



MARKET RECAP REPORT 12/16/2020

Sector Leaders

Software

Tech

Consumer Discr.

Stock Gainers

CLLS 14%

RIOT 13%

AI 12%

ABNB 12%

RDUS 10.5%

FUBO 9%

Volatility Gainers

- RIGL
- CALA
- MARA
- DS
- APHA
- AI

High Call Volume

- RIGL
- NXTD
- PFPT
- NVO
- STOR
- FUBO

Bullish Options

- FSLR
- PYPL
- LLY
- NOVA
- SOL
- PFSI
- DT
- DISH
- WIX
- CPRI
- EXPE
- MSFT

Market Review: Stocks continued higher overnight and into the open as the S&P traded up to 3700 on further optimism of a stimulus bill nearing, though with the build-up and sentiment measures, a likely sell-the-news event. The US Dollar continued to weaken and reports of a Brexit deal being close. Tech strength continued with Software and Internet climbing strong. Industrials, Utility, Banks and Biotech lagged. Breadth was choppy and not a trend day like Tuesday, the NASDAQ doing the heavy lifting and Fed news midday causing some volatility. With markets back near new highs into December OpEx a good day to take some profits with some concerns over sentiment, though to counter that is seasonal strength into a quiet year-end tape, the early January Georgia Election a potential volatility event for markets. We have Housing Starts, Jobless Claims and Philly Fed on the schedule tomorrow.

S&P Chart:



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

Options Action Trends: Call buyers were hot in Solar names early with **FSLR, NOVA, SOL**. Silver names saw elevated call buys in **CDE, AG, PAAS**.

What's On Tap: Housing Starts, Jobless Claims, Philly Fed. Earnings from **FDX, GIS, ACN, JBL**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **LVS** February \$60 Calls \$3.50
- 2) Closed **EBAY** Calls \$3.30 (Opened \$2)

Sector Laggards

Solar

Biotech

Aerospace

Stock Losers

IQ -15%

GLPG -19%

BEAM -12%

NFE -10%

RVP -8.8%

PEN -8%

Volatility Losers

- SNCR
- ZAGG
- TLRY
- ARVN
- ABUS
- DM

High Put Volume

- PEN
- SNPS
- PFPT
- ATUS
- QS
- NYT

Bearish Options

- MRNA
- IOVA
- WH
- NYT
- BMJ
- HPQ
- VALE
- MCFT
- VIAC
- TME
- CALA



FEATURED OPTIONS RADAR REPORT



Upside Calls in II-VI Hot as Shares Reach New Highs

Ticker/Price: IIVI (\$73.5)

Analysis:

II-VI Corp. (IIVI) a name last written up in June that continues to show strength and on 12/15 traded 10,500 calls which is 20X average with April \$75 calls bought for size outlays 1850X on the day and 1700 January \$80 and 4000 OTM January \$85 calls bought aggressively to open. IIVI has over 7500 December \$80 calls sitting in open interest set to expire in a few days. Shares have been on a big run since November and starting to work out of a recent consolidation pattern that measures to a \$90 target. The \$7.3B maker of optical components trades just 18.6X Earnings and 2.65X

Sales with revenues seen rising 27.7% in 2021 after jumping 74.7% in 2020 and EPS seen rising 20% in 2021. IIVI derives 68% of revenues from the Communications end-market with 5G and Data Center likely growth drivers moving forward while smaller segments include Industrial, Military, Consumer Electronics, Semi Equipment and Life Sciences. IIVI has differentiated lasers, optics and integrated circuits and enables the convergence of communications, computing and sensing. It is addressing some large markets with CY25 TAMs as follows: Optical Communications at \$22B with a 14% CAGR, 3D Sensing and LIDAR and \$7.5B with a 24% CAGR, RF and Power Electronics at \$6.2B with a 24% CAGR and Aerospace/Defense at \$2.6B with a 15% CAGR. A few applications include terrestrial and undersea wireless infrastructure/data centers, 3D sensing in consumer and LiDAR in automotive, electric vehicle and smart grids and hypersonics. It recently added \$2B to its TAM with its first shipments of indium phosphide components. Analysts have an average target of \$66 and short interest elevated at 22% of the float. MSCO downgraded shares to Equal Weight while raising its target to \$76 on 12/15 seeing the 88% gain in shares overdone. Loop Capital raised its target to \$87 seeing upside to consensus estimates and multiple expansion as growth reaccelerates. Canaccord raised its target to \$86 in November noting it is just starting to benefit from several underlying market vectors that require electron mobility.

