



MARKET RECAP REPORT 11/5/2020

Sector Leaders

Solar

Silver/Gold

Retail

Stock Gainers

UPWK 43%

REZI 35%

MDP 30.5%

WCC 18%

TTGT 17%

WK 17%

Volatility Gainers

- ACB
- TLRY
- CELH
- DDD
- NKLA
- LX

High Call Volume

- ANGI
- CRK
- EVER
- OUT
- XPER
- DBI

Bullish Options

- ZNGA
- AAPL
- RETA
- AYX
- CRK
- SBSW
- IAC
- XPER
- RUN
- COUP
- JPM

Market Review: Stocks once gain pushed sharply higher as key remaining state votes were counted and odds rose of Biden winning the Presidency. The US Dollar index broke to its lowest level since May of 2018. In morning data Jobless claims came in as expected while Productivity jumped strong and Labor Costs declined more than forecast. Breadth was strong throughout the morning session as markets ran to highs and back above all notable moving averages. Strength was led by Solar, Precious Metals, Retail, Semi's, Banks and overall broad-based, while Bonds were negative and Biotech & Energy lagged. The employment report is due out tomorrow and should also start to see some final vote tallies in remaining states while litigation likely drags through next week.

S&P Chart:



Resistance	Support
3,440	3,300
3,500	3,240
3,600	3,130

Options Action Trends: Action was fairly quiet on the day, not a lot of fresh positioning with such a big move this week already but also not really seeing any bearish bets, waiting on consolidation or playing event-driven names.

What's On Tap: Employment Report & Consumer Credit. Earnings from CVS, MAR, HSY, ZBH, VIAB, ELAN, VTR, LNG, DISH.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long WORK January 2022 \$30/\$40 Call Spreads \$2.20

Sector Laggards

Bonds

Biotech

Energy

Stock Losers

HBI -20%

TREE -16.5%

BLUE -16%

PING -16%

VAPO -14%

ELF -11%

Volatility Losers

- SIRI
- M
- ARTEA
- COMM
- FROG
- ENDP

High Put Volume

- MYL
- AXNX
- NLSN
- PKI
- QRTEA
- SLQT

Bearish Options

- LB
- IP
- ZM
- U
- DGX
- SPWR
- NVDA
- OHI
- LRN
- MCO
- SPGI
- MO



FEATURED OPTIONS RADAR REPORT



Stratasys Adjustments Target Long-Term Upside

Ticker/Price: SSYS (\$13.8)

Analysis:

Stratasys (SSYS) like many names this week seeing January 2022 call positions adjust to 2023 and today the \$15 calls opening 1500X, the \$17.50 calls 400X, and the \$20 calls 1000X. SSYS has seen some action recently with 2000 November \$17 calls bought, 3000 March \$17.50 calls bought, and January 2022 far OTM \$35 calls accumulated 13,770X. SSYS has been a laggard trending lower since July 2019 and recently a double bottom with the March lows. The \$745M company is a provider of 3D printing and additive manufacturing solutions. Stratasys provides tailored solutions for industries including aerospace, automotive, rail, healthcare, consumer products, and education. SSYS is trading 65X Earnings and 1.3X Sales with a debt-free balance sheet. 3D printing is penetrating further into manufacturing across every relevant business sector. Localization and the need for increased self-efficiency are both on the rise, among the many benefits that are creating a greater need for manufacturers to seek 3D printing solution. To quote Congressman Michael Burgess of Texas, "3D printing may account for up to 10% of U.S. manufacturing in the future." SSYS will report earnings on 11-12 and shares with a max-move lower each of the last five reports. Analysts have an average target of \$16.50 and short interest at 23.7% of the float rising 23% Q/Q to a new five-year high. Berenberg started shares Buy with an \$18 target in October noting 3D printing disrupting the traditional manufacturing industry. Hedge Fund ownership jumped 16% in Q2 filings.

