



MARKET RECAP REPORT 12/3/2020

Sector Leaders

Software

Housing

Aerospace

Stock Gainers

NSCO 55%

WDR 50%

ZS 25%

REV 20%

KIRK 19%

MIK 19%

Volatility Gainers

- NSCO
- NAK
- ARLO
- CASA
- CLVS
- AMC

High Call Volume

- ARLO
- LAZR
- TSEM
- YEXT
- CX
- SAIL

Bullish Options

- BA
- SE
- ACM
- PANW
- JD
- VALE
- PENN
- WBA
- BP
- SNAP
- BBY
- SRPT

Market Review: Stocks were very quiet overnight in a narrow range as the US Dollar continued to weaken while Fiscal Stimulus talks back in focus and COVID-19 continues to hit records for cases, hospitalizations and deaths. China and Europe Service PMIs came in a bit better than forecasts and Eurozone retail sales were very strong. News remains active on the M&A front as well as spin-offs and company breakups ahead of potential tax changes in 2021. Jobless Claims came in well below the expected number as a morning positive and futures moved to flat though ISM Services fell in November from October levels. Software led early strength as a number of earnings reports saw strong reactions, and Housing also bounced while Retail & Travel/Aerospace saw continued strength. The week will close with Factory Orders and the Jobs Report, the VIX not making new lows a bit of a warning signal as well as frothy sentiment, but price-action/momentum remains strong.

S&P Chart:



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

Options Action Trends: It was a fairly quiet session, some notable call buying across the casino/gaming space and some other reopening plays as the group broke out of consolidation. Size buy puts continued in low quality REITS **SKT**, **MAC** for March. March put buyers also targeted prison names **CXW**, **GEO**.

What's On Tap: US Jobs Report, Factory Orders and Fed Speakers.

Trade Tracker Portfolio Changes:

- 1) Long the **EBAY** February \$55 Calls \$2

Sector Laggards

Natural Gas

Gold Miners

Utilities

Stock Losers

SPLK -20%

FNKO -12%

DLTH -10%

SPI -10%

CDXS -9%

FIZZ -7%

Volatility Losers

- CRON
- MIK
- GES
- BB
- KIRK
- FIVE

High Put Volume

- PEN
- RLGY
- SPLK
- FXC
- FOUR
- XPEV

Bearish Options

- DKNG
- LYFT
- ATUS
- XPEV
- PEN
- BNFT
- NTLA
- BSX
- MAC
- LIVN
- SKT



FEATURED OPTIONS RADAR REPORT



Calls Accumulate in MetLife on Portfolio Reshaping

Ticker/Price: MET (\$47.60)

Analysis:

MetLife (MET) June \$52.50 calls under accumulation this week with 10,000 opening, a name that has been quiet with options action but has seen longer dated opening put sales at \$40, \$37.5, \$35 and \$30 strikes seeing value. MET shares have nearly climbed back to recoup the sell-off from this Spring and above \$52 could break out to a decade high. The \$42.5B life insurance company trades 7.5X Earnings and 0.58X Book with a 3.92% yield and ROE of 7.9%. Bloomberg reported on 11/23 that Zurich Insurance is in talks to buy MET's US home & car insurance units for around \$4B. MET already has nearly \$8B in cash and has deployed \$4.3B towards strategic M&A with its Next Horizon strategy as it looks to driver operational efficiencies, improve the customer experience and drive competitive advantages. MET has made some interesting deals lately for Versant Health and Vision Care. Analysts have an average target at \$49.50 with short interest minimal at 1.5% of the float. Wells Fargo raised its target to \$51 seeing a unit sale leading to buybacks and a favorable deal. CSFB on 11/17 raising its target to \$55 after meeting with management, and Barclays started at Overweight with a target of \$52. JPM is positive on the risk/reward and has a \$59 target. Hedge fund ownership fell 6.5% in Q3 filings, Dodge and Cox adding to its large position.

