



MARKET RECAP REPORT 12/11/2020

Sector Leaders

Communications

Industrials

Consumer

Stock Gainers

DIS 15%

GDRX 10%

RIDE 8.65%

EXPI 8.65%

MP 8%

CHWY 8%

Volatility Gainers

- GNW
- NH
- ABUS
- VXRT
- AUPH
- SRPT

High Call Volume

- SLM
- WBT
- CARG
- STLD
- BLMN
- FUBO
- BCS

Bullish Options

- ARWR
- TWTR
- LVS
- WBT
- CARG
- ALXN
- FSLY
- NBIX
- SLM
- FEYE
- MELI

Market Review: Stocks showed some weakness overnight with Fiscal Stimulus and Brexit talks both hitting snags and continuing to be overhangs on the market while the US Dollar is trying to snap a losing streak. PPI came in as expected without any major signs of inflation. The preliminary Michigan Consumer Sentiment figures rose to 81.4 vs 75 estimate and up from 76.9 in November, reflecting optimism around the vaccine and political headwinds lifted. S&P traded lower early with breadth weak – consumer and communications the only sectors in the green – but never re-tested the overnight low and bounced mid-day. The 20-MA was supportive at the lows around 3633. We pushed back through VWAP in the afternoon.

S&P Chart:



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

Options Action Trends: Early action saw a lot of call buying in Biotech with **ARWR**, **ALXN**, **FGEN** as well as a bullish opening put sale in **NBIX**. We had put buyers in RF chip leaders **SWKS**, **QRVO** on Apple-chip concerns. Energy names continued to see bullish put sales into strength with **EOG**, **SLB**, and **PXD**.

What's On Tap: Another busy week before we start settling in for year-end with the Electors meeting on Monday, China data on Tuesday, Flash PMIs, and the Fed. We'll also get bank stress tests. **Earnings** in focus include LEN, ACN, JBL, FDX, and NKE.

Analyst meetings from ABBV, PLAB, TT, ELAN, LLY, PTC, BE, NOK, WPP, and CNC

Trade Tracker Portfolio Changes:

- 1) No Change

Sector Laggards

Energy

Financials

Materials

Stock Losers

SGMO -18%

EDIT -8%

VLDR -8%

JKS -7.6%

NIO -7.55%

LMND -7.25%

Volatility Losers

- SGMO
- LPCN
- DM
- LAKE
- PERI
- EDIT

High Put Volume

- RPRX
- EQT
- IRTC
- IVZ
- BLMN
- PEN

Bearish Options

- SWKS
- SFIX
- QRVO
- GEO
- MT
- QCOM
- GSX
- CAH
- MIK
- GME
- WES
- RPRX



FEATURED OPTIONS RADAR REPORT



Bullish Bet on BioMarin Data

Ticker/Price: BMRN (\$77.70)

Analysis:

BioMarin (BMRN) large trade on 12/10 sold 3500 January \$70 puts to buy 2600 of the \$80/\$95 call spreads, and the \$80 calls already with 2700X in OI. BMRN has seen some action in April \$85 and \$100 calls since September and also January 2022 \$90 puts were sold to open 880X. BMRN has been a laggard in 2021 among Biotech names and has not been able to recover much since the big gap down move in August following a CRL for Valoctocogene Roxaparvovec gene therapy for Severe Hemophilia A and pushed back a potential approval to 2022. BMRN will have a PDUFA on 8-20-2021 for Vosoritide to treat children with Achondroplasia. On a longer term chart shares are back to a familiar support level since 2016 and looking to form another bottom. The \$13.75B company now trades 7.4X Sales with revenues seen rising 8.8% this year and 4.3% in 2021. BMRN at Evercore last week noted it will share to-line 1 year results from 134 subjects in Phase 3 study of ROCTAVIAN gene therapy for the treatment of hemophilia A in early 2021. Analysts have an average target of \$110 and short interest at 6.5% of the float has risen 17% Q/Q to multi-year highs. On 11/3 Piper remained a buyer of BMRN shares expecting 2H 2021 approval and has a \$123 target. BMRN has also lagged ahead of Kuvan's 2021 patent cliff, so the pipeline success is very important for shares. Hedge Fund ownership fell 14% in Q3 filings, Baker Brothers a top holder as its 7th largest position.