Hawk Vision:



Hawk's Perspective: SSYS is intriguing with a nice reward/risk here versus recent support though that surging short interest a concern and **PRLB** my favorite way to play this theme.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Call Buying in Small Miner

Ticker/Price: SBSW (\$13.99)

Analysis:

Sibanye (SBSW) trader this morning buying 5,000 January \$15 calls for \$1.21, adjusting higher the \$12.50 calls from August and continuing to see further upside. SBSW had 2,500 April \$15/\$22.50 call spreads bought last week and short puts at the Jan. \$12.50 strike over 3000X seeing limited downside. Shares are pretty far extended today after a strong two week move but clearing new highs above \$13.75 and longer-term target out to \$17. The \$9.35B company trades 16.5X earnings and 1.45X sales with industry best FCF and a growing capital return policy. SBSW is South Africa's largest producer of gold, palladium, and platinum and benefitting over the last two years from better efficiencies, cost-measures, and realizations in the spot market. SBSW has been aggressively cutting debt and their move to list in the US last year has given them ample access to cheap capital which they expect to use aggressively on M&A. The company bought Montana palladium miner Lonmin in 2019 and it has since become one of their best assets. SBSW likely looks to the US again for deals in 2021 as South African miners increasingly look outside their borders for growth opportunities much like peer **Anglo (AU)** did in 2020. Analysts have an average target for shares of \$15, although limited coverage. RBC positive recently citing their positive growth profile. Short interest is 2.89%. Hedge fund ownership fell 17% in Q2, Exor Investments remains a top holder with 11.95M shares.

Hawk Vision:



Hawk's Perspective: SBSW is a smaller miner that looks to be a strong play though do want to wait for it to come in a bit before garnering real interest.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Tempur Pedic Bulls See Further Gains

Ticker/Price: TPX (\$96.80)

Analysis:

Tempur Sealy (TPX) strong setup and today seeing 1,000 December \$97.50 calls bought for \$4.20 to \$4.30 as some November calls adjust higher, follows buyers of 1,500 December \$90 calls on 10/29. Shares are breaking out of a narrow multi-week range today and room to \$110 in the near-term but lots of potential with shares clearing the February range.

The \$4.55B company trades 12.45X earnings, 1.3X sales, and 20X FCF with double-digit growth. TPX is coming off a strong quarter and pre-announced solid results in September when they also paid back their term loan and terminated a shareholder rights plan. The company is seeing higher volume sales of their high-margin Tempur brand while digital/e-commerce continues to grow well. TPX noted last week they see significant opportunity in 2021 to build on the pandemic-driven success this year as they leverage their omnichannel strategy and expand into new opportunities like becoming a supplier to the OEM market in the US. The latter could drive higher profitability as they create additional synergies from their plants which are back at full production. TPX also sees 2021 as a key time to expand into new ventures like private label and alternative retail partnerships. Analysts have an average target for shares of \$112.50 and a Street High \$135 from Piper last week. Loop Capital positive on 9/15 noting that they continue to see Covid diverting consumer dollars away from vacations and towards making homes more comfortable. Short interest is 2.7% and its lowest in four years. Hedge fund ownership rose 10% in Q2.

Hawk Vision:



Hawk's Perspective: TPX is an absolute favorite in the home goods space and continues to post impressive results, as does **SNBR**. It remains cheap and firing on all cylinders.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Semis (SMH) with 1000 December \$195 calls bought \$6.30 to open in a stock replacement, group sitting at 5-year highs

S&P (SPY) with 12,000 December 11th (W) \$360/\$370 call spreads bought to open today

Russell (IWM) buyers active in December \$156 puts today over 15,000X for \$6.5M. IWM also seller 5000 January 2023 \$125 puts for \$9.55. IWM also buyer 7000 Dec. \$157 puts \$4.02

High Yield (HYG) with 7500 March \$85 puts sold to open \$2.35 as December adjust

Treasury (TLT) buyers of 30,000 December \$152/\$144 put spreads

NASDAQ (QQQ) seeing a lot of activity today, the December 31st (W) \$300 calls and \$280 puts opening 15,000X with January adjusting likely stock collars. QQQ also with March \$325/\$265 bear risk reversals opening 5000X. The Dec. 31st (W) \$295 calls bought 3000X at \$12.08 to \$12.11 in stock replacement and 3000 Dec. \$293 puts being sold to open \$11.32. The Nov 27th (W) \$293 puts with 5000X opening for \$4M. The November \$277 puts with 15,000X sold to open. **QQQ** buyer 50,000 April \$265 puts \$12.15 tied to stock

