



MARKET RECAP REPORT 12/8/2020

Sector Leaders

Energy

Solar

Software

Stock Gainers

CRIS 335%

SFIX 43%

IGMS 25%

CMD 21%

SMAR 18.5%

LQDT 16%

Volatility Gainers

- LXRK
- GNW
- XXII
- PERI
- IGMS
- CLDR

High Call Volume

- VLDR
- QS
- ARLO
- SMAR
- OUT
- CMC

Bullish Options

- WMT
- SNAP
- SPCE
- CCJ
- RVLV
- PDD
- TNDM
- IQ
- ZS
- RXT
- DIS
- TSLA

Market Review: Stocks were lower overnight and into the open with the two main market overhangs continuing with Brexit and Fiscal Stimulus gridlock, the latter important as COVID-19 continues to worsen across the US. Q3 productivity came in below estimates while labor costs came in far below estimates. Stocks rose off the open as breadth improved through the morning with strength diverse on the day as Energy, Software Metals, Retail, and Solar all rose strong. Banks and Housing were weak while Semiconductors lagged in Tech. The S&P and NASDAQ each hit new highs as market breadth and momentum remains very strong with dips very shallow, the only concern is the frothy sentiment building which likely sets up for a blowoff type move on fiscal stimulus and/or Brexit being resolved to sell into. We have another quiet schedule set up for tomorrow, a few Tech earnings reports coming this week but otherwise not a lot of major catalysts.

S&P Chart:



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

Options Action Trends: Early flows continued bullish action in growth tech names like **WDAY, SNAP, ZS, RXT, PDD**.

What's On Tap: EIA Data & Wholesale Inventories. Earnings from **ADBE, CPB, RH, NCNO, ASAN, VRNT**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **WDAY** January \$230/\$250 Call Spreads at \$6.25

Sector Laggards

Housing

Banks

Semi's

Stock Losers

CONN -19%

AGIO -15%

TRIL -14%

PEN -14%

MRNS -10%

MSTR -8%

Volatility Losers

- CRIS
- GIII
- SMAR
- SUMO
- COUP
- AMC

High Put Volume

- CYH
- PEN
- EAT
- JAZZ
- UNIT
- ZTO

Bearish Options

- EAT
- MRNA
- GIII
- ZTO
- BCE
- EWJ
- ORCL
- SNOW
- TJX
- NEP
- ELAN



FEATURED OPTIONS RADAR REPORT



Ally Financial Bullish Options Open Interest and Momentum

Ticker/Price: ALLY (\$32)

Analysis:

Ally Financial (ALLY) on 12/7 with a large block of 5000 June \$37 calls opening for \$1.96 in a stock replacement, a name that has seen March \$31 calls accumulate 10,000X in open interest and has 50,000 January 2022 \$35 calls and 29,000 of the \$25 calls in OI from size accumulation late 2019 into early 2020. ALLY shares are in a strong trend higher and broke out at the \$31 level recently that measures to a target of \$33 near-term while the \$35 highs from 2019 look ready to be challenged. The \$11.65B financial offers digital financial products and has Automotive, Insurance, and Mortgage operations. ALLY recently highlighted the strong auto consumer market with a material shift away from public transportation. ALLY trades 8.8X Earnings, 0.85X Book and yields a 2.37% dividend. Forecasts see EPS growing 52.5% in 2021 after a 35% decline in 2020 and another 30%+ growth year in 2022. ALLY continues to see strength across all core operating metrics, be that deposit growth, customer household acquisition, new accounts coming into the Ally Invest business and just record volumes in trading and investing activity and strength in the housing market. Analysts have an average target of \$36.50 and short interest dropped 35% Q/Q to just 1.9% of the float. BMO raised its target to \$36 after significant revenue and credit-driven earnings beat in Q3 with strong appreciation in used car prices as well as better net interest margin and auto net charge-off guidance. Goldman in July noted ALLY is one of the better self-help stories in Financials. Hedge Fund ownership fell 2.6% in Q3 filings, Oaktree Capital with a large concentrated position and Lakewood & Wedge notable top holders.