Hedge Fund ownership rose 8% in Q3 filings.

Hawk Vision:



Hawk's Perspective: IIVI has been a favorite since diving into it in June and it is exposed to so many high growth themes it looks set up for a strong 2021, while the upside January calls may be looking at it as an acquisition target.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Dish Network Bulls Active into Sell-Off

Ticker/Price: DISH (\$32.70)

Analysis:

Dish Network (DISH) with 5,000 January 2022 \$45 calls bought for \$4.55 to open into the dip today. DISH has seen a lot of bull flow lately including buyers in the March \$37.50 calls 6000X and the March \$40 calls with over 30,000X in open interest including some spread with the \$50 calls recently. DISH longer-term position remains very bullish as well with size buyers in June and January 2022 expirations. Shares are dipping today after a strong run and back to the 38.2% Fibonacci of the rally. Longer-term, a move above \$37 sets up well for a run to \$50. The \$18.8B company trades 12.8X earnings, 1.33X sales, and 6.5X FCF. DISH is coming off a transformative quarter with two deals closed – their acquisition of Boost Mobile and Ting Mobile – and positioning themselves to become a formidable player in wireless. The Ting deal also puts Tucows in chart of backend mobile services, a key part of their initial early launch. Today's dip is on a \$2B convertible offering but critical part of expanding their 5G buildout and leveraging their substantial spectrum assets. The company noted in November they're on track for 2022/2023 vision which sees them hitting 20% and 70% deployment of their network respectively. Analysts have an average target for shares of \$39 with a Street High \$65 at Deutsche Bank. The firm continues to see significant value opportunities over the next five years as they build out their new greenfield 5G wireless network. Raymond James positive on 11/12 as they see the core business stabilizing and providing nice cash flows to allow for the network buildout. Hedge fund ownership rose 8.5% in Q3, Eagle Capital a top buyer of 10.5M shares. Short interest is 2.48%.

Hawk Vision:



Hawk's Perspective: DISH is a story to watch play out in 2021 and made a big run from our prior write-up, a candle like today I prefer to wait and let shares base and play the base breakout.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Dynatrace Calls Unusually Active Betting on Upside

Ticker/Price: DT (\$42)

Analysis:

Dynatrace (DT) buyers active in the February \$41 calls this morning, now over 5600X up to \$4.70 in price and trading more than 10X average calls. DT does not see a lot of activity but does have 1350 December \$40 calls in OI.

Shares are working out of a bull flag today and a multi-month downtrend with a run above \$42 setting up for a potentially explosive move to new all-time highs. The \$11B software company trades 44X cash and 16X EV/sales with mid-20% growth. DT has a multi-faceted cloud-monitoring platform that allows enterprises to operate multi-cloud environments across apps, web browsers, databases, and more. DT has seen their growth explode in 2020 as the pandemic has shifted more companies into the cloud and workloads across applications are expanding. The company said ARR rose 35% with subscription revenue up 36% as they added over 130 new logos in Q2 including Pfizer and Quest Diagnostics. DT has a long runway for growth with 86% of CIOs utilizing modern architectures including cloud, microservices and containers which drives more complex and frequently changing environments to monitor. The company said at their Investor Day earlier this year their TAM has expanded in the last 18 months from around \$20B to \$32B and likely grows further in 2021 as more budgets allocate towards observability platforms. Analysts have an average target for shares of \$45.50 and a Street High \$55 from RBC. Berenberg positive on 10/7 noting that DT is in a strong position to win as observability becomes more prevalent in IT budgets in 2021 and their focus on complex, enterprise cloud architectures should give them momentum over peers. Short interest is 3.75%. Hedge fund ownership rose 25% in Q3.