Industrials (XLI) with 10,000 OTM March \$90 calls bought up to \$1.67

Russell Value (IWN) buyer 5000 December \$115 calls \$1.87 to \$1.95

Consumer & Business Discretionary/Services

L Brands (LB) with 1000 November \$33 puts bought \$1.90 into earnings on 11-18

Dave and Buster (PLAY) buyer 1000 Nov. \$19 calls \$1.10 offer

Zynga (ZNGA) down 9% on results seeing 27,000 January \$9 calls open as November \$8 adjust

Altice US (ATUS) with a block of 2,499 Jan. 2022 \$35 calls sold to open today for \$2.20, potentially overwriting stock

Capri (CPRI) with 2,000 November \$26 calls bought for \$0.90, adjusting some other Nov. positioning after earnings, shares up 7%

Activision (ATVI) with 1750 March \$75 puts sold to open this morning from \$4.15 to \$3.92 with shares up 2%, strong Holiday expected with the new consoles and further stay at home trends

Starbucks (SBUX) with 1,200 March \$87.50 puts bought for \$5.25, tied to stock

K-12 (LRN) buyers 1600 November \$25 puts up to \$1.40

Lululemon (LULU) with 1,200 November \$360 and \$365 calls being bought today, the former around \$4.85 and the latter up to \$3.50

Shake Shack (SHAK) with 500 December \$67.5/\$60 put spreads bought for \$1.95

Sci-Play (SCPL) opening sale 2000 ITM December \$15 puts for \$1.60

DraftKing (DKNG) with 3500 May \$50 calls sold \$7.20 in a buy-write

Papa Johns (PZZA) big gainer on earnings today and 1000 January \$85 calls sold to open for \$4.30, likely stock overwrite

FarFetch (FTCH) ahead of 11-12 earnings a buyer of 1000 November \$43 calls for \$1.53, luxury goods demand has been solid this quarter

Marriott (MAR) buyer 1000 November \$98 puts for \$2.85 into earnings, has a poor history after reporting, tends to trade down

Hibbett Sports (HIBB) with 1,285 November \$40 calls bought up to \$2.18, strong name in August/September that has pulled back

Stitch Fix (SFIX) with 300 January 2023 \$45 calls bought \$11.70 offer

Consumer Goods

Philip Morris (PM) with 1000 December \$67.50 puts sold to open for \$1.10

Altria (MO) buyers 3750 November \$38 puts \$0.90, moving to day lows

Boston Beer (SAM) buyer 200 December \$980 puts \$31.50

Cronos (CRON) with 4,200 April \$7 calls bought for \$1.05, some November positioning rolling and back above the 200-day and out of a base

Simply Good Food (SMPL) buyer 250 January 2023 \$15 calls \$8.50

Energy

Green Plains (GPRE) an ethanol name with 1000 December \$15/\$14 bull risk reversals opening for net credits

Sun Power (SPWR) into strength a buyer of 12,500 January \$20 puts up to \$4.30. **SPWR** also with 1600 Jan. \$17 puts bought \$2.41

ComStock (CRK) large buy 12,000 December \$5 calls for \$0.45/\$04.6 in stock replacement

Sun Run (RUN) with the December \$55 puts sold to open today for \$5.20, over 725X. **RUN** also with 3,300 January \$65 calls bought \$6.30 to \$6.90

Jinko-Solar (JKS) seeing 5000 December \$100 calls sold to open and the \$47 puts bought to open, may be collaring stock

Concho (CXO) with 3,000 December 11th (W) \$43/\$40 put spreads bought for \$1.39

Ballard Power (BLDP) with 500 December \$19 puts sold to open for \$3.30 today

Financials

Zillow Group (ZG) buyer 850 November \$95 puts for \$3.70. **Zillow (Z)** also with 1,850 December \$85 puts bought up to \$2.65. **Z** also now 10,000 weekly \$120/\$125 OTM call spreads bought

LexinFintech (LX) with 4,250 May \$10 calls bought from \$0.95 to \$1.05

Visa (V) buyer 500 Dec. 24th (W) \$200/\$210 call spreads

MasterCard (MA) with 1000 January 2023 \$250 calls opening for \$9.8M as the January 2022 adjust and January 2021 adjust

Entertainment Properties (EPR) buyer 1800 January \$22.50 puts for \$1.85

LiveOak Bancshares (LOB) with 500 June \$45 puts bought for \$9.60 into strength today