Hawk Vision:



Hawk's Perspective: ALLY is a Financial I always keep in mind with the size January 2022 positions as a top buy the dip name and continues to act very well, a market cap small enough it could make a real nice acquisition target in 2021.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Longer Term Calls Bought in IQIYI on Weakness

Ticker/Price: IQ (\$21.65)

Analysis:

IQIYI (IQ) buyers of 3000 January 2022 \$25 calls aggressive on \$4.35 offer in early trade and follows recent buyers in the December 31st (W) calls and a sizable opening buy of the June \$22.50 calls, over 4000X. IQ has a sloppy chart and back near the 200-day where it has been trying to stabilize recently. Longer-term, IQ is forming a wide base under \$27.50 with measured move out to \$45. The \$15.95B company trades 3.5X sales and 15.4X cash with accelerating revenue growth, up into the mid-teens in FY21 from high-single-digit this year. IQ is the one of the largest online video sites in the world with over 6B hours viewed per month and a user base that has grown to nearly half a billion people. IQ benefited early in the pandemic as users spent more time on the platform and now seeing a greater shift from mobile viewing into larger-format platforms like TV devices where they are exploring multiple avenues for monetization. IQ has seen softer traffic in the late Summer as new content slowed but they expect to see a big boost in 2021 as more producers shift theatrical releases onto streaming services like IQ and already a very successful test case with the release of *The Eight Hundred*. The company sees exclusive windows and theatrical streaming as a big driver for a rebound in subs next year. Analysts have an average target for shares of \$22, although limited coverage. Short interest is 5.5%. Hedge fund ownership fell 18% in Q3. Baidu is a top equity holder and interesting catalyst reported by Reuters on 11/27 that noted that both Alibaba, Bytedance and Tencent have held talks about buying a controlling stake in IQ but being held up due to concerns over China's antitrust push.

Hawk Vision:



Hawk's Perspective: IQ is a tough one, potential for an upside stake catalyst, but also been featured in short reports and price-action not healthy while much better names like **SE**, **PDD**, **BILI** are running hard, so likely to pass on this one.

Confidence Ranking: \$



FEATURED OPTIONS RADAR REPORT



Unusual Large Call Buy in Signet

Ticker/Price: SIG (\$28.50)

Analysis:

Signet (SIG) buyer of 1,000 July \$30 calls today for \$6.40 to open, strong trending name that has pulled back to the rising 21-MA. SIG has some December call spreads closing today but buyers in the January \$28 calls on 10/20 remain in OI and over 6,500 January \$30 calls from August 2019 remain as well. Shares have rallied back to a big area of resistance stretching back to mid-2019 and potential base breakout has a long-term measured move up to \$60. The \$1.55B company trades 12.5X earnings and 0.3X sales with a lot of cash on the balance sheet. SIG suffered earlier this year from store closures due to the pandemic as well as a slowdown in wedding demand but noted last week they've seen that demand come back and more through engagements which are up double-digits Y/Y. Online jumped to 30% of their overall revenue last quarter and SIG has focused on refining their strategy throughout the year, including customizations and DTC, which positions them better into the busy holiday season. SIG has noted that they're seeing better conversion rates online than in stores and expect that to continue as they rolled out expanded payment options for Apple Pay, Google Pay and others. Analysts have an average target for shares of \$25. Northcoast noting that demand has been especially strong this year around big holidays like Mother's Day which bodes well for the Holidays upcoming, and bridal has surged back since the early Spring. Citi remains cautious the name as earnings power is far less than it used to be given smaller footprint and warnings over store closures. Short interest is 21.3% but down sharply from this time last year when it was near 40%. Hedge fund ownership rose 13.5% in Q3, Samlyn Capital a buyer of a new 1.3M share stake and a top 5 holder. SIG has seen a lot of insider buying over the last two years including buyers this Spring into the lows but some sizable buys in late 2018/2019 between \$40 and \$50.

