this morning into earnings 12-1, name already with some size bullish OI

Best Buy (BBY) pulling back since reporting strong numbers but concerns on the tough comps to come from pull-forward demand, today seeing a bullish position open as 1250 February \$90 puts are sold to buy \$110/\$135 call spreads

PVH Corp (PVH) set to report on 12-2, the December \$85 calls active 1,425X this morning in bull spreads versus the \$100 calls, shares testing the 8-MA today and rose last quarter on results, though lower the previous three

Comcast (CMCSA) with 35,000 June \$40 puts opening \$1.04 as the January \$50 puts adjust. **CMCSA** also with 7500 February \$60 calls bought today \$0.30 to \$0.33

Tencent Music (TME) with 9000 December \$16 puts opening \$0.30

SeaWorld (SEAS) buy-write sells 1250 October \$35 calls \$4.10

Carvana (CVNA) with 1000 Dec. 31st (W) \$205 puts being sold to open today near \$4.50

Activision (ATVI) strong on highs with 1900 December \$79 calls opening as the \$76.5 adjust up

Consumer Goods

Unilever (UL) with 400 February \$65 ITM puts sold to open \$5.10 to \$5

Tyson (TSN) with 1000 January 2023 \$50 puts sold to open for \$5 in early trade

Logitech (LOGI) December \$90 calls active with buyers today after **CRSR** raised its view

Sonos (SONO) late morning ramp with 9000 December \$20 calls hot

Energy

QuantumScape (QS) trading nearly 20,000 calls in the opening thirty minutes with December \$50, \$55, and \$60 active as well as January and February \$60 calls active, name with a 225% IV30. QS is a battery developer for EVs, aiming to commercialize its solid-state lithium metal batteries which it claims provide a greater range, a much faster charge time and are safer and more cost effective than conventional technologies used today. Production of the batteries is several years away with Volkswagen aiming to install them in vehicles by 2025. Company backed by Bill Gates, Volkswagen and former Tesla CTO serves on the Board.

First Solar (FSLR) opening seller 1000 February \$90 puts \$6.50, popular strategy in it lately. **FSLR** also 400 January 2022 \$105 calls bought \$14.80 to \$15 to open

Enphase (ENPH) bullish sweep buyer 1000 January \$160 calls \$8.50 offer

Plug Power (PLUG) buyer 1000 June 2021 \$23 puts \$5.15 offer

SunPower (SPWR) block of 6000 June \$23 puts opens \$5.95, stock-tied

Conoco (COP) with 1500 February \$36 puts sold to open down to \$1.75 today

Enterprise Products (EPD) with 3000 June \$19 calls sold to open today as Dec. \$17 short calls adjust

Plains (PAA) retracing recent strength a bit back to the 200-day MA and 3000 January 2023 \$7 calls open ITM \$2.85

Financials

Simon Property (SPG) with 1000 January 2022 \$115 calls sold to open for \$8. **SPG** also with 400 April \$85 puts sold to open \$12.10

CME Group (CME) seeing December \$175 calls active \$3 to \$3.30 with buyers this morning though mostly smaller lots, nearing a 200 day MA breakout

US Bancorp (USB) with 4000 March \$42.50 calls opening \$3.55 as the Jan. \$40 adjust

Duke Realty (DRE) with 2280 March \$35 puts sold to open for \$1.25/\$1.30 and follows put sales in other REITS today

Schwab (SCHW) block of 20,000 March \$34 puts sold to open for \$0.37

Aflac (AFL) with 2000 January 2023 \$35/\$60 call spreads opening for \$10

Popular (BPOP) with 1000 April \$50 calls opening near \$3.90 to \$4.20 with January \$45 adjusting

Visa (V) with 9000 September \$215 calls bought \$16.85 to \$17.80 and **MasterCard (MA)** with 7850 January 2022 \$350 calls bought \$36.60 to \$39.70 in massive midday trades for \$45M+

Wells Fargo (WFC) buyer 3000 February \$25 calls to open \$3.85

Correction Corp (CXW) with 2000 January 2022 \$8/\$5 bull risk reversals opening \$1.10 to \$1.20 into weakness

Park Hotels (PK) buyer 1250 September \$17.5/\$25 call spreads opening

Healthcare

Medtronic (MDT) with 1500 December \$116/\$110 bull risk reversals opening \$0.54

Novavax (NVAX) buyer 300 February \$130 calls \$28.50 to \$29. NVAX buyers also active for 550 Dec. 31st (W) \$140 calls at \$13

