



# MARKET RECAP REPORT 12/24/2020

## Sector Leaders

Housing

Semi's

Payments

## Stock Gainers

BLNK 18%

NLTX 35%

RMG 10.5%

PDD 10%

ODT 7%

SBE 6%

## Volatility Gainers

- BABA
- BLNK
- INO
- BOX
- LUMN
- FROG

## High Call Volume

- UFS
- BOX
- FEYE
- XL
- FLIR
- FUBO

## Bullish Options

- FEYE
- PDD
- IQ
- FLIR
- PYPL
- V
- LAC
- VIPS
- WYNN
- NET
- AAPL

**Market Review:** Stocks were quiet overnight and into the open for the Holiday shortened session, Brexit talks nearing the final hours with a deal appearing close. Stocks worked lower with a fade in early action as some recent laggard groups like Housing, Semi's and Payments led strength and Energy & Banks sold off while some air came out of recent momentum/growth groups. After the strong reversal candle Monday the S&P struggled to make much progress and showing a lot of indecision, likely some profit taking into year-end and the Georgia Senate runoff an upcoming potential negative catalyst. Next week will be a slow week without a lot of events and with Brexit and Fiscal Stimulus near resolution it should be a light week without a lot of movement as a wild year comes to an end.

### S&P Chart:



Resistance	Support
3,855	3,610
4,000	3,520
4,140	3,400

**Options Action Trends:** Despite the short day flows were fairly active with nearly all of the focus on Tech stocks, a lot of call buying continuing.

**What's On Tap:** We will return on 1/4/2021 for the New Year. In the meantime, the 2021 OptionsHawk Market Outlook will be sent late next week, regular service is closed next week.

### Trade Tracker Portfolio Changes:

- 1) No Changes

## Sector Laggards

Energy

Banks

Solar

## Stock Losers

BABA -17%

EOSE -14%

ALT -10%

VLDR -9.5%

FEYE -9%

JKS -8.7%

## Volatility Losers

- GPRO
- EOSE
- SENS
- CALA
- RKT
- MGNI

## High Put Volume

- BILL
- TREX
- CALA
- JNK
- CDLX
- LAZR

## Bearish Options

- MRNA
- CHWY
- GIK
- RAD
- CRWD
- CDLX
- GSX
- FFIV
- HOLX
- SKT
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## FEATURED OPTIONS RADAR REPORT



### La-Z-Boy Bulls See Strength Continuing into Spring

Ticker/Price: LZB \$40.75

#### Analysis:

**La-Z-Boy (LZB)** with 600 April \$35 calls bought for \$7.10 to \$7.60 to open on 12/23 and follows 1,100 April \$40 calls bought for \$3.70 on 12/14 and 1,000 April \$45 calls bought \$2.05 to \$2.25 on 12/22. Shares are nearing a bull flag breakout above \$41/\$42 and measured move to \$47. LZB has traded strong since March and out of a very coiled five-year range. The \$1.89B company trades 13.43X earnings, 1.2X sales, and 7.5X FCF. LZB has seen tailwinds during the pandemic as spending accelerates within the home category and LZB expanding capacity to meet demand. They posted 34% growth in SSS in Q2 and their Joybird deal in 2018 added a strong e-commerce brand which jumped 300% Y/Y. They see a lot of runway for the online channel as it remains just a small percentage of their mix and recent investments in their platform expected to reduce friction in the buying process. LZB sees growth opportunities in 2021 through expanding omni-channel, further M&A, and adding new products. The home-goods category is a \$115B industry and highly fragmented on the furniture-side, so potential to win market share as well. Analysts have an average target for shares for \$43 and Street High \$46 at RJF citing strength in written order growth posted by the roughly 355 La-Z-Boy furniture galleries last quarter. Sidoti positive in June citing cost discipline that has helped margins while the brand is positioned to take share post-crisis. Short interest is 5.5% and up from 3.5% in July. Hedge fund ownership rose modestly in Q3.