Hawk Vision:



Hawk's Perspective: SIG could be a beneficiary of DTC and not any other ways to play jewelry with TIF acquired, a move above \$30 would be tradable versus recent lows.

Confidence Ranking: \$

Market/ETFs

Dividend ETF (DVY) flagging and unusual 5000 January \$99 calls sold to open \$1 to \$1.05 early

Japan (EWJ) buyer 4000 January 2022 \$53 puts to open \$2.05

Russell (IWM) with an opening sale 5800 January \$192/\$186 strangles today for just over \$10, another trade sold 8,350 January \$195 puts to open ITM \$9.44, and June \$166 calls opening 8500X for \$24.5M as Dec. \$160 adjust

Dow Jones (DIA) spread put on a calendar selling 3350 this week \$295 puts and buying January \$295 puts at \$5.20 debit

MSCI EAFE (EFA) with 16,500 February \$68 calls opening \$4.85 in stock replacements, an \$8M position. **EFA** also 10,000 March \$74 calls bought today for \$1.50

Oil & Gas Exploration (XOP) spread sold 11,500 January \$50 puts to buy \$62/\$68 call spreads, net \$0.95 debit

Energy (XLE) buy-write sold 13,350 June \$45 calls \$2.13

S&P (SPY) with 14,500 March \$338/\$279 put spreads opening today into new highs, likely protective. **SPY** now also with 9950 March \$368/\$351 put spreads' bought for \$5.18

ARK ETF (ARKK) seeing 2640 January 2022 \$100 ITM calls open for nearly \$9M today

Consumer Discretionary (XLY) buyer of 3,000 June \$175 calls for \$3.90 in a stock replacement, top holdings are AMZN, HD, NKE, MCD and SBUX

Housing (ITB) the April \$58 calls sold to buy the \$50/\$40 put spread 2700X

Consumer & Business Discretionary/Services

Brinker (EAT) buyer 3000 December \$49/\$44 put spreads with restaurant closures a concern

Revolve (RVLV) aggressive buying 2000 March \$35 calls \$1.10 to \$1.40 with the **SFIX** move

K12 (LRN) with 3,000 January \$22 puts sold to open today around \$2.10 to \$2.05, adjusting down 1500 December \$25 short puts from late October

Disney (DIS) buyer of 2,500 March \$170/\$200 call spreads as the \$150/\$175 spreads adjust higher with their Investor Day presentation

Caesars (CZR) buyers of 675 June \$70 puts today \$11.20 to \$11.25 into strength

Norwegian Cruise (NCLH) the January 8th (W) \$28 calls bought 3,350X for \$2.58, some December calls adjusting

Electronic Arts (EA) with 500 January 2022 \$130 calls bought \$19.35 to \$19.40, stock replacements with shares clearing a downtrend recently

BCE (BCE) with 5000 January 2022 \$45/\$40 put spreads opening for \$2.40

American Eagle (AEO) with another 10,500 Dec. \$19 calls bought as more of the \$16 calls adjust up, same as yesterday

Wynn Resorts (WYNN) with 1000 January 8th (W) \$111/\$119 call spreads bought for \$3.25

Activision (ATVI) buyers active for 2,000 December 24th (W) \$83.50 calls for \$1.84 to \$1.86

Service Corp (SCI) on the highs and unusual action with 500 June \$45 calls being bought for \$6.40 to \$6.70 open and also some smaller, high-dollar buys in the June \$40 calls and January \$50 calls.

