



Sector Leaders

Financials

Energy

Retail

Stock Gainers

- NCLH 10.5%
- BEKE 10%
- CCL 9.5%
- UAL 9.5%
- AAL 9.4%
- KSS 9%

Volatility Gainers

- GTLB
- NVAX
- COUP
- SUMO
- SI
- SAVA

High Call Volume

- YNDX
- PACB
- DCP
- HWM
- -
- -

Bullish Options

- HON
- AMD
- EXPE
- PDD
- COP
- PTC
- SE
- LYV
- IGT
- TWLO
- AR
- SLB

**Market Review:** Stocks kicked off the week modestly higher after a volatile week prior and a volatile weekend for crypto. China's Central Bank cut the RRR in a sign of accommodative policy while we saw a few M&A deals as 2021 nears an end. Stocks rallied through the opening hour with improving breadth led by beaten up travel & leisure stocks while Financials and Energy also climbed with Tech yet again lagging. The S&P made its first attempt through the 8-day moving average as breadth strengthened throughout the session and the VIX pulled in, though the latter remains elevated. We faded a bit into the afternoon and without closes above key levels and with the VIX remaining elevated still a tape to be cautious and treat trades accordingly. The schedule is light this week but inflation data tomorrow morning could be a potential moving catalyst.

**S&P Chart:**



Resistance	Support
4675	4530
4720	4500
4880	4440

**Options Action Trends:** We saw January 2023 call buys in Natural Gas leaders **AR**, **RRC** into recent dips. The Chinese growth plays **PDD**, **SE** also saw some size bullish positioning. Activity overall was rather quiet and may have seen some Retail froth blown out in the recent sell-off resulting in calmer options markets.

**What's On Tap:** November PPI. Earnings from **PATH**, **RH**, **THO**, **UNFI**, **NAPA**.

**Trade Tracker Portfolio Changes:**

- 1) No Changes

Sector Laggards

Biotech

Semi's

Software

Stock Losers

- BNTX -16%
- MRNA -14%
- NVAX -12%
- ZS -11%
- LCID -9%
- POWI -9.3%

Volatility Losers

- LI
- OKTA
- ZI
- LOGI
- AUPH
- VMW

High Put Volume

- GTLB
- SKYY
- BAX
- ICPT
- COUP
- EAT

Bearish Options

- CHPT
- NCLH
- FUTU
- PINS
- LC
- GOCO
- WE
- SAVA
- MS
- GTN
- OLLI
- KMX



## FEATURED OPTIONS RADAR REPORT



### Large Spread in IT Services Value Company Sees Attractive Entry

**Ticker/Price:** KD (\$18.60)

**Kyndryl Holdings (KD)** closing the day strong on 12/3, a new issue, as 10,000 June \$15 puts sold for \$1.80 to buy 10,000 of the \$17.5/\$25 call spreads at \$2.45. KD on 11/24 saw 1700 June \$20 calls bought for \$2.40 while on 12/1 January \$17.50 short calls opened 2000X. KD came public in late October and hit \$50 on the spin-off from IBM day and have barely seen a positive day since but closed last week with two strong days off the \$15.50 low. VWAP from the opening trading day comes into play at \$22.30. KD designs, builds and manages secure and responsive private, public and multi-cloud environments to accelerate customers' digital transformations. It offers services across domains such as cloud services, core enterprise and zCloud services, applications, data and artificial intelligence services, digital workplace services, security and resiliency services and network and edge services. KD competes in the IT managed services space with DXC (DXC), Atos, HCL Tech, Tata Consultancy and Cognizant (CTSH). KD intends to reposition itself for growth using M&A and internal development to adjust its business mix. KD's market cap of \$3.9B and EV of \$5.1B puts it at an extremely low multiple of 0.3X Sales as Kyndryl doesn't expect to show growth before 2025. KD sees its addressable market post-spin doubling to \$510B by 2024 with tailwinds from digital transformation services, migrations to cloud, rapid data growth, increased need for secure systems and adoption of automation, AI and machine learning. KD also sees a benefit in freedom to pursue partnerships and invest in the broader ecosystem with its separation from IBM. Financial Services is the largest end-market at 47% followed by Industrial, Telecom, Public, and Other. Evercore started shares In Line in November with a \$22 target noting potential for low single-digit organic revenue growth with high teens EBITDA margins starting in 2025.

