



Sector Leaders

Housing

Energy

Transports

Stock Gainers

SNOW 12.5%

KR 12.2%

CLVT 9.3%

OKTA 8%

CFLT 7%

DAL 7.6%

Volatility Gainers

- VOD
- EGHT
- LUMN
- AUPH
- PLBY
- EDIT

High Call Volume

- IR
- J
- MDY
- AWK
- PING
- BILL

Bullish Options

- MRNA
- SQ
- RCLB
- CPB
- HIMX
- BILL
- BXP
- CTVA
- AA
- MRVL
- TWLO

Market Review: Stocks were calm overnight and moved higher initially after a disappointing US Jobs report which may keep the Fed at bay a bit longer. We also continued to see positive November PMI data overseas with China, Japan and Eurozone numbers. Oil got off to a hot start as Crude jumped 3.5% and Energy stocks led early strength. We faded early off the 4600 level though US PMI numbers for November came in very strong. The carnage in growth names continued and we remain in a volatile tape ripe for hit and run trades to the long side only as the 11/18 NYSI sell signal remains intact. The Nasdaq touched and bounced around its 55-day moving average catching up to the S&P recent move. We head into a light schedule next week awaiting further details on the new variant and start to enter a seasonally stronger period for markets that have suffered a standard 5% pullback though a lot more damage was done under the hood.

S&P Chart:



Resistance	Support
4675	4530
4720	4500
4880	4440

Options Action Trends: We yet again saw some monster call positions in Software growth adjust to lower strikes in **TEAM, BILL, DT** as well as a big adjustment in **DASH, AFRM** but until price-action improves have to be patient, and entirely possible these are protecting a short stock position which is why best to combine direction of flow with the direction of the trend for higher quality signals.

What's On Tap: It will be a much quieter tape next week with just PPI and Consumer Sentiment at the end of the week while earnings reports also slow with just **AVGO, MDB, COST, CHWY, PATH, HRL, COUP, MTN, GTLB, S, CPB, CIEN, TOL, CASY** of note. The Conference schedule will remain active with 2022 outlooks in focus. Markets will continue to monitor the Omicron variant news as well as the Fed's plans. US ISM and Factory Orders also came in well above estimates.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Gold

Semi's

Bonds

Stock Losers

AI -15%

ESTC -13.7%

NCNO -12%

NVAX -9%

UPST -8%

MTRR -7%

Volatility Losers

- COUP
- AZN
- RCL
- TOL
- EH
- BIIB

High Put Volume

- ZUMZ
- ELAN
- DUOL
- EGHT
- GDDY
- TGTX

Bearish Options

- SU
- BABA
- TCOM
- DKNK
- BYND
- SQM
- AFRM
- TWOU
- FUTU
- V
- SNAP
- IQ



FEATURED OPTIONS RADAR REPORT



Bullish Spread Positions for Upside in Attractive Neuro Biotech

Ticker/Price: BHVN (\$109.30)

Biohaven Pharma (BHVN) interesting trade on 12/2 as 1000 April \$80 puts were sold to buy 1000 of the \$115/\$140 call spreads at around a \$400,000 net debit. BHVN does not really have much notable open interest outside of this trade. BHVN shares are +27.5% YTD and was a relative strength name most of the year in the Biotech group but recently sold off on news that it entered a collaboration agreement with Pfizer for rimegepant outside of the US which disappointed some investors expecting a buyout. With the deal PFE invested \$350M in BHVN at a 25% premium, made an upfront payment of \$500M and also eligible for up to \$740M in milestone payments. BHVN shares have now pulled back to the rising 200-day moving average which lines up with VWAP off its March lows as well as a 50% retrace of the 2021 rally. BHVN is a biopharmaceutical company with a portfolio of innovative product candidates to improve the lives of patients with debilitating neurological and neuropsychiatric diseases, including some rare disorders. BHVN estimates 1 billion patients worldwide with migraines and is looking to expand its geographic footprint, expecting an MAA approval next year for rimegepant in the EU. The company is also in early stages of exploring potentially bringing a CGRP treatments to higher risk indications such as asthma and psoriasis. There are multiple topline readouts expected in the near term beyond migraine; SCA is advancing with topline data expected by the end of this year or early next year. BHVN recently received FDA approval of NURTEC ODT as the first and only migraine medication for both acute and preventive treatment which has seen a strong initial launch. BHVN has a \$7.5B market cap and trades 2.85X FY25 EV/Sales estimates with a strong growth period ahead.