#### Hawk Vision:



**Hawk's Perspective:** LZB has a nice setup with the recent flows and looks poised for new highs, a niche player in a strong category

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Unusual Call Buying in Flir Systems into Year-End

**Ticker/Price:** FLIR (\$45)

#### Analysis:

**Flir Systems (FLIR)** hot yesterday trading 25X average volume including buyers in the February \$45 calls and July \$55 calls and today a buyer early for 1000 February \$40/\$55 call spreads for \$5.77. Shares jumped this week and now fairly extended short-term but working out of nice weekly range and room back to \$55 and downtrend resistance from the 2018 highs. The \$5.76B company trades 18.9X earnings, 3X sales, and 38X FCF with a 1.5% yield and strong balance sheet they expect to put towards deals in the future. FLIR is a key beneficiary of the re-opening process in the US with their EST scanners a critical part of safely resuming factory work, air travel, and many other high-volume areas. The company held an Investor Event earlier this month and laid out plans to grow within a nearly \$10B pipeline of opportunities across sensors, UAV, industrial and other end-markets. They're entering a major product launch cycle with new infrared tech that should support new client wins and refreshes into 2021. Analysts have an average target for shares of \$50. Canaccord positive in August as FLIR should benefit from the broader industrial recovery while upside in the defense business is not properly priced into shares. Needham with a \$55 PT noting that EST screening and unmanned systems should keep near-term demand strong and more than offset softer trends in maritime. Short interest is 2.5% and up from around 1.5% earlier this year. Hedge fund ownership fell 7.5% in Q3, Shapiro Capital a top buyer of 1.99M shares and Ceredex Value adding to their 2.4M share stake.

#### Hawk Vision:



**Hawk's Perspective:** FLIR was a name discussed early in the pandemic as a potential winner for a reopening and seems that is now starting to play out, and it remains an attractive value.

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Russell (IWM)** seeing buyers of 2000 May \$180 puts to open this morning near \$7.30. **IWM** also 2500 Mar. 31st (Q) \$185 puts bought \$6.60 offer, and 2580 June 30th (Q) \$185 puts bought \$10.31 to open

**Clean Energy ETF (ICLN)** with 1700 January 2022 \$35/\$25 strangles sold to open for \$7.50

**NASDAQ (QQQ)** with 15,000 Jan. 8th (W) \$295 puts being bought to open. **QQQ** March \$300/\$245 ratio put spreads opening 17,000X34,000

**Emerging Markets (EEM)** with 24,705 March \$51 calls opening \$1.62 as the \$48 calls adjust up

**S&P (SPY)** block of 6000 September 2021 \$355 puts sold \$22.25 to open

### **Consumer Goods**

**Performance Food (PFGC)** with 2000 February \$40 puts being sold to open \$1.30 to \$1.25, best-in-class in food distribution biz

**Constellation (STZ)** with 1750 January 8th (W) \$205 calls closing and rolling up to buy 2,250 of the \$212.50 calls for \$7.80 into earnings on 1-7, originally opened as bull risk reversals with the \$185 puts

**Carparts (PRTS)** size buyers here February \$10 calls \$3.20 to \$3.60 for 3000X

**Kraft (KHC)** with 1000 January 2023 \$35 calls bought for \$4.80. **KHC** also with 1000 January 2023 \$40 calls bought \$3.05 to open

### **Consumer/Business Services**

**Chipotle (CMG)** with 1100 February \$1400/\$1395 bull put spreads trading

**Wynn (WYNN)** Dec. 31st (W) \$115/\$119 call spreads opening 2000X as the \$117 calls adjust into Macau data

**Nike (NKE)** block of 5000 March \$150 calls opens for \$4.20. **NKE** calls up to 10,000X with size buys now \$4.35 to \$4.40

### **Energy**

**First Solar (FSLR)** with 550 January 2022 \$82.50 puts sold to open for \$9.45, very popular strategy in the name lately