Penn Gaming (PENN) with the strong breakout move today after the trigger this morning and June \$90 calls seeing 1300X bought

TJX Co (TJX) with 1,500 July \$65 puts bought for \$6.70

Vail (MTN) buyer of 1,000 December \$290/\$310 call spreads for \$6.30 into earnings on 12-10

Party City (PRTY) buyer of 1500 July \$6/\$10 call spreads

Academy Sports (ASO) buyer of 1500 December \$17.50/\$20 call spreads today for \$0.60 into its first earnings report on 12-10, sporting goods and discount store

Consumer Goods

Wal-Mart (WMT) early buys of 3075 March \$145 calls for over \$2.65M that are spreading with sold February \$150 calls

Tyson (TSN) buyers of 900 ITM April \$65 calls for \$6.80 to \$6.95, starting to work out of a nine-month range. **TSN** also with 700 January 2023 \$60 puts sold to open for \$8 in a stock replacement

Costco (COST) stock replacement into earnings 12-10 opens 2000 July \$390 calls for \$21.30 to \$21.80. **COST** also seeing 1400 July \$400 calls bought \$16.95 to \$17.15 aggressively. **COST** stock replacement bought 1000 June \$400 calls at \$17

Mattel (MAT) spikes with 5000 weekly \$15.50 calls bought \$0.40

Newell (NWL) 21-day MA bounce with afternoon sweep buyer 1000 March \$22 calls \$1.20 offer

Energy

Occidental (OXY) the January \$19 calls bought 25,000X for \$1.88, adjusting higher the \$18 calls

Halliburton (HAL) highs of the day early with 2,000 February \$20 calls bought \$1.65

Schlumberger (SLB) with 2500 May \$22.50 puts being sold to open today \$2.71 and lower

Devon Energy (DVN) with 2000 January 2022 \$17.74 calls selling to open \$3.35 bids

PlugPower (PLUG) size buys of 30,000 December \$30 calls up to \$1.25

NextEra Partners (NEP) with 2000 April \$55 puts bought \$1.65 to \$1.75

Financials

Fiserv (FISV) with 1250 March \$130 calls opening \$3.95 as some January \$120 adjust, Analyst Day moving shares to highs.

FISV buyer of 500 February \$120 calls for \$5.20 today, adjusting some January calls. **FISV** buyer 1000 March \$130/\$145 call spreads as Jan \$125 adjusts another 1000X

CME Group (CME) buyer 790 March \$200 calls \$2.55 offer, launched its Water futures this week, consolidating nicely

Square (SQ) the January 2023 \$280 ITM puts sold to open 2,000X for \$108

Morgan Stanley (MS) with 5600 March \$75 calls opening \$1.05 as the \$65 calls look to be adjusting 4000X

Healthcare

Moderna (MRNA) on the open with 2300 April \$200 calls opening for \$28, level 2 showing a seller to open. **MRNA** with 1000 April \$155/\$120 put spreads also bought to open now for \$17.07. **MRNA** also 600 February \$165 calls bought \$35 to open today

Teva Pharma (TEVA) with 1000 ITM March \$8 calls bought to open up to \$2.45. **TEVA** March \$8 calls are over 5000X on the day

Tandem Diabetes (TNDM) buyers of 725 February \$105 calls for \$3.50 to \$3.65, spread with the \$120 calls in 1X2 ratio spreads

Novavax (NVAX) weak today but buyers stepping in here for 1,000 December 31st (W) \$135 calls for \$7.30 to open, potential to see a COVID update from their work. **NVAX** also with 400 ITM January 22nd (W) \$100 calls bought between \$28.10 and \$29.60

Axsome (AXSM) pulled back off higher open with a string of positive data announcements the last week and 500 March \$100 calls are bought \$7.30 to \$7.70 to open

J&J (JNJ) buyers of 1600 February \$165 calls today near \$2.23

Community Health (CYH) with 2,500 January 2022 \$12 calls sold to open for \$1.85

BioNTech (BNTX) the March \$100 puts sold to open today 1,200X for \$14.70

Amicus (FOLD) with 2000 February \$28 calls sold to open for \$1.30 to \$1.25

Global Blood (GBT) with 1000 March \$35 puts sold to open today for \$2.45 to \$2.40, laggard biotech for much of the year

Teleflex (TFX) a high quality med-tech name seeing 225 December 2021 \$370 calls open at \$66.50 as April \$370 adjust