The rimegepant MAA for acute/preventative migraine treatment decision is expected in 1H22, and regulatory submissions in China/Korea are expected in 1H22 as well. Intranasal zavegepant is expected to have topline data for acute migraine treatment and a NDA filing in 4Q21 with a subsequent FDA decision in 2H22. For troriluzole, the company expects topline Phase 3 data for spinocerebellar ataxia and obsessive-compulsive disorder in 1H22 and 2H22, respectively. The verdiperstat trial in ALS is expected to complete enrollment 4Q21. Analysts have an average target of \$150 with short interest at 5.6% of the float. Goldman sees the weakness as a buying opportunity, positive on the strategic rationale for the Pfizer deal, and has a \$170 target. The CGRP franchise has the potential to drive further growth with zavegepant, including intranasal formulation for ultra-rapid acute treatment of migraines (potentially on market in late 2022 or early 2023) and oral formulation for daily dosed prevention of chronic migraines (Phase 3 data expected in 4Q22). The company is also developing verdiperstat and troriluzole for multiple indications, as well as next-gen CGRP's. Mizuho raised its target to \$144 expecting Nurtec outperformance and positive pipeline news flow.

Hawk Vision:



Hawk's Perspective: BHVN remains one of my favorite Biotech names to own and recently got back into the name on this weakness which is unjustified in my view. I like the structure of this April options trade and think shares perform well in 2022.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Upside Bet for Year-End Bounce in Large P&C Seeing Improving Trends

Ticker/Price: AIG (\$53.95)

American International Group (AIG) large trade 12/2 in the afternoon as 7400 December 31st (W) \$54/\$60 call spreads were bought \$1.70 to open looking for near-term upside. AIG has not seen a lot of recent positioning but back in March saw size buys in January 2023 \$40, \$45, \$50, and \$52.5 calls that all remain in open interest. AIG shares have pulled back to an optimal entry spot at trend support off January and July lows as well as its rising 200-day moving average. AIG is a leading global insurance organization providing property casualty insurance, life insurance, retirement solutions, and other financial services to customers. AIG has entered into several transactions in order to generate liquidity prior to the intended L&R IPO. The L&R IPO was initially marketed as an equity carve out of 19.9%; however, the recent Affordable Housing Sale (AHS) reduced the benefit of the associated tax structure with a <20% initial IPO and resulted in management stating that up to 50% of the entity may be available in the primary offering. AIG's General Insurance premium CAGR from 2015-2020 was -6.5% as the company shed large amounts of risk in an effort to re-underwrite the General Insurance business but this is inflecting with 14% growth in 2021 and high single-digits seen in 2022. AIG has a \$45.75B market cap and trades 10X Earnings, 0.71X Book and 0.7X NAV with a 2.37% dividend yield and ROE of 6.7%. Goldman recently started shares Conviction Buy with a \$74 target as a favorite in the P&C group. Its positive view is based on 1) the General Insurance business should continue to improve margins fueled by International pricing as well as terms and conditions improvements, 2) General insurance growth should outpace estimates and provide material expense flexibility, 3) a more robust ROE improvement initiative, and 4) a material uptick in share repurchases relative to expectations driven by the strong holding company liquidity position.

Hawk Vision:



Hawk's Perspective: AIG looks like a nice re-rate higher play into 2022 and plenty of positive in the business while trading back to an attractive technical support providing a nice risk/reward entry.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Retail (XRT) with 7500 Dec. 31st (W) \$90/\$80 put spreads bought as Dec. expiry puts adjust

Dow Jones (DIA) with 2000 Dec. 31st (W) \$355 puts opening \$13.40 to \$14

S&P (SPY) buyers active for 15,000 January \$431 puts this morning in a large block.