**Solar Edge (SEDG)** buyer of 100 January 2023 \$500 calls for \$65 to open today, stock replacement

### **Financials**

**Visa (V)** been lagging buy 1300 Jan. 22nd (W) \$210 calls with buyers 1375X early up to \$4.65

**Goldman (GS)** opening sale 200 June 2021 \$260 puts for \$25.60 ITM. **GS** with 500 March \$265 calls opening as January \$215 adjust

**Zillow (Z)** with 2875 January \$140 short puts opening \$5.75 as the \$120 strike adjust

**Cardlytics (CDLX)** size bear position opens 2000 April \$110 puts for \$9

**Digital Realty (DLR)** buyer 200 April \$145 calls \$5.20

**Tanger Factory Outlet (SKT)** with 1280 February \$12 puts bought up to \$2.12. **SKT** volume jumps to 7500X at \$2.40

### Healthcare

**Moderna (MRNA)** buyers coming in for Dec. 31st (W) \$127 puts 1000X. **MRNA** 2000 Apr \$125 calls sold for \$24.15 look to already be closing from earlier this week

**CVS Health (CVS)** with 4000 June \$50 puts bought for \$3.25 with stock

**Editas (EDIT)** with 1000 January 8th (W) \$100 calls sold to open from \$5.30 to \$4.50

**Sorrento (SRNE)** buyer 1500 February \$8 calls \$1.80 offer

**Hologic (HOLX)** IV higher earlier with 500 February \$70 puts bought \$2.40 to \$2.55

**Biogen (BIIB)** with 500 January 2022 \$230 puts sold to open for \$29 today ahead of their big PDUFA in early 2021

### Industrials

**Fed-Ex (FDX)** seeing 850 Jan. 29th (W) \$267.5/\$272.5 call spreads open

**Electrameccanica (SOLO)** buyer of 1000 June \$6 calls for \$3.10 this morning, pulled back from the parabolic run in November and basing nicely around its 20-day

**XPO Logistics (XPO)** with 1000 January \$110 puts sold to buy the \$120/\$130 call spreads at \$2.19 net debit

**Aecom (ACM)** with 2500 March \$52.5 calls opening \$2.15 to \$2.20 as January adjust out

**Boeing (BA)** opening seller 1000 January \$217.50 puts \$9.68

**Tesla (TSLA)** with 15,000 January 2022 \$810 calls opening as \$177M position in September \$720 calls adjusts out and up

### Materials

**Lithium America (LAC)** nearly 1500 August \$20 calls bought \$3.25 to \$3.40 in early trade

**Domtar (UFS)** with 3000 January \$32.50 calls bought or \$0.65 as some \$35 calls adjust back in strikes, back at support of a multi-week bull flag

### Tech and Telecom

**FireEye (FEYE)** buyers 8000 January \$27 calls in early action adjusting from \$19 strike. **FEYE** also with 5000 February \$24 calls opening for \$2.66 as some January positions adjust

**Pinduoduo (PDD)** spread buys 1000 January \$157.50 calls for \$2.69 and sells 1000 Dec. 31st (W) \$133 puts for \$1.69. **PDD** also trading 500 February \$160/\$190 call spreads. **PDD** with 1300 January \$180 calls bought now for \$2.72 as some Dec. 31st (W) calls adjust

**IQIYI (IQ)** buyers active here 2400 January \$17 calls up to \$0.98 adjusting Dec. 31st (W) positions. **IQ** also with January 22<sup>nd</sup> (W) \$16 puts sold to open 6250X at \$0.85. **IQ** also with buyers active in the January \$19 calls from \$0.50 to \$0.55, over 12500X

**Alibaba (BABA)** down 13% this morning and seeing 1300 April \$225 calls with buyers \$21.55 to \$21.80. **BABA** also with sellers of 2,000 September \$150 puts today for \$7.50 earlier and now \$8.15, **BABA** now with 1000 March \$220 calls bought for \$18.80. **BABA** buyer of 2000 February \$225 calls for \$13.95