#### Hawk Vision:



**Hawk's Perspective:** KD is for patient value investors and like the idea of short puts because it is tough to imagine this getting much cheaper on a sales-basis and potential for M&A moves to accelerate the timeline of a return o growth to drive upside re-rating here.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bulls Position for Strong 2022 for Leading Rocket Launcher as Space Economy Grows

Ticker/Price: RKL (\$13)

**Rocket Lab (RKL)** last week with 6000 January 2023 \$20 calls bought to open in the \$4 to \$4.20 range, a sizable opening position. RKL shares have pulled back near the October lows with the risk-on stocks showing weakness after an explosive move back in September and a close above \$16 would be a bullish signal. Rocket Lab is an end-to-end space company that delivers reliable launch services, spacecraft components, satellites and other spacecraft, and on-orbit management solutions that make it faster, easier, and more affordable to access space. In under six years the company has done 20 launches to space with 104 satellites deployed. RKL sees tailwinds from unprecedented commercial investment and government expenditures into the space economy seen growing to \$1.4 trillion by 2030. The current \$350B TAM includes a \$10B Launch TAM with small satellite constellations seen accounting for 83% of all satellites by 2028; a \$20B Space Systems TAM; and \$320B Space Applications TAM. RKL's business is broken into 50% Commercial, 20% Civil and 30% National Security. RKL currently has a \$5.8B market cap and being valued for future explosive growth. RKL's 2021 bookings are 90% of its \$72.2M revenue forecast and grew 96% Y/Y. RKL expects to be EBITDA positive in 2023 and cash flow positive in 2024 with \$1B in revenues seen in 2026 and \$340M in EBITDA. RKL has a \$2.4B pipeline of future launch opportunities. RKL is also employing 3D production methods to minimize costs, time and weight with Neutron the world's first carbon composite large launcher. Analysts have an average target of \$20 with short interest at 3% of the float. Canaccord started at Buy in September with a \$30 target with a long runway for growth as the second most prolific commercial launch operator to SpaceX. Deutsche Bank at Buy with an \$18 target calling RKL the highest quality space asset to enter public markets. Stifel started Buy on 9-30 with a \$22 target as well positioned in the exploding small satellite market with its dedicated small launch Electron rocket a game changer. Its medium-launch vehicle, Neutron, will rapidly expand its TAM with first launch in 2024 while development with Archimedes engines expected to test fire in 2022.

### Hawk Vision:



**Hawk's Perspective:** RKL is highly speculative but also a quality name in a major future growth theme, something that can likely be tucked away for the long-term though the current risk-off market makes it a tricky situation for timing.

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### Amid Recent Deal Activity, Bull Sees Further Upside for Cash-Rich Oil Mega-Cap

**Ticker/Price:** COP (\$72.50)

**Conoco (COP)** with 1,500 May \$67.5/\$57.5 bull risk reversals opening for \$7.90 debit and follows recent buys in the February \$70/\$57.50 bull risk reversals in mid-November. COP has also seen buyers in the May \$62.50, \$72.50 calls and \$85 calls as well as the January 2023 \$67.50 calls recently. COP shares traded strong in September and October breaking out of a weekly bull flag and now pulling back to the 55-EMA and flagging in a multi-week range. A move higher out of this bull wedge through \$74.75 and above monthly value targets a move to \$85. The \$94B company trades 8.9X earnings, 2.6X sales, and 16.3X FCF with a 2.6% yield. COP is coming off of a strong quarter given better pricing which is driving higher cash flows. COP has been active over the last 12-18 months with deals including their timely purchase of Concho last year which gave them valuable acreage in the Permian basin. In September 2021, the company announced another \$9.5B deal to buy Shell's Permian interest, a portfolio of nearly 600 miles of oil, natural gas, and water pipelines as well as key infrastructure in the region at a time when it is climbing back to pre-pandemic production levels. Analysts have an average target for shares of \$90 and a Street High \$117. Mizuho raising estimates on 11/30 while Argus positive in November too citing better commodity prices and realizations while volumes continue to be robust. Truist was out positive in September after their deal for Shell's Permian assets calling the price-tag favorable at \$18K/acre and the optimal name to take on the position given their operational and financial scale. Hedge fund ownership rose 5% last quarter. In August, a sizable open market buy from a director at \$55.50 with 22,500 shares bought, a more than \$1.24M investment.