Hawk Vision:



Hawk's Perspective: BMRN clearly an event-driven play at this point though have plenty of concerns with weak price action, rising short interest, and declining institutional ownership, so not an overly confident one, but could also quickly see \$100+ on positive developments.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Big Bulls Buy the Dip in Salesforce

Ticker/Price: CRM (\$223)

Analysis:

Salesforce (CRM) shares have dropped 15-20% since announcing a major M&A deal for Slack valuing it at \$27.7B in cash and stock and in recent days large bullish option traders have come back in buying the dip. On 12/10 the October \$240 calls active with buyers of more than 2500 contracts for over \$6M as well as a buyer of 1000 May \$240 calls at \$1.6M and opening sales of 1000 September \$190 puts. ON 12/8 the September \$240 calls opened 6500X for over \$16M. CRM also recently posted another very strong beat and raise quarter but the results were ignored due to the buyout focus though CRM has a long history of integrating acquisitions well and its M&A call was very enlightening on the potential for Slack in the CRM universe. CRM remains firmly in a long-term uptrend and the dip is a 38.2% retracement of the 2020 range as well as holding right at the rising 21-week moving average, so a spot that makes sense to buy the dip in a leader in the massive digital transformation opportunity. CRM has a \$197.5B market cap and trades 9.3X FY21 EV/Sales while delivering consistent 20%+ topline growth as well as a recent surge in EPS due to operating leverage. Analysts have an average target of \$275 and short interest low at 1.5% of the float. CRM announced it plans on doubling revenues to above \$50B in four years. Canaccord noting this week that the pullback makes valuation compelling and has a Buy rating and \$270 target. Citi cut shares to Neutral on 12-2 concerned with the price it paid for Slack and sees concerns over organic growth surfacing. UBS lowered its target to \$300 though noting the rich price paid for Slack and synergy story not convincing. Hedge Fund ownership fell 6.4% in Q3 filings, Polen a top holder added to its position, while Altimeter, Winslow and Sustainable Growth modestly trimmed positions.

Hawk Vision:



Hawk's Perspective: CRM is the best-run Software company in the World so I trust their vision, and it is at the perfect spot to base, so think the September or October calls are worth sitting on for months and letting it play out.

Confidence Ranking: \$\$\$



FEATURED OPTIONS RADAR REPORT



Bulls Load Up on SunOpta After Unit Sale

Ticker/Price: STKL \$10.34

Analysis:

SunOpta (STKL) intriguing name that has seen elevated activity since 11/30 with buyers in accumulating the June \$7.50, \$10, \$12.50, and \$15 calls. Shares have been on a sharp rally and starting to work out of a small flag with around 15% of upside about \$10.40. The \$953M company trades 70X earnings, 0.76X sales, and 16.44X FCF. STKL sells plant-based and fruit-based beverages and set to become a pure-play as they have agreed to sell their organic ingredient sourcing and production business to Amsterdam Commodities for €330M. They have majority exposure to retail and private label products (39% of revenue) with foodservice (36%) the second-largest. The company is positioned well as a low-cost producer in a growing, on-trend categories like broth, non-dairy milk, and frozen fruit which are all gaining shelf space. They also note that plant-based foods have grown 29% over the last two years to become a \$5B category. STKL has also been a turnaround story after investing in automation and other productivity and supply chain initiatives to boost margins. Analysts have an average target for shares of \$12.65 and a Street High \$15 at Craig Hallum. Lake Street positive on 12/9 noting that the company's multi-year turnaround is now largely complete and the sale of the global ingredients business - which "makes sense" - remains on track. Short interest is 1%. Hedge fund ownership fell 0.50%. Engaged Capital a top holder with 9.8m Shares.

Hawk Vision:



Hawk's Perspective: STKL is clearly pretty extended but a real interesting story and the divestiture positions them well as a pure-play in a high-growth CPG theme, one to watch for on dips

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Sallie Mae Draws Unusual Upside Calls Ahead of Stimulus Deal

Ticker/Price: SLM \$12

Analysis:

Sallie Mae (SLM) buyers of 20,000 March \$12 calls from \$0.95 to \$1.10, unusual volume for the name at 100X normal calls. SLM has rallied sharply since July and now back near two-year highs and above \$12.75 can get momentum above the 2017 peak. SLM has longer-term upside to \$17. The \$4.39B company trades 7.36X earnings, 2X sales, and 2.45X book with a 1% yield. SLM is one of the largest originators of private education loans in the US and under pressure earlier this year as COVID put pressure on early post-graduates who were entering their first repayment cycle. SLM has been more positive recently noting that the recovery since March has positively impacted more college-educated, higher-income groups which is where the vast majority of their business rests and this has only gotten stronger into the Fall. SLM noted in October that the majority of college campuses are either resuming on-campus studies or plans to in early 2021 with the trend for post-secondary education to re-focus on campus-based learning next year. They are coming off a strong quarter with Q3 originations topping 1.9B and now running just 6% below 2019's total despite the disruptions. SLM has a catalyst upcoming with the stimulus bill which could include another Federal loan holiday out to September 2021. This is a positive for SLM as they noted in October that the majority of their students have Federal loans as well which are higher in dollar value than their private loans (\$400/mo vs \$277/mo) and the holiday has been positive for SLM as students have been paying off their private debt faster. Analysts have an average target for shares of \$11.50 and Street High \$15 from Barclays who is positive on the name citing the combination of effective vaccines, healthy consumers who've benefited from income replacement and loan forbearance, accelerated and conservative reserving, along with "still cheap valuations." Short interest is 2.12% and down sharply from 12% in July. Hedge fund ownership rose 5.5% in Q3, ValueAct a sizable holder of 32M shares.

Hawk Vision:



Hawk's Perspective: SLM has been in a strong trend and with a potential catalyst ahead, a test of that 21-MA looks to be a nice spot to target

Confidence Ranking: \$\$

Market/ETFs

Gold (GLD) buy-write with 5000 February \$175 calls sold \$4.30

S&P (SPY) opening sale of 1200 September 2021 \$360 puts for \$26.22.

Consumer & Business Discretionary/Services

CarGuru (CARG) buyer of the January \$29 calls up to \$1.55, 2,250X. **CARG** now also seeing 5000 December \$25 calls roll up to the December \$27 calls

Stitch Fix (SFIX) with 2,000 January \$60 puts bought to open for \$5.10 to \$5.15 into strength, Goldman downgrading last night

Las Vegas Sands (LVS) aggressive sweep buyer 1000 March \$57.50 calls \$5.40 offer, nice post-vaccine flag setting up

Michael's (MIK) buyers of the January \$15 puts for \$2.85 to \$2.90, over 1500X

Gamestop (GME) buyers of the November \$13 puts for \$6.08, over 1150X, as some January puts roll. **GME** also with 25,000 January 22nd (W) \$15 puts bought for \$3.90 as the July \$15 puts adjust

Lithia Auto (LAD) trader buys 550 March \$300 calls for \$18.60 and sells 550 each of the \$350 calls and \$360 calls, similar structure in the name a couple times this year

Carparts.com (PRTS) with 780 July \$15 calls bought for \$3.60

AMC Theaters (AMC) buyer of the June \$3.50 puts for \$1.63, 2,750X, note this morning they expect cash to run out by January

Bloomin' Brands (BLMN) earlier with 5,000 January \$15 puts sold to open for \$0.30/\$0.25

Consumer Goods

Go-Pro (GPRO) seeing 1900 April \$9 calls bought up to \$1.60

Kraft (KHC) with 1,000 January 2023 \$35 puts sold to open for \$7.10 in a stock replacement

Molson Coors (TAP) with 2,000 December 24th (W) \$45 puts bought up to \$0.65

Kroger (KR) the January 8th (W) \$29 ITM calls being bought 3900X for \$2.62 to \$2.80

Bed Bath & Beyond (BBBY) with 2,450 December 31st (W) \$17 calls bought \$2.53 to \$2.65

Energy

Schlumberger (SLB) opening sale of 2,000 January 2023 \$17.50 puts for \$2.91. **SLB** 2,500 May \$20 puts sold to open for \$1.80

EOG Resources (EOG) with 1,000 January 2022 \$47.50 puts sold to open for \$8.65

Western Midstream (WES) buyers of 2,650 January \$15 puts for \$1 into strength

Pioneer Natural (PXD) today with sellers of 1,000 January 2022 \$100 puts to open down to \$16

EQT Corp (EQT) on the lows with the January \$13/\$11 put spread being bought 8500X for \$0.75

Apache (APA) the January 2022 \$15 puts sold to open for \$4.35 to \$4.30, 1145X

Ovintiv (OVV) with the January 2022 \$15 puts sold to open for \$4.72, 1000X, and follows other energy put sales this week