Hawk Vision:



Hawk's Perspective: DT operates in a great software space and a long-time favorite with a market cap small enough it could be a M&A target, exploded higher today after initial alert and worth eyeing on a dip.

Confidence Ranking: \$\$

Market/ETFs

NASDAQ (QQQ) April \$314/\$297 collars opening 1700X into strength. **QQQ** with 35,000 January \$292 puts opening today with the \$290 adjusting, and seeing some spreads versus the \$279 and \$278

Software (IGV) with 10,000 March \$325 calls opening as the January \$305 adjust

Energy (XLE) with 1500 January 2023 \$38 puts sold to open \$8

Japan (EWJ) block of 15,000 March \$70 calls opens \$0.95

Emerging Market (EEM) buyer 3000 January 2022 \$51 calls \$4.60 to open

Consumer Goods

Grow Generation (GRWG) with 625 April \$50 OTM calls bought for \$3.90 to \$4 today, large Dec. 31st (W) spread late yesterday, small-cap 'pick and shovel' cannabis play

RR Donnelley (RRD) buyers 2000 June \$3 calls \$0.40 with Bloomberg reporting it is looking to sell Asia business

Tata Motors (TTM) 1250 Apr \$12 puts sold to open \$1.20

Peloton (PTON) opening sales 1200 February \$150 calls today \$9.40 to \$9.30

United Natural (UNFI) jumps as 8000 February \$17.50 calls are bought \$0.90 to \$1.05

MasterCraft Boating (MCFT) the April \$25 and \$22.50 puts both bought 1,000X into the recent run higher

National Beverage (FIZZ) buy-write sold 300 November \$95 calls \$13.50

Celsius (CELH) with 900 April \$40 calls being bought \$6.70+ with this breakout

GM the January 29th (W) \$40 calls bought 1000X for \$2.95, adjusting some January positions

General Mills (GIS) with 1250 July \$60 calls selling to open \$3.45 bids into earnings tomorrow morning

Modine Manufacturing (MOD) trading 25X average volume today with 450 May \$12.50 puts sold to open down to \$2, small-cap auto parts name hitting new 1-year highs today

Mondelez (MDLZ) with 1600 January 2022 \$55 puts sold to open \$4.70 as the \$45 strike look to be adjusting

Kroger (KR) with 1375 July \$32 calls sold to open today \$2.13 to \$2.15

Consumer/Business Services

Wyndham (WH) with 2,000 May \$62.50/\$52.50 bear risk reversals bought for \$1.23, potentially collaring stock

DoorDash (DASH) with 750 February \$140 puts sold to open for \$14.80 to \$14.30 into the early weakness following its debut last week

Capri (CPRI) trading another 11,000 February \$45/\$55 call spreads with short the \$30 puts

Expedia (EXPE) size buys 8000 January 2022 \$130 calls \$23.75 offer looks to add to large OI. **EXPE** spreads selling 1500 March \$100 puts and buying \$125/\$150 call spreads

Overstock (OSTK) Dec. 24th (W) \$66 calls 1200X and Dec. 31st (W) \$75 calls 1435X active with buyers

Etsy (ETSY) with 2000 January \$170 calls sold to open as March \$170 short calls look to adjust back

Activision (ATVI) the February \$75 ITM calls bought 1400X for \$13.95, adjusting some January calls out

Stamps.com (STMP) opening sale of 1,000 May \$160 puts for \$16.80 in a stock replacement

Viacom (VIAC) buyer 10,000 March \$36 puts \$3.45 as January \$34 adjust

1-800 Flowers (FLWS) buyer of 1000 June \$30/\$35 call spreads with shares working out of a base and downtrend

Skechers (SKX) buyer of 3500 January \$40 OTM calls and 400 April \$32 calls, has 5950 Jan \$35 calls in OI

Uber (UBER) June \$55 calls active 8000X as the March \$55 look to be adjusting

Boyd Gaming (BYD) the January 2022 \$42 calls opening for \$8.45 today, 500X, as some January 2021 \$35 calls roll out

Stitch Fix (SFIX) running this afternoon with 2000 January \$70/\$55 bull risk reversals opened this morning