Hawk Vision:



Hawk's Perspective: MET is an attractive value/yield story and like the portfolio moves it is making, potential to be a steady winner in a better backdrop for 2021.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Cyber-Ark Longer Term Call Buy Looks for Strength

Ticker/Price: CYBR (\$115)

Analysis:

CyberArk (CYBR) buyer today of 500 January 2022 \$125 calls for \$15.50 in a stock replacement and name with limited open interest but does have 900 ITM April \$90 calls from buyers in mid-September, near \$2M in premium and pricing just below their original buy price. Shares are extended near-term as it runs back into resistance of a five-month range but above \$117 has plenty of upside with a 20% measured move. CYBR ran strong in 2017/2018 and monthly consolidation and follow-through of the long-term trends measures to \$200+. The \$4.3B company trades 4.87X cash and 8.5X EV/sales. CYBR is coming off a mixed quarter but messy numbers as they focus on their subscription transition. The company has seen increased demand for their SaaS solutions while ARR grew 40% in the quarter, solid metrics overall as they build out of a base of recurring revenue. CYBR sees long-term tailwinds from the pandemic shifting more business into the cloud and digital transformations with escalating privilege one of the most common pathways within an IT infrastructure for hackers and CYBR a market leader in the prevention. CYBR also sees their TAM expanding in 2021 as automation and application development accelerate privileges. Analysts have an average target for shares of \$118 and First Analysis a Street High \$154. JP Morgan positive on 11/11 seeing the company exiting their subscription transition as a solid 20% growth with 20% operating margins. Short interest is 5.63%. Hedge fund ownership fell 8.5% last quarter, Carlson Capital a notable buyer.

Hawk Vision:



Hawk's Perspective: CYBR has made a big move off recent lows and overall not as attractive of a growth story as our top cyber security plays **CRWD**, **ZS**, **OKTA** so not overly interested in getting involved, from a value perspective prefer **PANW** though **CYBR** has always screened well and could be a subscription transition story winner in 2021.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls in Hawaiian Air as Airline Stocks Breakout

Ticker/Price: HA (\$21.70)

Analysis:

Hawaiian Air (HA) buyer of 1,000 January \$18 calls today for \$4.40 to \$4.50, spot where 500 sit in OI from buyers recently. HA has some size April call spreads in open interest, although well in the money, while the January 2022 \$22 calls have seen steady accumulation since 11/9 with over 2,500 bought to open, most recently around \$5.40. HA is looking to clear a multi-week range and above the Pfizer news highs at \$22.25 with a measured run to \$27 which aligns with the gap fill from February. The \$935M regional airline trades 0.67X sales and less than 1X cash. HA expects to return to profitability in FY22. HA has been hampered by the pandemic as the islands closed off travel and Neighbor Island quarantining has made travel within the state burdensome. But, the company is starting to see improvement after a 10/15 lift on travel restrictions and service ramped higher with 44 city pairs now re-activated and over 117,000 seat capacity available. HA is also offering COVID testing and pre-travel programs to bolster confidence in flights. The company expects 2021 to be a big rebound year as leisure travel is primarily their focus and the area of commercial aviation that will rebound fastest and earliest. They've focused on cost-savings and minimizing cash burn lately and reached a deal with Boeing to push back fleet changes into 2022. Analysts have an average target for shares of \$16.75 with a Street High \$29 from Buckingham. Deutsche Bank cutting to Neutral on 11/10 noting that shares are discounting much of the good news from vaccine trials. Short interest is 9.71% of the float but steady over the last four years. Hedge fund ownership fell 2.8% in Q3.

Hawk Vision:



Hawk's Perspective: HA price action is strong and across the whole group seen big rallies but still fear that when reality sets in that travel will likely take years to return to pre-COVID levels, it will limit upside in the names.