Curevac (CVAC) with 470 January \$125/\$110 strangles bought today for \$25.50

Industrials

Virgin Galactic (SPCE) December 31st (W) calls quickly up to 6,450X, their new launch window opens 12/11

Nio (NIO) with the March \$42 puts sold to open today for \$8.07 to \$7.96, 3000X

General Motors (GM) buyers active 1100 Dec. 31st (W) \$43 calls \$2.38

Caterpillar (CAT) with 1000 March \$165 puts sold to open for \$6.40 in a stock replacement

Boeing (BA) the June \$240/\$320 call spread bought 1000X for \$22.65 in a stock replacement

Tesla (TSLA) with 17,900 September \$720 calls opening a \$230M position as the June \$660 from 11/27 adjust

ZTO Express (ZTO) buyer of 1000 April \$27 puts for \$2.25 to \$2.30, starting to crack support

Welbilt (WBT) the September \$15/\$20 call spread bought 1000X to open today, name with a lot of bullish open interest

Camping World (CWH) with 1200 March \$30 calls opening near \$4.70

KB Home (KBH) opening sale of 1800 January 2023 \$20 puts for \$3, stock replacement

Ford (F) buyer 150,000 January 2022 \$10 calls for \$1.32 as the January 2021 \$10 calls adjust

Materials

Cameco (CCJ) buyer 2500 June \$15 calls \$1.25 with Uranium hot lately

Grow Generation (GRWG) the April \$30 puts sold to open 1000X for \$6 to \$5.80 and 500 of the April \$25 puts sold for \$3.40 into weakness, shares testing the rising 21-MA this morning

Huntsman (HUN) opening sale of 3,800 January \$23 puts for \$0.40

CF Industries (CF) the January 22nd (W) \$39 calls bought 1000X for \$2, adjusting some weekly calls up and out

AngloGold (AU) with 1600 April \$22 calls bought for \$3 to open, BMO upgrading this morning with a nice list of catalysts

Newmont (NEM) opening sale 500 June \$55 puts \$5.85

Freeport (FCX) consolidating a bit on its 8-MA and a strong mover in Metals, block of 1200 January 2022 \$22 puts sells to open \$5.07 today

Albemarle (ALB) with 400 January 2022 \$110 calls opening for \$43.50 as the January \$100 calls adjust out into strength

Cliff Natural (CLF) with 10,000 February \$14 calls being bought \$1.13 to \$1.15

Agnico Eagle (AEM) opening sale 250 January 2023 \$65 puts for \$12.29

Tech and Telecom

SmartSheet (SMAR) higher by 15% on earnings and buyer opening 500 January 2022 \$90 calls for \$10 today

Microsoft (MSFT) with 6000 January 22nd (W) \$230 calls being sold to open \$2.50 and lower

Workday (WDAY) stock replacement buys 1000 March \$280 calls \$4.45 to open. **Workday (WDAY)** now with 1,500 January 2023 \$210 puts sold to open for \$36.80 in a stock replacement

Pinduoduo (PDD) with the early breakout trigger and 6000 January \$185 calls hot with buyers in opening 20 minutes. **PDD** also 2000 Dec. 31st (W) \$190 calls bought at \$2.72 and \$2.92 1000-lot blocks, and 2000 April \$190 calls being bought for over \$3M \$14.70 to \$15.10. **PDD** also 900 April \$185 calls bought \$15.80 to \$16.50

II-VI (IIVI) stock and IV rising this morning with 850 December \$75 calls bought up to \$2.20 and also 2,950 December \$80 calls bought \$0.55 to \$0.80. **IIVI** also with 600 April OTM \$90 calls bought \$3.40

Z-Scaler (ZS) with 1000 January \$200 calls bought today around \$8.45

Rackspace (RXT) jumpy with 6000 January \$20 calls opening \$0.80 to \$0.85

Huya (HUYA) opening sale of 2,000 July \$16 puts for \$1.95, weak lately but back at a big breakout spot from June