#### Hawk Vision:



**Hawk's Perspective:** COP sets up well for a continuation move back up to the \$77 level and could see some momentum return if oil climbs back above its 8-EMA this week

**Confidence Ranking:** \$\$





## FEATURED OPTIONS RADAR REPORT



### Put Sales See Value in Best-in-Class Defense Operator As 2022 Outlook Brightens

**Ticker/Price:** RTX (\$84.45)

**Raytheon (RTX)** with 4,500 February \$75 puts sold to open for \$1.57 today in a stock replacement, trying to move above last week's highs and reclaim the 200-day MA, and follows buyers last week in the May \$85 calls. RTX pulled back last week to a big area at \$80 where we've seen put sellers in the February options, over 8700X in late-September, and also the January \$80 puts sold to open nearly 6000X in August. The February \$85 puts and January \$90 puts also seeing sellers recently while the June \$85 calls with over 4350X in open interest from August buys, sizable buys trading at about a 50% discount from their initial purchase. Shares are bouncing back off of multi-month support and a big volume shelf from 2018/2019 with room above to \$87.50. The \$122B company trades 16X earnings, 1.92X sales, and 16.35X cash with a 2.5% yield. RTX has been benefitting from stronger commercial aftermarket sales while making more portfolio changes in 2021 including disposing of their RIS training and services business. They continue to be optimistic about a recovery ahead in 2022 and beyond from expansion of narrowbody deliveries, growth in defense spending, and continued execution on their broader cost reduction plans. RTX also likely sees a tailwind in 2022 for both Pratt and Collins from 787 production picking back up again. The company has faced supply chain disruptions but told the Baird Investor conference on 11/9 that they continue to actively manage the pressures and expect them to ease into 2022 with better visibility and timing around receipts. Analysts have an average target for shares of \$104 with a Street High \$110. Wells Fargo raising estimates in late October as they see 2022 on track despite some concern out of Lockheed Martin earlier this Fall. Short interest is minimal at 0.67%. Hedge fund ownership rose marginally last quarter. Insiders active in late 2020 around the \$52-\$55 area including more than \$3M from the CEO.

#### Hawk Vision:



**Hawk's Perspective:** RTX has run hot today but given the positioning of the put sales, would target any pullback as last week's lows give a nice spot to lean against for a run back to \$90+

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Biotech (XBI)** with 2000 January \$110 calls opening near \$5.70 this morning

**Ark Innovation (ARKK)** with 4000 Jan. \$80 puts sold to open into morning weakness caused a pop in shares as IV came out

**Nasdaq (QQQ)** buyer 10,000 Dec. 31st (Q) \$400/\$410 call spreads for \$1.93. **QQQ** buy-write sold 3000 Dec. 2023 \$470 calls for \$21.78

**Russell (IWM)** with 11,900 Jan. \$208 puts bought this morning

**China Internet (KWEB)** into morning lows a buyer of 20,000 Jan. \$40 calls for \$3.05, seeing lots of bull flow in PDD as well early

**S&P (SPY)** with 7500 May \$450 puts sold to open \$25.10

**Corporate Bonds (LQD)** spread earlier today sold 20,000 February \$138 calls to buy the \$134/\$130 put spreads

### **Consumer Goods**

**Int'l Game (IGT)** with 7000 April \$26/\$32 call spreads bought this morning for \$1.65, adjusting some January spreads with shares back near the September breakout zone

**Lucid (LCID)** with 6000 May \$20 puts sold to open \$2.03

**LoveSac (LOVE)** buyer of 1000 Dec. \$65/\$75 call spreads into earnings this week. **LOVE** also trading Dec. \$55/\$40 put ratio spreads into earnings

**Tesla (TSLA)** trading 4350 Dec. 31st (W) \$1000/\$1100 call spreads into early weakness

**Rivian (RIVN)** with 3000 March \$260 far OTM calls being bought up to \$4 early after several positive initiation reports

**Lamb Weston (LW)** with 1000 January 2023 \$70 calls sold for \$3.50 in a buy-write today

**Activision (ATVI)** with over 7500 December 23rd (W) \$63 calls bought \$0.60

**Oatly (OTLY)** buyers of 2,500 January \$7.50 calls for \$1.25 to \$1.30

**Pilgrim's Pride (PPC)** with 10,000 January \$29 calls opening for \$1.55 as the December \$28 calls roll from 9/21 buys

**Caleres (CAL)** the February \$25/\$30 call spread bought 2500X for \$1.20 to open with shares back near multi-month support

**Take-Two (TTWO)** strong move this afternoon and 1000 March \$170 calls being bought for \$9.80 to \$10.40

### **Consumer/Business Services**

**Live Nation (LYV)** with 650 September 2022 \$105 calls bought \$19.20 to \$19.30 into the morning highs, up 4% with the reopening/leisure plays hot early. **LYV** also with 550 September 2022 \$130 calls bought this afternoon for \$12.30

