



MARKET RECAP REPORT 12/1/2020

Sector Leaders

Gold/Silver

Metals

Banks

Stock Gainers

BB 55%

ARLO 27%

ALT 16%

NXTC 16%

AMBC 14%

PACB 13.5%

Volatility Gainers

- BB
- ARLO
- CRON
- MRNA
- CELH
- PFE

High Call Volume

- ARLO
- CX
- TSEM
- BB
- SNE
- AMBC

Bullish Options

- CL
- GOGO
- VALE
- TSLA
- MRNA
- WMT
- AA
- FIVE
- NET
- BR
- APO
- MCD

Market Review: Stocks kicked off December strong with optimism on the strong recovery in Asia and vaccine development progress outweighing a slowdown in Europe and continual surge in COVID-19 cases in the US while Brexit in the Eurozone and Fiscal Stimulus in the US also on the front on investors' minds. US November PMI came in-line with the consensus. The US Dollar Index moved to a 2.5 year low. Breadth was strong through the morning though a climbing VIX showed some red flags into the new highs. It was a flip of recent days with strength led by Metals, Energy and Banks while Software pulled back after the Zoom earnings reaction, Solar dipped and Bonds/Housing remained weak. Fiscal Stimulus talks are back with a new relief deal now seen early 2021. The Fed will be in focus tomorrow with the Beige Book and then Services PMIs around the global Thursday.

S&P Chart:



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

Options Action Trends: Bullish flows seen in Metal names like **AA, CX, FCX, VALE** as the USD hit a 2.5 year low. I also noticed large opening put sales in Gold Miners like **AU, NEM, GOLD**. Large opening put sales longer-dated in Tech growth leaders **NET, TWLO, MDB** showed confidence in the momentum continuing.

What's On Tap: MBA Mortgage Applications, ISM NY, EIA Data, Beige Book and Fed Speakers. Earnings from **SNOW, SNPS, CRWD, SPLK, OKTA, ESTC, ZS, FIVE, PVH, SMTC, DSGX**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **HD** January \$280 Calls at \$7.50

Sector Laggards

Bonds

Software

Housing

Stock Losers

NKLA -16%

QS -14%

ZM -13.75%

BLNK -12%

RMG -10%

ARRY -10%

Volatility Losers

- RMG
- GME
- QS
- PLTR
- ZM
- APPN

High Put Volume

- ELAN
- AR
- CCK
- APO
- XRAY
- FOUR

Bearish Options

- SOHU
- LYFT
- PLUG
- LPSN
- LEN
- AR
- RL
- AGNC
- U
- XOM
- RF
- ELAN



FEATURED OPTIONS RADAR REPORT



First Solar Bulls Sell Puts Seeing Value in Any Dips

Ticker/Price: FSLR (\$93.30)

Analysis:

First Solar (FSLR) bullish positioning active since late October when there were massive opening sales in January 2021 and January 2023 puts at strikes from \$72.50 up to \$85 and in the past week seen February \$90 and \$85 puts each sold to open 1000X, while 1000 February \$115 calls were bought, 400 January 2022 \$105 calls bought, 4000 December \$92.50 calls bought, and 500 June 2021 \$90 calls bought. FSLR recently cleared a ten-year high and out of a long range that targets a move to \$120 or higher, shares consolidating under new highs recently with a more near-term measured move objective to \$110. The \$9.8B Solar leader trades 26X Earnings, 2.8X Sales and 66X FCF with revenues seen recovering 6.6% in 2021 after a 7.6% decline in 2020 though EBITDA rose 41% in 2020 and seen rising another 19.5% in 2021. FSLR last quarter saw strength in International project sales and module sales to third parties while it continues to see expanding margins. FSLR sees future growth driven by PV capacity set to double over the next five years and its Series 6 technology is a key differentiator and has 12 GW contracted backlog through 2023. Analysts have an average target of \$85 and short interest at 9.2% of the float elevated but trending lower and down 25% Q/Q.