Consumer Staples (XLP) outperforming as a risk-off trades and 6000 Jan. 2023 \$68 calls are bought \$6.20 to open today

Healthcare (XLV) with 2500 June \$117 ITM calls bought \$15.87 to open

Solar (TAN) sweep buyers this afternoon 3000 January \$84 calls \$5.20 offer

Consumer Goods

Campbell Soup (CPB) large opening buy 1450 January 2024 \$38 calls for \$7.50

Corteva (CTVA) buyers of 2000 January \$48 calls \$1.90 to \$2.05 with shares putting in a nice bounce off support this week

Harley (HOG) opening sale 500 January 2023 \$37 puts for \$6.40

Lucid (LCID) losing its 21-MA today with 1500 May \$50 puts bought \$16.85, though also a buyer of 1200 February \$46 calls \$10.10 offer

AMMO (POWW) buyer of 500 July \$2.50 calls for \$3.20

P&G (PG) with 1000 February \$145 puts bought up to \$4.45 into strength

Kroger (KR) earlier with 6000 Dec. 10th (W) \$44/\$41 put spreads bought

Callaway Golf (ELY) with 5000 Dec. \$25 calls opening for \$1.26 late morning

International Gaming (IGT) with 10,000 January \$23 puts bought for \$1.50 today as some put spreads adjust

Consumer/Business Services

DraftKings (DKNG) with 3000 May \$30 puts adjusting to the \$22.50 strike

Live Nation (LYV) with 3000 February \$80 puts sold to open for \$3.60

Zynga (ZNGA) buyer of 2000 February \$6/\$9 call spreads

Airbnb (ABNB) sale to open 500 Dec. 2022 \$105 puts for \$7.40. **Airbnb (ABNB)** with 1000 April \$210 short puts opening \$51.75 as January adjust

Uber (UBER) buyer 3000 Dec. 31st (W) \$39 calls for \$1.25. **UBER** into afternoon low with 12,500 May 2023 \$37.5 long-term calls opening for \$8.80 to \$8.85 as January \$32 adjust

FarFetch (FTCH) into lows with 1000 July \$25 calls bought ITM for \$10.40

Portillo (PTLO) recent IPO with 1500 January \$35 puts bought \$3.80

Doordash (DASH) buyer of 5000 January 2023 \$180 calls for \$28.20 as 3000 of the \$210 calls adjust back, also seeing 2250 Oct. \$135 puts sell to open at \$22.50. **DASH** buyer 1815 January \$160 calls here for \$12.65 offer

Academy Sports (ASO) with 2500 next week \$43.50 calls bought adjusting back \$45 calls into earnings

Caesar's (CZR) with 1000 January 2023 \$105 calls opening into afternoon weakness for around \$12.60

MYT (MYTE) with 7000 March \$30/\$22.5 bear risk reversals opening for \$0.75

Lyft (LYFT) with 1000 April \$45 calls bought \$3.20 offer

Viacom (VIAC) with 2850 May \$27.50 puts sold to open \$2.26

Energy

Suncor (SU) with 8000 December \$24 puts bought early against the \$21 which may be adjusting

Jinko-Solar (JKS) a Chinese name basing after early weakness and IV rising with buyers of 2500 January \$50 calls

Enphase (ENPH) buyer of 2000 December \$210/\$180 put spreads

Apache (APA) with 5200 Jan. 7th (W) \$20 puts sold to open for \$0.38

PBF Energy (PBF) buyer 2500 January \$14/\$18 call spreads as \$15/\$19 adjust

SunRun (RUN) with 2000 February \$50/\$60 call spreads bought into afternoon weakness

Financials

Upstart (UPST) off early highs on Citi upgrade but still holding 200-MA and seeing 1750 next week \$200 calls active w/ buyers

Square (SQ) seeing buyers active 2000 January \$195 calls into early weakness near \$10.15

Affirm (AFRM) with 1200 February \$100 puts bought \$13.10 to \$13.60. **AFRM** now with 6000 February \$120 calls bought for \$13.70 as the \$135 start adjusting back

Futu (FUTU) with 3850 March \$55/\$25 bear risk reversals opening

Visa (V) buyer of 1300 April \$175 puts to open at \$6.65 offer. **V** also buyer of 600 September \$165 puts \$9.20 offer

Public Storage (PSA) with 900 March \$290 puts sold to open today \$5.75

Bank America (BAC) buyer 3600 September \$38 puts for \$2.33

Aflac (AFL) with 1250 May \$50 puts sold to open \$2.45

Blackstone (BX) with 1425 January 2023 \$145 calls being sold to open \$14.35 today as January \$125 adjust, likely extending a buy-write another year

360 Digitech (QFIN) with 5000 February \$22.50 puts sold to open \$4.70 as Dec. adjust

Lincoln National (LNC) buyer 500 April \$70 calls for \$5

Healthcare

Esperion (ESPR) buyer of 1500 January 2023 \$12.50 calls with shares down 40% on an offering