**Etsy (ETSY)** with over 3,300 December \$180 puts sold to open today from \$1.59 to \$1.50

**Disney (DIS)** seeing February \$155 short calls adjust to March \$155 for around 2000X. **DIS** also seeing 3000 March \$135 puts open for \$4.68 today as the \$150 puts close 9000X from 9/23 buys

**Expedia (EXPE)** basing nicely and 3000 February \$170 calls are bought \$12.38 as Travel names jump early

**MGM Resorts (MGM)** with 10,000 January \$44/\$55 call spreads bought for \$2.50 to open today with some December calls adjusting as leisure names remain strong early to start the week

**Uber (UBER)** with 6,500 September \$42.50 calls sold for \$5.10 to open here in a buy-write with stock. **UBER** also seeing 1750 June 2023 \$40 calls bought today between \$8.70 and \$8.90

**Penn (PENN)** opening sale 1000 April \$55 calls for \$6.15 as Jan. 2023 \$95 short calls adjust

**Starbucks (SBUX)** with the January 7th (W) \$107/\$102 bull put spread opening 2900X today

**Ollie's Bargain Outlet (OLLI)** with over 1,500 January \$55 puts bought from \$5.20 to \$5.40. **OLLI** also with 2200 January \$67.50 calls sold for \$1.20 in a buy-write against stock

**CarMax (KMX)** with 1150 Dec. 23rd (W) \$140 puts bought near \$4.40 for earnings 12-22

**DoorDash (DASH)** with 400 May \$150 puts sold to open for \$22.50, shares filling a low-volume gap recently and back to the yearly value low

**Vroom (VRM)** with 15,000 January 2023 \$20/\$40 call spreads bought for \$2.10

**Six Flags (SIX)** with 650 January 2023 \$70 ITM puts sold to open today for \$32 and also later seeing 500 January 2023 \$35 puts sold around \$6.55 as some Jan. 2022 short puts adjust

**Groupon (GRPN)** strong day and seeing buyers active for 4000 January \$30 OTM calls for \$0.50 to \$0.60

### Energy

**Charge Point (CHPT)** buyers of 1,500 January \$21 puts for \$2.40 to \$2.80 ahead of earnings tomorrow

**Antero Resources (AR)** buyer of 2000 January 2023 \$17 calls \$4.50 to \$4.70 and **RRC** also seeing some Jan. 2023 call buys

**Schlumberger (SLB)** with 10,000 February \$32.50 calls bought today for \$1.42 as the January calls bought on 9/1 look to adjust out

**Callon (CPE)** with over 400 April \$60 calls bought today from \$6.90 to \$7.60 and also 300 April \$55 calls bought to open with shares pulling back into the 200-day MA

**Daqo New Energy (DQ)** opening sale of 3,811 April \$75 calls for \$1.40 with shares back near multi-month lows

**Sun Run (RUN)** with buyers of 750 May \$40/\$55 call spreads for \$4.40 this afternoon with shares back into the multi-month support

**Maxeon (MAXN)** with 5,500 March \$10 puts bought for \$0.60 today as some December puts adjust from stock tied buys in June

### Financials

**Affirm (AFRM)** buyer of 1000 January 2023 \$85 puts for \$18.60 this morning, tied to stock. **AFRM** now with 1000 Feb \$110 calls bought \$17.10. **AFRM** also big buyers in Feb \$120 calls trading 5500X looking to add to OI

**Visa (V)** buyer of 4000 December 23rd (W) \$210 calls up to \$2.42 with shares starting to work out of a small base and downtrend

**Futu (FUTU)** buyer 1500 Jan. 7th (W) \$25 puts for \$2.30 offer in sweeps

**PayPal (PYPL)** with sellers of 1000 March \$130 puts for \$3.35 to \$3.30 this morning. **PYPL** also with 875 June \$120 short puts opening \$3.75. **PYPL** with 1000 Jan. 7th (W) \$165 puts sold to open \$4.65

**360 Digitech (QFIN)** strong rebound move and another large short put roll as 7800 February \$25 short puts open \$5.70 as Dec. adjust

**Morgan Stanley (MS)** buyer of 1000 February \$97.50 puts to open for \$5.20

**Upstart (UPST)** with 1000 January \$115 puts sold to open \$5.30

**Wells Fargo (WFC)** with 3000 March \$52.50/\$35 bull risk reversals opening for \$1.93 debit, a top-performing bank this year

**OpenDoor (OPEN)** buyer 2500 February \$19 calls at \$0.99 sells 1000 Jan. \$12.50 puts for \$0.61 and 3000 Feb. \$25 calls for \$0.33