Raymond James cut shares to Underperform on 11/10 with concerns on Biden removing Trump-era tariffs that make imported modules more expensive, and if Section 201 is gone the thin film exemption FSLR has for crystalline silicon modules made in Malaysia and Vietnam loses its value, and multiples may compress. Goldman has a \$101 target seeing margin expansion for the module business and project monetization catalysts. JPM cut to Neutral on 10/29 noting “focus shifts from sequential improvement in margins and profitability as production capacity fills in to whether First Solar has established a sustainable energy-density and cost/watt advantage in the global solar industry.” Baird raised its target to \$125 in October seeing a steady cadence of upcoming catalysts and positive earnings revisions. Hedge Fund ownership surged 19% in Q3 filings.

Hawk Vision:



Hawk's Perspective: FSLR is not as exciting of a growth name as peer Solar names but is the value/profitable name and any dip back to \$85-\$87 is a likely opportunity to own it.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Call Buys in Skyworks as Emerges Out of Base

Ticker/Price: SWKS (\$141)

Analysis:

Skyworks Solutions (SWKS) closed 11/30 on highs after morning buys were active in January \$140 calls near \$6.25 and over 3850X ended up trading on the day, a name lacking much large open interest, the January \$135 calls with 1,598X in OI and 1000 January \$145 calls bought in OI. SWKS has pulled back retesting the late July breakout level and basing nicely near its 21-week moving average, and above \$143 can start working out of this pullback trend. The \$22.6B Semiconductor trades 15.85X Earnings, 6.7X Sales and 44.5X FCF with a 1.47% dividend yield. SWKS forecasts see 17% revenue growth in 2021 and 23% EPS growth. SWKS is a leading RF play seen positioned to capitalize on the large 5G opportunity and sees its addressable market opportunity growing substantially. SWKS is coming off a strong quarter of growth in Mobile and IoT. Analysts have an average target of \$160 and short interest low at 1.5% of the float. SWKS has seen some weakness on fears of Apple taking RF in-house but appears unlikely. B. Riley raised its target to \$195 after results noting the robust 5G and secular connectivity positioning. Craig Hallum raised its target to \$170 noting strength in China, Apple and broad markets. Benchmark with a \$165 target noting SWKS cash flow and margin metrics are among the best in the semiconductor group and SWKS a long-term winner for the increasing RF content in mobile and other end markets. SWKS also has a pristine balance sheet and shareholder friendly policies. Hedge Fund ownership fell 9.25% in Q3 filings, Vulcan Value a top holder.

Hawk Vision:



Hawk's Perspective: SWKS is a long-term winner though have preferred QRVO to it, but would note its market cap, valuation, margins, and balance sheet make it one of the best remaining M&A targets in a consolidating industry.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Size Calls Accumulate for Danaher Long-Term Upside

Ticker/Price: DHR (\$226)

Analysis:

Danaher (DHR) January 2022 \$240 calls are up to 2925X on the day with steady buyer flow, sizable premium, and follows 1000 March \$230 calls bought for \$1.3M yesterday. DHR shares have pulled back since early November off record highs but with peer Thermo Fisher (TMO) moving higher today after raising guidance, the group may come back into focus. DHR also presented today at the Evercore Conference. DHR recently put in a low right at a key 21-week MA support and nearly retested its flag breakout on the weekly from late September that has a target move up to \$250. The \$160B life science tools & diagnostics company trades 31.35X Earnings, 8.7X Sales and 40.8X FCF with a 0.32% yield, and long been a best-in-class operator. DHR has made a lot of portfolio changes the last few years. The moves are ultimately making DHR a more focused entity with better end-markets, margins, and growth prospects. It now has 3 key segments with Life Sciences, Diagnostics and Environment and Applied Solutions. DHR mentioned today it is in the early days of biologic drug development and efficacy and notes COVID vaccines are driving a great deal of activity and volume for its businesses. Analysts have an average target of \$260 and short interest low at 1% of the float. RBC downgraded to Perform with a \$234 target noting the cyclical recovery makes DHR's high-quality defensive portfolio less compelling. KeyBanc started coverage on 11/9 at Overweight with a \$280 target noting DHR involved with every COVID-19 clinical trial and a world leading supplier of technology used to make biotech therapeutics. Needham raised its target to \$272 after exceptionally strong Q3 results and sees disruption from the pandemic on other businesses diminishing. Hedge Fund ownership fell 2% in Q3 filings, the top holding for Aristotle Capital and Edgewood started a new large position.