Ligand (LGND) with another 1000 May \$105 puts bought \$33.20

Amgen (AMGN) opening sale 250 January 2023 \$200 puts for \$28.74

Moderna (MRNA) shares up 16% and IV30 up 16% trading 100,000 calls in the opening hour, seeing some fresh action in January \$145, \$165, and \$170 calls as well as 1175 April \$160 calls, plenty of small lots but 500 \$165 calls bought \$14.15 to open,

Sarepta (SRPT) with 3000 January \$150/\$120 put spreads opening as February spreads adjust, also selling the \$180 calls to open in a likely collar

Regeneron (REGN) buyers in December \$550 calls today \$4 to \$4.40, one to watch for a reversal out of this base after recent weakness

Agios (AGIO) buyer 1100 December \$50 calls \$2.45 as 550 of the \$45 close

Kura Oncology (KURA) strong Biotech move in November and basing the past week with 500 January \$45 calls opening \$4 today in a stock replacement

Industrials

Fed-Ex (FDX) with 1500 Dec. 11th (W) \$285 calls bought \$5.60 to open. **FDX** 1000 Dec. 11th (W) \$190 calls sold to open \$4.11

Dycom (DY) opening sale 1000 January \$60 puts at \$3.40 into weakness

General Motors (GM) with 10,000 June \$55 calls sold today in buy-writes, also unusual 5000 OTM March \$65 calls bought today

Norfolk Southern (NSC) with 1500 December \$235/\$225 put spreads bought to open \$2.50

Raytheon (RTX) with 1250 Dec. \$67.50 calls opening as weekly adjust, \$600K position

Materials

CEMEX (CX) with 12,500 April \$5.50 calls opening \$0.35 as April \$4 adjust

Rio Tinto (RIO) buyers of 4000 December \$70 calls \$0.45 offer into weakness here

Alcoa (AA) tight flag and back to the 8-MA, seeing 1300 February \$20 calls open near \$2.15

Southern Copper (SCCO) with 1000 February \$60 calls opening up to \$4.10 today, a top Copper play with prices at 7 year high

Vale (VALE) opening sale 7000 June \$13 puts for \$1.22

Gold Fields (GFI) with 2000 April \$9 puts sold to open \$1.50 to \$1.45

MAG Silver (MAG) with 1700 Jan. 2022 \$12.50 calls opening \$5.13 as the \$15 adjust back

Sealed Air (SEE) large opening seller of 7450 July \$48/\$41 strangles for \$5.76

Tech and Telecom

Cloudflare (NET) with 5500 weekly \$85 calls hot early

Box (BOX) with 6000 December \$20 calls hot at \$0.70 into earnings tomorrow night, the collaboration software space seeing more attention with **WORK** premium

Qorvo (QRVO) with 1825 January \$150 calls bought \$10.15 to \$10.20 to open and **Skyworks (SWKS)** with 2,850 January \$140 calls seeing buyers active early, two RF plays

CrowdStrike (CRWD) with 1900 Dec. 4th (W) / Dec. 11th (W) \$175 call calendar spreads opening into 12-2 earnings

JD.com (JD) back to key support seeing 2300 Dec. 11th (W) \$80 calls opening as the \$85 look to be adjusting

IBM (IBM) with 1500 April \$125 calls being sold to open \$6.20 to \$6.60 range this morning

JD.com (JD) opening sale 1000 January 2022 \$90 puts for \$19

Dropbox (DBX) with 10,000 April \$23 calls opening \$1.15 after recent size April \$21 calls bought

AT&T (T) buyers nearly 4000 February \$27 puts \$0.67 to \$0.68, also December \$27 adjusting to Dec. 31st (W) \$27 puts for over 16,000X

IQIYI (IQ) back near its 200-day MA and seeing 4400 June 2021 \$22.50 calls open \$3.30 offer with January \$25 being sold

Taiwan Semi (TSM) with 3800 February \$100 calls bought \$5.40 today

Amazon (AMZN) with 2775 January \$3210 calls opening at \$36.5M today that look to be adjusting up from \$3200

Zen-Desk (ZEN) with 2900 January 2023 \$165 calls sold to open \$19.70 in a buy-write

Shopify (SHOP) highs up 5.75% and 500 April \$900 calls opened for \$245 earlier today, also 200 of the \$975 calls

Z-Scaler (ZS) with 400 Dec. 31st (W) \$147 calls opening for \$650K into earnings 12-2, adjusting Dec. 11th (W) \$145 calls

VMware (VMW) with 300 September 2021 \$160 calls bought \$8.50 to open

Utility

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