Financials

Barclays (BCS) sweep buyers 3000 December \$7 calls \$0.50 offer

Geo Group (GEO) buyer 1000 January 2022 \$8 puts for \$2, long term secular decline

Innovative Industrial (IIPR) buyers of 420 April \$180/\$200 call spreads, fitting for a top way to play Cannabis growth

Visa (V) seller of 1,500 January 2022 \$260 calls for \$6.70 in a buy-write with stock

Tanger Factory (SKT) with a buyer of 7000 March \$11 puts for \$2.15

Ventas (VTR) on the lows with 1000 January \$45 puts bought for \$1.25 to \$1.45

S&P Global (SPGI) buyers of near 1,000 January \$340 calls up to \$4.50 today, shares back near the 200-MA

Prudential (PRU) with 1250 March \$90/\$70 bull risk reversal being bought for a \$1.25 net credit, stock replacement strategy

Zillow (Z) with a block of 2,875 January \$120 puts sold to open this afternoon for \$6, stock replacement

Metlife (MET) with 500 January 2023 \$42.50 puts sold to open for \$7

Aon (AON) with a buyer of 1,500 April \$220 calls for \$6.53 with the \$240 calls sold 1,950X for \$2.10

Lending Tree (TREE) buyer of the January \$270 calls for \$19, 1000X, as the December \$260 calls adjust out

QIWI (QIWI) the January \$12.50 puts sold to open for \$1.90, over 3000X into weakness

XP (XP) spread sells 4000 February \$40 calls to buy the February \$35/\$30 put spread 4000X6000

Healthcare

Alexion Pharmaceuticals (ALXN) buyer of 3,150 January \$130 calls for \$2.80, follows the OTM call buying yesterday and name often brought up in M&A talks

Arrowhead (ARWR) with 1000 March \$90 calls opening for \$5. **ARWR** calls up to 1750X with buyers now paying \$5.50

Neurocrine (NBIX) large opening sale 1400 August \$100 ITM puts \$17.80

Fibrogen (FGEN) buyer of 1,500 January \$47.50 calls for \$2.80 to \$3, spread against the \$60 calls

Cardinal Health (CAH) with 1,000 January 2022 \$42.50 puts bought for \$3.30

Teledoc (TDOC) with 750 July \$175 puts sold to open today for \$20 in a stock replacement, follows July put sellers yesterday at the \$170 strike

Acadia (ACHC) with 500 June \$50 puts sold to open for \$8.50 today

Royalty Pharma (RPRX) the January \$45 puts being bought from \$3.00 to \$3.30 to open this morning, over 4000X

Exact Sciences (EXAS) with 900 January \$130 calls bought for \$8.74, size buyers of the OTM January 2022 calls last Friday

Tandem Diabetes (TNDM) buyer today of the January \$85 puts for \$3.20 to \$3.40 to open, 850X

Teleflex (TFX) buyer of 150 December 2021 \$380 calls for \$57 today in a stock replacement

Elanco (ELAN) with 3,150 January \$25 puts sold to open for \$0.45/\$0.40

Amicus (FOLD) with 2,000 January / February \$25 call calendar spreads opening for \$1.20 debit

Biohaven (BHVN) with 500 February \$65 puts sold to buy the \$110/\$120 call spread for a net \$2.40 credit

Industrials

WeilBilt (WBT) with 6000 June \$12.50 calls bought \$2.25 as June \$10 are closing, also another 3000 September \$15/\$20 call spreads bought

Tesla (TSLA) opening seller 1000 March \$825 calls \$45 to \$44.90

General Motors (GM) buyer of 5000 June #50 calls \$2.28 in a stock replacement

Toyota (TM) unusual buy of 1000 July \$175 calls \$2.35 offer

Delta (DAL) the February \$43 puts sold to open 1275X for \$4.35

Southwest (LUV) with 2,000 January 2022 \$37.50 puts sold to open for \$4.35, stock replacement

Quanex Building Products (NX) unusual trade with 1000 January \$22.50 puts sold for \$1.20 to open, around 2.5X all of open interest

Materials

Louisiana Pacific (LPX) buyers of the January \$37 calls for \$3.80 to \$4.30, aggressive action for 3275X, with the rising lumber prices recently