Hawk Vision:



Hawk's Perspective: DHR is a high-quality leader and the recent dip does look attractive versus the recent low for longer term hold.

Confidence Ranking: \$\$

Market/ETFs

Emerging Markets (EEM) spread sells 10,000 February \$46 puts to buy the \$51/\$54 call spreads

S&P (SPY) large buyer of 18,000 January \$373 calls today \$5.34 for around \$11M

Russell (IWM) opening sale 4000 March \$180 puts for \$9.20. **IWM** also today a buy-write with 5500 Dec. 2021 \$220 calls sold \$4.14.

MSCI EAFE (EFA) with 9000 June \$64/\$53 put spreads bought \$1.17 to open

Tech (XLK) block of 10,000 January 2023 \$170 calls sold \$3.65 to open

Regional Banks (KRE) with 20,000 January \$50 puts opening \$3.69 as December \$50 adjust

Consumer & Business Discretionary/Services

Five Below (FIVE) size buyers 2000 weekly \$160 calls \$6.90 to \$8.30 into 12-2 earnings. **FIVE** now a stock replacement opens 1900 Dec. \$170 calls \$5.70 after weeklies bought earlier into earnings, stock strong on highs

American Eagle (AEO) with 5000 February \$19/\$15 bull risk reversals opening as January \$19 calls are sold in a three-way spread. **AEO** with 10,000 January/February \$19 calendar call spreads opening now at \$0.55

Fossil (FOSL) recent big surge in shares and consolidating, today 1000 Dec. \$11 calls bought \$0.80 to \$0.85

Abercrombie (ANF) bounces off this pullback low as 1200 January \$21 calls buy aggressive \$1.35 offer

Ralph Lauren (RL) seeing December \$90/\$80 put spreads open 1500X

Kirkland's (KIRK) with 1000 January 2022 \$7.50 puts sold to open \$1.95/\$2

AMC Networks (AMCX) selling off with buyers active for 3500 March \$35 puts \$5.10

Chewy (CHWY) buyer 3000 Dec. 31st (W) \$71/\$60 put spreads for \$2.75 into earnings next week

Under Armour (UA) back near highs with Dec. \$15 calls \$0.40/\$0.45 offer sweeps amounting to 15,000X on the day

Yelp (YELP) midday saw December \$35 calls bought \$0.50 to \$0.55 to open for 5000X

Consumer Goods

Colgate (CL) early buyers active 1450 February \$85/\$90 call spreads

McDonald's (MCD) a laggard lately seeing spreads in February sell 1000 of the \$200 pus to buy \$230/\$250 call spreads

Aurora Cannabis (ACB) buyer 1300 January 2022 \$35 calls \$1.75 with shares at \$11.27

Lamb Weston (LW) with 1000 April \$80/\$65 bull risk reversals opening at small net credits

Callaway Golf (ELY) with 6500 February \$23/\$27 call spreads opening as the \$18/\$30 adjust

Dollar General (DG) buyer 400 May \$240 calls \$7.65 into 12-3 earnings

Energy

Green Plains (GPRE) into weakness with 1200 January \$17 calls bought \$0.65 to \$0.80, Ethanol play

Antero (AR) buyer 25,000 January \$4/\$3.5 put spreads at \$0.25 as December \$3.50 puts adjust

Apache (APA) with 2000 January 2022 \$7.50 puts sold to open \$1.26. **APA** 7000 Dec. \$12 puts bought up to \$0.70

Financials

Broadridge (BR) trading 23X daily calls in the opening hour with 970 December \$145 calls bought \$4.90 to \$5.80, breaking out of a consolidation pattern and a well-liked company for its long history of strong performance. The \$16.85B company provides investor communication and technology solutions, a Fintech group seeing a lot of M&A. BR has an Investor Day 12/10.