Confidence Ranking: \$\$

Market/ETFs

Gold Miner (GDX) buyer 6000 June \$37 calls for \$3.20

S&P (SPY) with 5000 February \$383 calls opening around \$5.20 today in stock replacements, otherwise another real quiet day in ETF/Index options

Euro (FXE) with 2000 March \$113 calls bought \$2.55

Emerging Market Bonds (EMB) with 7500 June \$108 puts bought to open, and 8500 of the \$111 calls being sold to open

Gold (GLD) highs this afternoon and seeing 8000 June 30th (Q) \$179 calls bought for \$6M

Consumer & Business Discretionary/Services

DraftKings (DKNG) with 7000 weekly \$49 puts bought early after the **Flutter/FanDuel** news

Nielsen (NLSN) nice bull flag and unusual 2500 Dec. \$16 calls bought \$1 offers early. **NLSN** also with 600 March \$15 calls bought for \$2.85 with the stock up 4% now

Arlo Tech (ARLO) shares popping with 3,350 January \$7 calls bought up to \$1

Penn National (PENN) the December 31st (W) \$70 calls being bought 1,900X up to \$7.50, nice weekly flag setup under \$75

Under Armour (UAA) flagging tightly and seeing 6000 Jan. 8th (W) \$17 calls open for \$0.90 with some adjustment trades

Casa Systems (CASA) IV30 up 36% today with 3000 January \$5 ITM calls opening near \$1.70

Michaels (MIK) buyer of 1,000 March \$15 calls for \$1.00 to \$1.15, breaking out of a weekly range above \$12 today

Kohls (KSS) with 1,500 January 2023 \$50 calls sold for \$7.50 in a buy-write with the recent strong run

Six Flags (SIX) with the January 2022 \$40 calls bought \$6.30 to \$6.50, over 800X, as shares try to break out of a range today

PVH Corp (PVH) with 1,000 March \$95/\$110 call spreads opening for \$3.99 as some December \$85 calls close and roll out

Carnival (CCL) 10,000 June \$22.50 calls sold to open for \$5.90

Extended Stay (STAY) with 25,000 April \$14 calls bought \$1.50 as the \$12 calls close 20K

Wynn (WYNN) with the December \$102 puts sold to buy the \$110/\$115 call spread 2,000X

Best Buy (BBY) buyer 2500 January 8th (W) \$108 calls for \$3.85, also February \$110/\$120 call spreads with another 1250X bought. **BBY** likely reports Holiday numbers as a catalyst and also have CES

Zynga (ZNGA) moving into low volume pocket and 7500 January 8th (W) \$9 calls bought \$0.20 to \$0.22

Xerox (XRX) buyer 500 January 2022 \$22 calls \$4.10 offer

Capri (CPRI) spreads here are selling the February \$30 puts to buy the \$45/\$55 call spread 6800X for \$0.55. **CPRI** also 1500 February \$37.50 puts sold to open \$3.7

Five Below (FIVE) the January \$185/\$190/\$145/\$140 iron condor opening 825X

Marriott (MAR) with 1,000 January 2023 \$85 puts sold to open for \$7.35, the January 2022 \$70 short puts from August adjust

Nordstrom (JWN) with 10,000 July \$30 and \$35 calls opening at \$6.35 and \$4.65 respectively as April calls adjust

Sabre (SABR) with 6000 Dec. \$12 puts sold \$0.55 to \$0.50 to open, a consistent strategy in the name

Gap (GPS) with 600 January 2022 \$22 puts sold to open today \$5.60

Consumer Goods

Dollar General (DG) buyer 500 May \$220 calls \$12.70 into early earnings dip

SunOpta (STKL) with 1,000 June \$7.50 calls bought \$3.70 to \$3.90, small cap plant-based food and beverage company

John Wiley (JW.A) with 825 December \$35 calls bought up to \$2.40 to open today, name that doesn't draw a lot of options activity. The \$2.29B publisher of academic materials like research and medical journals trades 15.6X earnings and 1.25X sales with earnings upcoming on 12-8, higher three of the last four

Energy

Plug Power (PLUG) opening seller 2000 ITM December \$28 puts \$4.60

BP PLC (BP) IV climbing here with 5500 February \$20 calls bought up to \$2.50

Chevron (CVX) \$1.2M position opening with 1000 June \$82.50 calls as March adjust

Holly Frontier (HFC) clearing 200-day MA today with 1200 January \$28 calls opening up to \$2.05