Innovative Industrial (IIPR) my favorite way to play Cannabis the last few years with 250 January 2022 \$170 calls opening \$23.30

Healthcare

Biogen (BIIB) with 950 March \$320 short puts opening as the \$300 short puts from 9/17 adjust

Reata (RETA) with 750 November \$145 calls bought \$12.50 as the December \$125 calls close 300X and adjust

Quest Diagnostics (DGX) with 500 January 2022 \$130 puts opening around \$19.50 as some February \$145 puts bought in late July adjust

GW Pharma (GWPH) with 400 Jan. 2022 \$130 puts sold to open for \$35.4, adjusting down the Jan. \$145 short puts from January

Omega Health (OHI) with 2,000 Jan. 2022 \$20 puts bought for \$1.80 today with shares below the declining 50- and 200-MA

Smile Direct (SDC) with 1000 January 2023 \$8/\$22 call spreads bought for \$2.90, pulled back to the 200-day and June/July VPOC and bouncing this week

PerkinElmer (PKI) with 1000 November \$130 puts bought today from \$1.05 to \$1.40 into strength

CIGNA (CI) buyer of 500 November \$215 calls for \$6.25 and spread versus a sale of the December \$230 calls for \$4.05

Biogen (BIIB) buyer 1000 Nov. 13th (W) \$365 calls \$7.80 to \$8.05

JP Morgan (JPM) buyer 3750 November \$104/\$112 call spreads for \$2.10

Arena Pharma (ARNA) with the December \$75/\$65 put spread bought 500X1,000 for \$1.25, likely protective given the strong run

ThermoFisher (TMO) with 1,100 Jan. \$560 calls sold to open for \$8, likely overwrite into strength

AbbVie (ABBV) with 500 ITM June 2022 \$100 puts sold to open today between \$20.90 and \$20.10

CIGNA (CI) with 400 January 2022 \$220 puts opening today near \$32

Agios Pharma (AGIO) with 1,000 May \$45 calls bought today \$7.00 to \$7.60, rounded base forming under the 200-day

Industrials

Manitowec (MTW) with 2,000 December \$10 calls opening for \$0.85 as the Dec. \$9 calls close 1000X and roll up into strength

Virgin Galactic (SPCE) with 600 ITM April \$21 puts sold to open for \$6.50, pulling back recently to the September breakout spot and basing

Lennar (LEN) with 850 May \$50 puts sold to open for \$1.65 today

Tesla (TSLA) with 1475 June 2022 \$620 OTM calls opening today for over \$13.5M

Arcimoto (FUV) IV climbing today with 1600 November \$5 calls bought up to \$1.50 to open into earnings 11-16, small-cap EV play

Aecom (ACM) buyer 5000 December \$52.50 calls for \$1.30 as Nov. \$50 adjust

Resideo (REZI) higher by 40% today and 1000 May \$12.50/\$25 call spreads bought this afternoon

Boeing (BA) with 1200 February \$155 calls opening \$17.35 in stock replacements.

Caterpillar (CAT) with 1950 January \$160 puts bought \$7.30 offer

Camping World (CWH) with 1000 Dec. \$25 calls bought \$6.20 to \$6.50

Materials

US Steel (X) morning buyer 1500 July \$9 calls \$2.25/\$2.30

CF Industries (CF) opening sale 3450 Dec. 4th (W) \$24 puts \$0.425

Albemarle (ALB) with 750 OTM June \$135 calls being bought today for \$3.80 to \$4 to open, breaking out of a wide range today and bright outlook for lithium in 2021

Alcoa (AA) with 2,200 April \$13 calls bought up to \$2.96, name that has drawn lot of bullish flow lately; AA also with 700 April \$14 calls bought \$2.25. **Alcoa (AA)** also 6500 January \$14 calls bought \$1.54

American Woodmark (AMWD) with 2300 December \$55 puts unusual opening far OTM for \$0.50

Nucor (NUE) opening seller 550 April \$45 ITM calls \$6.40

Tech and Telecom

Smith Micro (SMSI) with 2,000 Jan. 2022 \$5 calls bought for \$1.20, micro-cap software name that has lagged for much of 2020

Palantir (PLTR) working strong today out of a bull flag and IPO base with 3,000 December \$14 calls bought up to \$0.65