Penn (PENN) moving to highs with 7500 January \$85 calls bought \$7.95 offer looking to add to OI

Energy

First Solar (FSLR) early action opening 1100 January 2022 \$125 calls \$8.60

ReneSola (SOL) buyers of the July \$10 calls for \$2.75 to \$2.90, 2500X, and follows bull flow the last two days as well

SunNova (NOVA) buyer 1000 January \$45/\$55 call spreads, also buyer of 1000 April \$60 calls with Solar call flows hot today

Exxon (XOM) nearly 25,000 February \$45 calls opening as January \$40 adjust

Halliburton (HAL) the July ITM \$16 calls bought 1140X for \$5.69, adjusting some January \$10 calls

Petrobras (PBR) opening seller 7500 March \$12 puts \$1.65

Bloom Energy (BE) buyer 1800 January \$29/\$32 call spreads into weakness

Financials

PayPal (PYPL) Dec. 24th (W) \$240 calls hot off the open up to 4500X already

Pennymac (PFSI) with 1,000 May \$75 calls bought \$3.40 to \$3.50, the \$4.45B mortgage lender working out of a narrow range.
PFSI 500 May \$80 calls bought \$2.30 as well

XP (XP) opening sale 1000 May \$45 calls \$3.70

Chubb (CB) buyer 400 May \$180 calls \$2.45 offer

Morgan Stanley (MS) buyer 1500 January 2022 \$65 calls \$8.10 in stock replacement

Pag-Seguro (PAGS) buyer 600 January 2023 \$52.50 calls \$13.70 offer as moves to highs

Lemonade (LMND) buyer of the December 31st (W) \$100/\$115 call spread 1300X for \$3.30 with shares consolidating in a bull flag above the 8-EMA

Healthcare

Eli Lilly (LLY) the February \$175 calls being bought 1000X for \$5.50

AstraZeneca (AZN) with 1,000 July \$50 puts sold to open for \$4.60 and also seeing 1,000 July \$45 puts sold for \$2.45

Moderna (MRNA) with 2300 February \$185 calls being sold to open \$10.50 to \$10.15, popular strategy in the name, cautious Jefferies note this morning on valuation

Alexion (ALXN) with 500 January 2022 \$165 puts selling to open \$18.25, continue to see bull flow since the AZN deal with potential for higher bid

Novavax (NVAX) opening seller 365 April \$100 puts

Humana (HUM) opening sale 200 January 2022 \$400 ITM puts \$54.70

BioMarin (BMRN) smaller spreads today are selling the April \$70 puts to buy the \$95/\$0105 call spread 590X for a small debit, January call spreads active last week

BioHaven (BHVN) buyer 1000 January \$110 calls \$5.55 as Dec. \$85 adjust, key data upcoming

Rigel Pharma (RIGL) surging with 20,000 January \$3 calls bought, IV30 up 70%

J&J (JNJ) with 2600 March \$145 calls opening that look to be adjusting back the \$150 strike

Aclaris (ACRS) unusual 1000 February \$5 calls bought \$2.10 to \$2.30 to open, stock up 25% today

NanoString (NSTG) spread today buys 1,000 March \$70 calls for \$9.80 and selling both the December \$70 calls for \$0.50 and the February \$75 calls for \$3.80 as well as the January \$60 puts 750X for \$1.80

Sarepta (SRPT) buyer 1000 January \$240 calls to open \$4.30. **SRPT** now buyer 1500 January \$160 calls \$27.40 and sells 750 of the \$120 puts \$5.25

Myovant (MYOV) IV rising all afternoon with buyers of 2000 January \$35 calls \$1.25 to \$1.50, PDUFA on 12/20

Industrials

Camping World (CWH) with 500 January 22nd (W) ITM \$27.09 calls sold to open for \$3.50 and also 800 January 22nd (W) \$27.59 calls sold to open for \$3.50

Colfax (CFX) with 2,600 January \$32.50 puts sold to open today for \$0.65/\$0.60

Copart (CPRT) with 1,500 January \$125 calls bought for \$2.75 as the \$120 calls start to adjust higher from 11/20 buys