**Jumia (JMIA)** with 1400 May \$35 puts sold to open for \$6.70. **JMIA** also seeing 1500 Jan. \$65 calls bought, could see Holiday sales update in that timeframe

**Bill.com (BILL)** opening sellers 4000 January \$130 puts \$1.60

**Nutanix (NTNX)** with 1750 January 8th (W) \$33 calls bought for \$1.46 as the weekly \$33 calls adjust out

**Uber (UBER)** with 2,400 January \$53 calls bought up to \$2.65

**Crowd-Strike (CRWD)** with 600 April \$230 calls sold to buy the \$210 puts for a \$3.50 net credit

**Weibo (WB)** with 2000 Dec. 31st (W) \$45 calls bought for \$2.15 into the dip. **WB** will report 12-28, one of the only names reporting next week

**Verizon (VZ)** seeing 1475 July \$50 deep ITM calls bought for \$9.10

**Twitter (TWTR)** buyers of 600 January 2023 \$70 calls for \$10.95 to \$11

**Zoom Video (ZM)** with 1000 February 5th (W) \$350 puts sold to open from \$16.50 to \$16.30 into weakness, DA Davidson positive this morning on the email/calendar news from yesterday as it shows ZM proactively investing in new opportunities

**Cloudflare (NET)** size buyer 1200 January \$87 calls \$5.40 offer, also the 1500 January \$100 calls bought \$1.75. **NET** another 2100 January \$100 calls here \$1.45 offer

**Taiwan Semi (TSM)** moving to highs after early trigger out of consolidation and 1000 April \$105 calls bought \$9 offer

**Apple (AAPL)** January \$136 calls hot with 11,000X trading to open with buyers \$3.10 to \$3.25 in size lots. **AAPL** also seeing unusual 10,000 OTM Jan. 22<sup>nd</sup> (W) \$155 calls bought today

**MongoDb (MDB)** with 200 January 2022 \$380 calls bought for \$80.75, around \$1.6M. as the \$330 calls roll up

**Box (BOX)** IV surged earlier today with 10,000 January \$20 calls bought, stock pulling back in to where buying started now

**F5 Networks (FFIV)** with 625 January \$170 puts bought today \$2.85 to \$3.10 into strength

**Dropbox (DBX)** with 1150 February \$26 calls bought for \$1.39 to \$1.47 today, name with size April call open interest

**Bilibili (BILI)** with 3,000 January \$95 calls bought for \$1.50 to \$1.55 today into the dip back to the 13-EMA

**Analog Devices (ADI)** opening seller 475 February \$140 puts for \$5.20

**Palo Alto (PANW)** with 500 January 2023 \$400 calls sold to open for \$53.50

**TI (TXN)** with 1200 January 2022 \$165 puts sold to open from \$24 to \$23.85

**Google (GOOG)** buyer of 200 June 2022 \$2400/\$2700 call spreads

**Lumentum (LITE)** with 1000 Jan. 8th (W) \$100 calls opening for \$295K as weekly calls adjust, a name with hot call buying all week

**Intel (INTC)** large buy-write with 6000 January 2023 \$50 calls sold \$6.80. **INTC** 5000 January \$49.50 call sweep buyers \$0.48 offer

**Palantir (PLTR)** remains coiled in a bull pattern and today 3000 February \$33/\$38 call spreads bought

**Snap (SNAP)** buyers active for 6000 January \$53 calls \$1.45+ into this dip

**Netease (NTES)** with 2500 January \$95 calls bought \$1.85 to \$1.95 to open into morning lows

**Pinterest (PINS)** buyer 3000 February \$75 calls \$7.02 looks to add to recent buys

### Utility

#### **Disclaimer:**

#### **Not Investment Advice or Recommendation**

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