Splunk (SPLK) stock replacements open 200 May \$210 calls for \$2.685

Apple (AAPL) November \$123 calls hot this morning with 5000X being bought, ton of bull flow since the earnings move lower

Zoom (ZM) with 1000 February \$400 puts opening \$32-\$32.50 range

Unity (U) buyers 1200 November \$125 calls \$3.50+. **Unity (U)** seeing December \$110 puts bought to open 780X up past \$13.50

Broadcom (AVGO) opening sale 930 Dec. \$340 puts for \$6.20

Ping Identity (PING) down 15% on earnings today and 900 Jan. 2022 \$17.50 puts sold to open for \$3. **PING** also with 666 Jan. 2022 \$22.50 puts sold for \$5.40 to \$5.10

DocuSign (DOCU) opening sale 1000 December \$270 calls \$9.89 to \$9.75

Alteryx (AYX) buyers active 1200 January \$155 calls \$8.85 to \$9.40 into earnings looking to add to 2,982 in OI

NVIDIA (NVDA) rolling over with 1900 January \$515 puts being bought up to \$22.35, second day of size puts

Cloudflare (NET) with 450 February \$55 puts sold to open down to \$6.70

IAC Interactive (IAC) with 5,000 December \$140 calls bought \$5.30 to \$5.40 into earnings tonight

Uber (UBER) opening seller of 3,500 March \$35 puts for \$2.20, stock replacement into earnings tonight

Wayfair (W) with 750 May \$250 puts sold to open for \$31.60 in a stock replacement, a \$2.3M trade

Mercado-Libre (MELI) buyer 200 June 2021 \$1200 puts for \$106 into strength

Overstock (OSTK) stock and IV running up with 1200 next week \$65 calls bought up to \$3.60,

Coupa Software (COUP) big move today with the Walmart news and 1000 January 2022 \$200 puts being sold to open for \$20. **COUP** with 550 March \$520 calls bought today as well for \$1.90 to \$2.25, max strike

Xperi (XPER) seeing 2000 March \$15 calls bought into 11-9 earnings, name with already notable OI in March \$15 and \$16 calls

DropBox (DBX) buyers of 3000 weekly \$20 calls here into earnings tonight

Roku (ROKU) seeing 650 November \$212.50 puts sold to open near \$11 into earnings. **ROKU** also seeing 1200 OTM November \$242.50 calls open into earnings near \$5.90

Micron (MU) strong with 5850 December \$57.50 calls bought \$1.55

Facebook (FB) with 1600 Jan. 2023 \$340/\$420 call spreads bought today

Advanced Micro (AMD) with 1700 Jan. 2023 \$70 puts sold to open for \$16 today

JD.com (JD) buyer 1000 June 2021 \$87.50 puts for \$11.15

Palo Alto (PANW) buyer 350 March \$250 puts \$24.70 as Jan. \$220 adjust

Sea Ltd (SE) with 500 OTM February \$260 calls bought for \$3.75 today as the Jan. \$175 calls adjust higher

Marvell (MRVL) with 5,500 February \$49 calls sold to buy the \$34 puts for a small \$0.20 debit, likely collaring stock

Amazon (AMZN) this morning a trade sold 300 Dec. 4th (W) \$3310 puts to open down to \$135.10 for around \$4M premium

Google (GOOG) buyer 500 February \$1900 calls for \$3.3M as January \$1900 adjusted

SVMK (SVMK) higher 1.2% after reporting and 300 June \$22.50 calls being bought \$3.30 to \$3.40, nice long consolidation

Snap (SNAP) buyers of 3750 Dec. \$40 calls today \$4.10 to \$4.20, will confirm OI tomorrow

Go-Daddy (GDDY) afternoon buyer of 1,000 November \$70 calls for \$7, coiled range above its 200-day

Yelp (YELP) with 5000 next week \$22.50 calls opening \$1.25 as this week calls adjust, earnings tonight

Shopify (SHOP) early today with 700 February \$1000 puts sold to open \$103.30 to \$101.20 raising \$7M in premium

Okta (OKTA) with 2000 Dec. \$270 calls bought up to \$4.16, earnings 12-2, and also seeing sales of the \$180 puts 4000X

Utility

Saneamento (SBS) unusual 1000 April \$7.50 calls bought \$1.60 offer this morning

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Not Investment Advice or Recommendation

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