Canadian Natural (CNQ) bull flag and 1000 June \$24 puts being sold to open \$3.70 to \$3.60

Halliburton (HAL) starting to work out of a bull flag with 4000 next week \$17.5 calls bought \$0.97 to \$1

Financials

Federated Hermes (FHI) strong early breakout with 975 Jan \$30 calls bought \$1.45 to open

NY Community Bank (NYCB) sweep buyer 2500 December \$10 calls \$0.35

Ally Financial (ALLY) buy-write sells 5000 March \$37 calls \$0.83

Simon Property (SPG) with 1200 March \$80 puts sold to open \$5.90 bids today

Macerich (MAC) buyer 25,000 March \$14 puts for \$4.80 as lower strikes adjust into new highs

Life Storage (LSI) the June \$85 puts sold to open 2,000X from \$1.60 to \$1.45

Invesco (IVZ) with 1,750 January 2023 \$15 puts sold to open for \$3.30 today, stock replacement and name being pressed by Trian to consider M&A

Progressive (PGR) with 4000 February \$80 puts sold to open, best-in-class name that has been weak lately

Discover (DFS) opening sale 350 January 2023 \$72.5 puts for \$15.20

CME Group (CME) stock replacement sells 1,250 March \$180 puts for \$11 to open

Medalia (MDLA) buyer 10,700 Dec. \$40/\$45 call spreads into earnings

Healthcare

Editas (EDIT) opening sale 1000 May \$40 calls \$3.30

CVS Health (CVS) buyers 2000 Dec. \$74 calls and **Walgreens (WBA)** with 7200 December \$44 calls as flows hot for a 2nd day

Gilead (GILD) the June \$62.50 calls being sold to open this morning around \$4, over 1725X

Penumbra (PEN) spread sells 700 January \$220 calls to buy the \$180/\$150 put spread, weak lately and focus of a short report in November

Inmode (INMD) the February \$35/\$60 call spread bought 500X1,000 for \$7.10, pullback to re-test the rising 55-MA yesterday

Horizon (HZNP) block of 2190 January \$75 calls opens \$3.90

Nektar (NKTR) small speculative interesting trade opens 1000 January \$19/\$16 bull risk reversals for \$0.09

Intellia (NTLA) buyer 3000 April \$40/\$20 put spreads for \$7, also 28% of the float is short and surging to highs

Pfizer (PFE) opening seller 1300 January 2022 \$40 puts \$5.70 bid

LivaNova (LIVN) buyer of 500 April \$45 puts for \$3.10 into strength

Sarepta (SRPT) large stock replacement buys 1200 January \$170 calls \$13.40

DaVita (DVA) buyer 250 January 2023 \$150 calls for \$7.80 with share shares at \$105

TG Therapeutics (TGTX) with 1,000 deep ITM January 2023 \$15 calls being bought between \$16.80 and \$19.50

Align Tech (ALGN) with buyers today of 1,500 December \$550 calls up to \$6.30, although trading smaller lots

Acadia (ACAD) weak today but see 300 March \$45 synthetic longs opening as Dec. \$42 calls adjust

AbbVie (ABBV) with 500 January 2022 \$97.5 puts sold to open \$10.75

Industrials

Velodyne (VLDR) with 4,000 December \$12.50 calls bought \$3.60 to \$3.90 to open this morning

Aecom (ACM) with 5,000 January \$52.50 calls opening for \$2.15, some Dec. calls adjusting, shares lower by 3.5% with WSP's deal this morning

Xpeng (XPEV) big 21-day MA bounce yesterday seeing some December \$48 puts bought 1500X, but also 3500 April \$45 puts selling to open in stock replacements

General Electric (GE) bull flag seeing 5000 June \$14 calls bought \$0.51 offer

Tesla (TSLA) block of 5000 March \$500 calls bought \$139.06, adjusting December \$500 calls.