Apollo (APO) large bullish spread sells 10,000 June \$35 puts \$1.65 and buys 2,905 June \$43 calls \$5.70

Virtu Financial (VIRT) buyer 1000 January \$22.50 calls \$1.40

AGNC Investment (AGNC) with 5500 January \$15 puts bought \$0.32 to \$0.34 to open

Discover (DFS) buyer 400 April \$72.50 puts \$5.40

Region Financial (RF) buyer 1850 January \$16 puts \$1.13

NCR (NCR) buyer 335 January 2022 \$27 calls to open \$7.20

Citi (C) with 8000 March \$70 calls sold to open down to \$0.84

Goldman (GS) with 3500 March \$270 calls selling to open \$3.65, similar to action in Citi

Redfin (RDFN) large opening trade for 5000 February \$42 puts \$2.20 to \$2.15

Pag-Seguro (PAGS) continues momentum and 1250 May \$60 calls opening \$2.75 offer today in a stock replacement

Athene (ATH) with 1250 June 2021 \$50 calls opening \$4 in a stock replacement

Square (SQ) with 1000 January 2022 \$310/\$160 bull risk reversals opening at a \$1.65 credit

MetLife (MET) buyer 1000 June \$52.50 calls \$2.25 to \$2.30

JP Morgan (JPM) with 8000 March \$140 calls sold to open, similar to **GS, C**

Healthcare

Pfizer (PFE) buyers active 6000 Dec. 24th (W) \$40.50 calls near \$1.60

Invitae (NVTA) setting up for another new high breakout and buyers active for nearly 2500 June \$55 calls today \$9 to \$10.20, sizable purchases

BioNTech (BNTX) 300 Mar \$150 calls bought \$20.45

Aptose Bio (APTO) strong mover with 1500 January \$7.50 puts selling to open for \$1.20, a \$600M Canadian Biotech play in Oncology

J&J (JNJ) buyer 2000 March \$155/\$135 put spreads to open

Elanco (ELAN) with 8000 December \$29 puts opening \$1.03 as the \$30 puts adjust. **ELAN** also a spread selling 1000 April \$24 puts to buy 1000 of the \$32/\$37 call spreads

BioHaven (BHVN) large trades in January 2021 selling 3000 of the \$70 put and buying \$100/\$125 call spreads as stock replacements

Iovance (IOVA) with 5000 June \$55 calls opening at \$3.05 as January \$30 calls adjust

Omeros (OMER) jumped with 500 May \$9 calls bought \$5 to \$5.20

Seres (MCRB) into weakness with 550 April \$30 calls bought \$5.90

Industrials

Aecom (ACM) with another 1500 January \$55/\$60 call spreads bought

Tesla (TSLA) buyer 2100 Dec. 24th (W) \$550 calls \$73 as the \$500 calls adjust up. **TSLA** buyer 3650 Dec. 24th (W) \$560 calls \$64.93 as the \$510 calls adjust

Lennar (LEN) with 1000 December \$72.50 puts bought \$2.05

United Air (UAL) buyer 5000 March \$52.50 calls at \$4.05 offer in a stock replacement

Taylor Morrison Homes (TMHC) with 2000 December \$25 puts selling to open \$0.85

Materials

Alcoa (AA) sweep buyers coming for 2200 April \$21 calls \$3.35 offer. **AA** also with 6000 February \$24 calls opening \$1.45 to \$1.50