Atlas Air (AAWW) the May \$55/\$90 call spread bought 500X1,000 for \$6.90 debit, basing in a narrow range after pulling back from a strong multi-month trend

Triton (TRTN) buyer of 1,000 August \$40 puts for \$2.70, adjusting the April \$35 puts out which originally opened with stock

Donaldson (DCI) unusual January \$55 calls bought today 850X from \$2.45 to \$2.70, \$7B industrial focused on filtration systems that has rallied back to the early 2020 highs

Lennar (LEN) sale of 1500 January \$80/\$75 strangles for \$5.95

Fed-Ex (FDX) buy-write sold 2000 January \$320 calls \$5.15

General Motors (GM) buyer of 1000 January 29th (W) \$40 calls for \$2.95

Materials

Arcelor (MT) buyer 4000 February \$23 straddles for \$4.40

Barrick (GOLD) with 1600 June \$20 puts sold \$1.15 to open. **GOLD** buyer 1000 June \$19 calls \$4.75 offer

Freeport (FCX) with 2,000 January 2022 \$22.50 puts sold to open for \$5.50

First Majestic (AG) with buyer of 8000 January 29th (W) \$12.50 calls for \$0.72 and looking to work out of a multi-month range. **AG** also with 1,750 April \$8 calls bought \$4.10 to \$4.20

Southern Copper (SCCO) buyer of 500 March \$60/\$70 call spreads today and follows the February \$60 calls bought on 11/30

Arconic (ARNC) opening sale 1000 January \$31 puts \$2.50 into day lows

Tech and Telecom

Big Commerce (BIGC) buyers of 470 January \$60 calls for \$13 to open today with shares back near November support

Broadcom (AVGO) buyers 275 July \$430 calls \$33 to \$33.20

Cloudflare (NET) with 1000 January 2022 \$120 calls sold and the \$60 puts bought, likely collaring stock

Wix.com (WIX) buyers of 1,000 January \$300 calls for \$7.40 to \$8 with this move higher today

HP (HPQ) buyer 3000 January 2022 \$22/\$15 put spreads for \$1.98

China Mobile (CHL) buyers of the January \$30/\$32.50 call spreads today 2000X for \$0.35

Twitter (TWTR) opening sale 2100 February \$47 puts \$2.10

Apple (AAPL) with 65,000 February \$145 calls bought today as January \$140 adjust out and up

Microsoft (MSFT) with 43,000 February \$240 calls being bought up to \$3.60 after size buys closer to the money yesterday

Pinduoduo (PDD) with 1,750 June \$105 puts being sold to open today for \$8.10

Weibo (WB) with 1000 January 2022 \$40 puts sold \$6.15 to open as January \$50 short puts adjust

JD.com (JD) opening sellers nearly 2000 February \$82.50 puts here \$6.35

Splunk (SPLK) buy-writes selling 425 January 2023 \$300 calls \$9.85

Oracle (ORCL) with 1,500 March \$60 puts sold to open for \$2.09

Unity (U) with 425 May \$125 puts sold to open near \$23

Micron (MU) opening sale of 2,500 January \$72.50 puts for \$3.75 in a stock replacement

USA Tech (USAT) with 7500 June \$15 calls sold to open for \$0.95 to \$0.90, follows the 10,000 March \$12.50 calls sold yesterday

TI (TXN) with 1000 January 22nd (W) / January 29th (W) \$165 call calendar spreads bought for \$1.10 with earnings expected around 1/19 but not announced yet. **TXN** also with 500 January 2022 \$165 puts sold to open for \$23.60 in a stock replacement

Duck Creek (DCT) starting to work out of a small base and 500 April \$40 puts sold to open for \$4.50

Vodafone (VOD) with 3600 April \$16 calls opening as January adjust

8X8 (EGHT) with 2000 February \$35 calls sold to open \$1.80 to \$1.70

Microstrategy (MSTR) with the July \$260/\$510 call spread bought 135X for \$56.75, name that has soared lately as a bitcoin proxy

SailPoint (SAIL) buyer of 1300 January \$55 calls as the \$50 calls adjust

Utility

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Not Investment Advice or Recommendation

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