Moderna (MRNA) early day buyers active February \$400 calls \$13.25 to \$13.75 range

Amgen (AMGN) stock buyers collaring with June \$215/\$170 1000X

CVS Health (CVS) buy-write sells 4000 January 2023 \$100 calls for \$6

Exact Sciences (EXAS) with 3500 Dec. 10th (W) \$80 puts bought \$5.80 as weekly \$85 adjusted

Cutera (CUTR) with 5000 December \$35 calls bought \$2.05 to \$2.25 this afternoon as the \$45 adjust back

Industrials

Kirby (KEX) block of 2500 March \$60 ITM puts trades \$8, below fair value as an opening sale

CSX (CSX) with 3000 Dec. \$37.5 calls closing and opening January \$36.67/\$40/\$43.33 call fly 3000X6000

Canadian Pacific (CP) IV rising this afternoon with Dec. \$68 puts active with buyers trading 4500X

TU-Simple (TSP) with 2000 February \$36 puts opening for \$6 as Dec. puts adjust

Lennar (LEN) trading May \$115/\$140 call ratio spreads to open 1800X3600

Materials

Sociedad Minera (SQM) buyer of 1000 January \$55 puts to open for \$3.15

Teck Resources (TECK) sellers of 9570 January \$22 puts to open \$0.45

Alcoa (AA) buyer of 1450 January 2023 \$55 calls up to \$6.35. **AA** January 2023 \$55 calls up to 3750X on the day. **AA** seller 4000 Jan \$33 puts to open \$0.73

BHP Billiton (BHP) buyer 1500 February \$57.50 calls at \$2.60 offer

Tech

Go-Daddy (GDDY) buyer of 1000 December \$72.50 calls \$1.35

DocuSign (DOCU) down 40% on earnings starting to see put sellers come into June \$130's for 2850X at \$16.20

Himax (HIMX) buyers of 2450 April \$15 calls \$0.50 to \$0.55 after the size March risk reversals yesterday

Elastic (ESTC) buyer 1000 December \$115 calls \$4.85, adjusting back again

2U (TWOU) with 1500 January \$22.50 and 2,625 January \$20 puts opening

Bill.com (BILL) stock replacements opening 1175 January \$240 calls \$22.70 to \$23. **BILL** now also seeing February \$260 calls open 3000X at \$28.80 adjusting the \$280 calls

Atlassian (TEAM) with 6000 March \$380 calls opening \$30.25 as the \$400 calls adjust

Marvell (MRVL) off highs but a top earnings winner seeing 6000 February \$82.50 calls bought for \$6.38 as January \$75 adjust

ZenDesk (ZEN) buyer 2000 July \$75 ITM calls for \$27.10 to open

Snap (SNAP) sweep buyers of 2000 February \$40 puts at \$2.56 offer. **SNAP** sale to open 3000 April \$35 puts \$2.14

Twilio (TWLO) with 1200 February \$200 puts sold to open \$8.10 to \$8.05

Zoom (ZM) buyer 1000 June \$120 puts at \$7.10 offer

Dynatrace (DT) buyer 35,000 February \$60 calls for \$5.20 as the \$65 adjust again

J-Frog (FROG) buyer 600 June \$20 deep ITM calls for \$10

Service-Now (NOW) midday low came right as 1500 February \$630 calls bought to open in a sweep at \$35.80 to \$36.80. NOW shares hitting VWAP off the May lows today as potential support

Salesforce (CRM) with 1000 April \$260 calls opening \$21.75 to \$22

Bilibili (BILI) with 1200 December 2022 \$50 puts sold to open \$11.25

Bandwidth (BAND) back at March 2020 levels as a name that has already taken a big hit and seeing a lot of options action this afternoon moving it off the lows, the January \$65 puts being sold to open 2000X with the February \$50 puts bought 2000X for net credit of \$3 and using that to buy 2250 June \$80/\$115 call spreads at \$5

Telecom/Utilities

T-Mobile (TMUS) with 1700 March \$100 deep ITM calls being bought \$15.05 with telecom a bit of a safety/yield group

AT&T (T) outperforming today and 7000 Jan. 2024 \$20 ITM calls open \$4.45, trade vs. the \$30 calls which may be adjusting, seen a lot of deep ITM call action in T the past week

Disclaimer:

Not Investment Advice or Recommendation

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