Uber (UBER) trading 26,000 January \$55 calls with 29,797 in OI, buyer flow, ahead of Doordash IPO. **UBER** also a \$1.6B buy of January 2023 \$55 calls 1667X. **UBER** block of 2500 January 2023 \$75 calls sold to open for \$8.80

Zoom (ZM) seeing similar structured bull risk reversals as it saw into weakness last week, the June \$310 puts selling to open 2000X with the June \$410 calls buying to open 1000X. **Zoom (ZM)** buyer here 1300 Dec. 31st (W) \$485 calls for \$5.10

Apple (AAPL) with \$3M in Jan. 22nd (W) \$115 ITM calls opening 3000X today

Model N (MODN) buyer of 500 May \$43 calls for \$2.10, speculative positioning with shares forming a big weekly bull wedge

Amazon (AMZN) seeing interesting strategy today with February \$3400/\$3500/\$3600 call butterfly trading 2000X4000X2000, pricing around \$5.50 for that spread with \$100 payout potential on a close at \$3500 on Feb. OpEx

Cloudfare (NET) staying hot and another 3000 January 2022 \$70 puts sell to open \$13.90 today

Bilibili (BILI) with 1000 January \$70 puts bought for \$3.50 to open

Palo Alto (PANW) large buy-write with 1300 January 2023 \$390 calls sold \$31.20

Cree (CREE) buyer of 1250 December 31st (W) \$105 calls for \$2.05. **CREE** also with 425 March \$97.50 calls bought for \$9.30

Advanced Micro (AMD) with 1,500 ITM July \$105 puts sold to open this morning between \$23.40 and \$23.55

Salesforce (CRM) size buyers coming into morning lows for September \$240 calls \$26 to \$27.50, shares trying to base after selling off on its deal for Slack

Dropbox (DBX) buyers 1600 July \$20 calls for \$3.60 today, recent size accumulation of April calls in the undervalued name

Micron (MU) with 4000 January \$92.50 calls being bought \$4.90 offer

CrowdStrike (CRWD) large buys of 2000 March \$185 calls \$16.70 to \$17.20

Palantir (PLTR) trade opened 4000 May \$30/\$27 bull risk reversals at zero cost, while separately the May \$33 calls with 3000X sold to open \$6 to \$5.90 today

Pure Storage (PSTG) sellers of 2750 May \$22.50 calls to open today from \$2.45 to \$2.25

Oracle (ORCL) with 6500 December 31st (W) \$56 puts bought \$0.71 to \$0.74, Cleveland Research cutting estimates today ahead of 12-10 earnings

ON Semi (ON) buyer of 1000 April \$27 calls for \$6.10 to open today, stock replacement. **ON** 2500 March \$31 calls rolling to \$34 strike

Dynatrace (DT) the January \$45 calls sold to open for \$1.10 today, 1800X

JFrog (FROG) the January \$85 calls being sold to open today for \$3.20, 1375X

Snowflake (SNOW) wild run lately and buyer of 1,000 May \$240 puts for \$12.30 to open this afternoon

Tencent Music (TME) the April \$21 calls sold to open for \$0.72, 2500X, in a buy-write

Western Digital (WDC) with 4500 April \$57.50 calls bought up to \$4.25, shares into a gap from March and potential split a long-term catalyst as discussed in our write up on 10-7. **WDC** also with 6250 December 31st (W) \$51 calls with buyers up to \$3.05 this afternoon

MACOM Tech (MTSI) with 2000 January \$55 calls sold to open for \$1.05

Fastly (FSLY) today with 1000 Dec. 31st (W) \$110 calls bought, also seeing 1000 of the \$90 puts sold to open

Utility

Next-Era (NEE) moving off lows today with 2900 January 2022 \$75 calls being bought \$7.10 to \$7.70, best-in-class Utility back at nice reward/risk level. **NEE** highs and those Jan. 2022 calls up over 8000X

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