Wheaton Metals (WPM) with 1,000 June \$55 calls bought for \$1.40. **WPM** also 800 January 2023 \$35 puts sold for \$6.50

Arcelor Mittal (MT) buyers of 4,850 December 24th (W) \$20.50 puts up to \$0.59

Dow Chemical (DOW) the January 2023 \$40 puts sold to open today 750X for \$5.75

Martin Marietta (MLM) seller of 300 June \$260 puts to open today for \$24 in a stock replacement

MP Materials (MP) with 1000 June \$35 puts sold to open for \$14.80, recent SPAC merger, play on EVs through rare earth metals

Tech and Telecom

Apple (AAPL) into weak open with 3000 Dec. 31st (W) \$122 puts sold to open for \$3.10

Ribbon (RBBN) into 12% down move with 4500 July \$5 puts being sold to open \$0.55 to \$0.50 showing confidence

Bilibili (BILI) buyer 1300 January \$95 calls \$2.10

Skyworks (SWKS) buyer 1500 Dec. 31st (W) \$132 puts for \$1.90

Fastly (FSLY) buyer 1300 Dec. 31st (W) \$125 calls for \$2.90, way OTM short time-frame. **FSLY** January \$125 OTM calls bought aggressive \$4.40 offer 1250X as well

Baidu (BIDU) strong this week and seeing 1,000 March \$195 OTM calls bought for \$4.40 as the January \$150 calls adjust higher

Qorvo (QRVO) with 1,100 January \$140 puts bought for \$2.80 to open, follows put buying in SWKS earlier. **QRVO** also seeing January \$165 and \$170 calls bought into day lows at around 1500X each

Lyft (LYFT) buyer 1500 April \$50/\$55 call spreads for \$1.80

NVIDIA (NVDA) with 1000 Dec. 24th (W) \$500 calls opening as the \$520 adjust back

Intel (INTC) with 4350 Jan. 8th (W) \$53 calls bought up to \$0.60

NXP Semi (NXPI) opening sale 600 January 2023 \$135 puts \$22.90

Accenture (ACN) with 250 January 2022 \$240 calls bought \$30.05 as January calls adjust

Cohu (COHU) continues to draw upside call action with 600 May \$40 calls bought \$6 to \$6.20, tight bull flag after recent guidance boost

FireEye (FEYE) running with more than 4000 January \$13 calls bought \$1.28 to \$1.33 in size lots

Qualcomm (QCOM) continuing to trade week with the Apple news and 3,000 December 31st (W) \$137 puts bought for \$1.66. **QCOM** also with 3,000 January 2022 \$145 puts sold to open down to \$24.40. **QCOM** also with 1000 January 22nd (W) \$144 calls bought for \$7.25

Pinterest (PINS) the May \$105 calls being bought 1300X for \$4.70 to \$4.75 today. **PINS** also the June \$60 puts sold to open today 650X for \$8.20

Dropbox (DBX) more bull flow today with 10,000 July \$20 calls bought up to \$4.15

Applied Materials (AMAT) with 1,050 December 24th (W) \$82.50 calls bought today for \$4.97, adjusting some December calls

Int'l Game (IGT) with 3000 January \$16/\$18 call spreads opening today for \$0.48

Nutanix (NTNX) with 2,625 December 24th (W) \$30.50 calls bought for \$1.65, adjusting some weekly calls

Mercado Libre (MELI) opening sale of 200 June \$1400 puts for \$124 in a stock replacement, around \$2.5M

Atlassian (TEAM) with 250 January 2023 \$200 puts sold to open for \$39.20, stock replacement

Vipshops (VIPS) with 7500 February \$27/\$31 call spreads bought to open for \$1.23

Sony (SNE) with 1,500 June \$85 puts bought for \$3.70 today, tied to stock

DXC Tech (DXC) opening sale of 1000 April \$20 puts for \$2.40

Go-Daddy (GDDY) buyers of 1,500 January \$75 calls for \$10.40 to \$11.10

Trade Desk (TTD) with the December \$880 calls bought today from \$48.60 to \$55, around 550X

Appian (APPN) with 600 January \$160 calls bought from \$14.90 to \$15.10, parabolic run lately that has pulled back and based at the 20-day nicely

MongoDb (MDB) with 1,500 January 2023 \$270 puts sold to open for \$54.50, stock replacement for around \$8.175M

Utility

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Not Investment Advice or Recommendation

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