AerCap (AER) with 2,000 March \$35 puts being sold to open from \$3.34 to \$3.20

Delta (DAL) buyer 4000 January \$42 calls \$3.95 as the \$41 calls adjust

Boeing (BA) with 1500 January 2023 \$330 calls opening today for \$6.7M as the \$260 calls adjust up it appears, possibly bull call spreads if \$260 OI rises

Caterpillar (CAT) with 350 January 2022 \$180 puts selling \$27.30 to open

Ford (F) buyer 7900 March \$9 puts at \$0.67

Invitation Homes (INVH) with buyers of 700 July \$30 calls from \$2.25 to \$2.40, very narrow range since June

Materials

VALE SA (VALE) buyers hot in March \$17 calls 6500X at \$0.89 offer

Cliffs (CLF) with 5400 January 2022 \$12 calls sold \$3.05 in a buy-write

Mosaic (MOS) IV rising with 6500 Dec. 31st (W) \$24.50 calls bought \$0.27 to \$0.35

Tech and Telecom

Lyft (LYFT) early buyers 2275 December \$42.50 puts \$1.68+ into recent rally. **LYFT** buy-write with 1000 July \$45 calls sold \$7.10

Spotify (SPOT) with 670 April \$260 puts sold to open today for \$12.50 with the strength this week

IMPINJ (PI) another 1,000 December \$40 calls bought for \$4.90 with the March \$35 puts sold for \$1.95, same spread as yesterday

Splunk (SPLK) a bit off morning lows still down 23% but January \$150 calls active near \$13 with buyers, exact low came at 89-week MA, also \$160 a 50% retrace of the 2020 range trying to close above. **SPLK** buyer now 1000 January 2022 \$150 calls at \$35, sells 2000 of the \$200 calls \$15.60 which may be closing

AutoDesk (ADSK) with 1000 January 2022 \$230 puts opening, adjusting April \$180, a stock-tied put position from 9/17

BenefitFocus (BNFT) buyer of 1,000 February \$12.50 puts for \$1.15 to \$1.20, trading 375X average puts

Ambarella (AMBA) strength continuing with recent AWS partnership and 1200 Dec. 31st (W) \$100 calls with large lot buys at \$1.65 and \$2 for 1150X

Qualcomm (QCOM) stock replacement buys 1000 April \$180 OTM calls \$4.25

Atlassian (TEAM) buyers of 725 March \$230 calls for \$22.80, adjusting higher the \$200 calls that close 550X. **TEAM** also with 1000 June \$150 puts sold to open for \$4 today

Shopify (SHOP) another 500 April \$900 calls bought \$250.05, have to confirm OI tomorrow

Dell Tech (DELL) with 1,000 January 2022 \$65 puts bought for \$7.20 with stock

Snap (SNAP) April \$60 calls heating up here 3000X at \$3.20

Advanced Micro (AMD) with 1,000 July \$85 puts sold to open for \$11

Salesforce (CRM) buyer 1000 may \$250 calls \$14.60, stock replacement. **CRM** sellers of 600 September \$180 puts for \$11.90 to \$11.85

Seagate (STX) with 3,000 June \$75 calls bought for \$1.67 into strength, monthly flag breakout setting up here under \$64

Quotient (QUOT) unusual volume here with 1,190 May \$10 calls bought for \$0.55, small cap digital marketing company focused on integrated digital promotions for CPG brands.

Gogo Wireless (GOGO) with 6500 February \$10 puts sold to open \$1.35 to \$1.30 today. **GOGO** also with buyers of 4000 February \$11 calls \$1.10 offer, and 2500 January 2022 \$10 calls

Yext (YEXT) seen February call sellers this week and reports tonight, but also a buyer today 1000 May \$17.50 calls \$3.80 offer

SPS Commerce (SPSC) a long-time favorite that I have long thought would get bought out with an unusual buyer of 200 January \$90 calls for \$11 today

Box (BOX) bullish spreads here are selling the March \$14 puts to buy the \$18/\$23 call spread 1000X, follows buyers in the March \$17 calls yesterday

Utility

First Energy (FE) with the January 2022 \$35 calls bought \$1.20 to \$1.30, 4500X

Disclaimer:

Not Investment Advice or Recommendation

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