Freeport (FCX) opening sale 2000 January 2022 \$22 puts for \$3.85

Anglo-Gold (AU) opening sale 5000 January 2022 \$22 puts \$4.10 to \$4.20

VALE SA (VALE) earlier today December \$15.50 calls hot and up over 5000X now while March \$16/\$18 call spreads opening 17,000X as the \$14 calls adjust

Crown (CCK) with 1850 January \$87.50 puts sold to open for \$1

Newmont (NEM) opening sale 6500 February \$50 puts at \$0.82

CEMEX (CX) breaking out with materials hot and 30,000 April \$5.50 calls bought \$0.40 to \$0.50 in the opening two hours. **CX** also with nearly 15,000 January \$5.50 calls bought for \$0.20

SSR Mining (SSRM) with 970 ITM January 2022 \$20 puts sold to open \$4.90 bids

Wheaton Precious Metals (WPM) low Delta December \$45 calls hot with 6850X bought \$0.22 to \$0.23

Axalta (AXTA) buyer 5000 January \$30 calls for \$1.06 as the January \$28 calls adjust, Deal Reporter out this morning noting it is a Nippon Paints M&A target

First Majestic (AG) buyer 12,000 April \$12 puts \$2.13 to \$2.16

Barrick (GOLD) opening sale 1000 January 2023 \$20 puts for \$3.20

Tech and Telecom

Advanced Micro (AMD) buyers of 2000 Dec. 24th (W) \$80/\$100 call spreads

Tower Semi (TSEM) December \$26 calls up to 4800X quickly with the hot call flow and IV burst

Snap (SNAP) with 12,750 January 2023 \$40 short puts opening \$9.73 as January 2022 \$30 short puts adjust

Cloudflare (NET) buyer 475 May \$80 calls for \$11.50. **NET** large opening seller of 3000 January 2022 \$70 puts for \$17.10 showing a lot of confidence in the name for 2021. **NET** buyers in May \$90 calls today nearing 2500X \$7.50 to \$8.10 range

Gogo Wireless (GOGO) triggering a breakout this morning and also seeing 2800 February \$12 calls bought \$1.25 to \$1.35 offers

Lyft (LYFT) with 1960 October \$42.50 calls being sold to open \$7.05 to \$7. **LYFT** IV rising now with buyers in January \$45 calls 7000X

Applied Materials (AMAT) opening sale 4000 January \$75 puts for \$1.50

LivePerson (LPSN) unusual buyer 1000 December \$50 puts \$0.95 offer

Taiwan Semi (TSM) momentum continuing with December \$103 calls 2450X and December \$108 calls 8700X very active with buyers

Unity (U) IV jumped and stock dropped with a big 1275X buy of February \$150 puts to open \$31 to \$32.10

Atlassian (TEAM) another large roll out as the remaining 3500 December \$150 calls adjust to March \$170

Twilio (TWLO) with 1,925 June 2022 \$250 puts being sold to open today as the short \$200 puts opened on 10/21 adjust, continued confidence

Micron (MU) up 5.6% after raising its view and 25,000 December \$70 calls opening today as the \$65 calls adjust

Vonage (VG) buyer 3700 December \$13/\$12 put spreads for \$0.40

Qorvo (QRVO) hitting new highs and the top RF play seeing more call buying today with 1000 May \$160 calls opening \$18.70 to \$19.20

Mongo-DB (MDB) large opening sale 1500 January 2023 \$260 puts \$66.20 showing a lot of confidence

Douyu (DOYU) looking ugly and 1000 January \$15 puts bought \$2.75 to \$2.80

Shutterstock (SSTK) working off pullback intraday as 1000 December \$72.50 calls are bought and 600 of the December \$70 calls, tight bull flag set-up

Dropbox (DBX) with April call buyers active yet again today as 4000 April \$22 seeing buyers

Utility

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