**Coinbase (COIN)** with 350 February \$255 puts sold to open for \$29.60

### Healthcare

**Cassava (SAVA)** with 400 May \$45 puts bought for \$19.70 to open today as some February puts adjust out

**Baxter (BAX)** with 2250 Jan. 2023 \$85 short puts opening \$10.50 as January \$90 short puts that opened over a year ago adjust

**Bristol Myers (BMY)** with 5000 June \$60 calls sold to open for \$2.85

**Novavax (NVAX)** into weakness opening sale 800 April \$70 puts \$9.60

### Industrials

**Honeywell (HON)** early buyer of 1150 December \$205 calls \$4.65 to \$4.80

**Fluor (FLR)** buyer of 1000 April \$25 calls \$2.25 to \$2.40 this morning

**Quanta (PWR)** buyer of 400 January \$115 calls for \$6.20 to open, adjusting some December calls bought in October

**Zurn Water (ZWS)** with 1000 January \$37.50 calls bought for \$1.49 to open today. The \$4.33B company -- formerly Rexnord -- designs and manufactures water systems for conservation in non-residential buildings including plumbing, drainage, and other control/backflow solutions

### Materials

**Freeport McMoran (FCX)** buy-write sells 4000 March \$41 calls for \$2.25

**Alcoa (AA)** trades 2000 February \$42 short puts to open \$3.45

### Tech

**Advanced Micro (AMD)** with 1000 February \$110 ITM calls bought for \$32 to open today. **AMD** also seeing 1200 April \$125 puts sold to open down to \$11.35 and sellers of the April \$120 puts down to \$9.05

**PTC (PTC)** with buyers of the December \$120 calls for \$2.05 to \$2.10 to open, 2000X

**Sea (SE)** buyer of 600 February \$250 calls for \$20 to \$23.93 to open this morning, some Jan. 2023 \$280 calls adjusting back

**Apple (AAPL)** opening sale 3500 Jan. 7th (W) \$167.50 puts for \$6.30



**Pinduoduo (PDD)** into early weakness with 7000 January \$50 puts selling to open \$4.90 below bid. **PDD** now with a bull spread selling 2225 Feb. \$45 puts to buy \$60/\$105 call spreads

**Sentinel (S)** with 2650 January \$70 calls being sold to buy the Dec. \$35 puts into earnings 12-7, likely protective spread. **S** also with 2000 January \$45 calls bought for \$6.40 today, adjusting back some \$55 calls bought on 11/30

**Salesforce (CRM)** buyers of 1,250 April \$260 calls for \$20.75 to \$20.95 to open today with shares basing at the 200-day MA

**Latch (LTCH)** buyer of 6000 April \$10/\$12.50 call spreads for \$0.30 to \$0.40

**Twilio (TWLO)** IV starting to perk up with 2,300 January \$310 OTM calls bought up to \$4.75 to open

**Yandex (YNDX)** stock replacement opens 6000 January 2023 \$55/\$75 call spreads near \$10

**Qorvo (QRVO)** buyer of 300 May \$170 calls aggressive \$10.20 to \$10.50

**APPLOVIN (APP)** consolidating under key \$97 area with 1500 Dec. \$90 calls bought \$4.35 as the \$100 calls adjust, growth name holding up much better than most

**Mercado Libre (MELI)** with the December 31st (W) \$1100/\$1300/\$1500 call butterfly spread opening 1000X2000

**DataDog (DDOG)** bull flow here with 1275 February \$175 calls bought \$12.50 offer. **DDOG** calls now jump to 11,000X as the \$190 calls adjust back

**Akamai (AKAM)** stock buyer collars with 2200 Jan. 2023 \$125/\$95

**Global Foundries (GFS)** recent IPO seeing 4,250 January \$45 puts sold to open for \$1

**Qualtrics (XM)** with 1000 May \$40/\$45 call spreads bought for \$1.10

**Bill.com (BILL)** buyer 1000 January \$240 calls for \$20 as Feb. \$290 adjust

**Twitter (TWTR)** buyer 2000 June \$55 calls \$3.10 offer

**Broadcom (AVGO)** with 575 July \$520 puts being sold to open today near \$39.20, earnings 12-9

**Elastic (ESTC)** popping off lows with 3000 Dec. \$110 calls being bought \$4 to \$4.55, size trades adjusting the \$115 calls from last week that stepped in too early

**Bandwidth (BAND)** with 500 June \$85/\$120 call spreads opening today for \$5.30, name that has 2,250 of the June \$80/\$115 call spreads in OI from last week

### Telecom/Utilities

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**Not Investment Advice or Recommendation**

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