



Sector Leaders

Biotech

Energy

Semi's

Stock Gainers

- PTON 20%
- TSN 10.5%
- CLVT 8.5%
- FYBR 8%
- NVAX 7.5%
- NET 7.6%

Volatility Gainers

- CHGG
- DAVE
- SFIX
- DOCU
- CMG
- MDB

High Call Volume

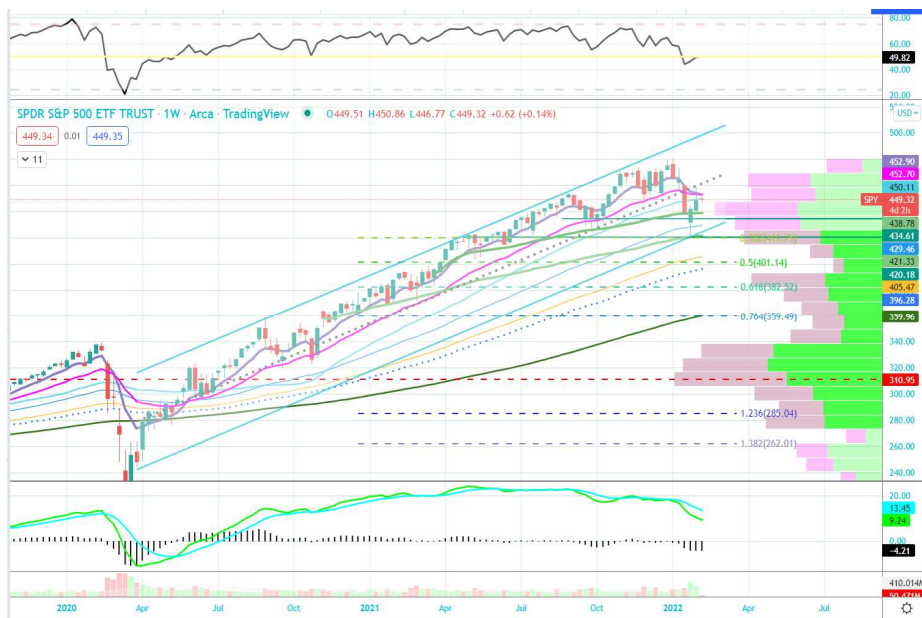
- APTS
- AAP
- HMHC
- HEAR
- RACE
- FTAI

Bullish Options

- KBH
- COIN
- NEWR
- WFC
- OXY
- TECK
- COTY
- QCOM
- UAA
- MQ
- DDOG
- X

Market Review: Stocks were mixed in the open without a lot of incremental news over the weekend as volatility continues to come out of the market. Rising yields across the global continue to be in focus and the earnings schedule remains active through month-end. The volume ratio breadth was positive through the morning while TICK was all over the place in a choppy start to the week with the S&P stuck near 4500. Biotech, Energy and Semi's were among best performing groups while Utility, Solar and Defense groups pulled in modestly. The S&P was unable to work above the falling 21-day MA and started to roll lower into midday. Breadth improved into the afternoon though an overall trendless day while Crypto continues strong momentum higher as some signs of a return of a risk-on environment. Trade Balance on the docket tomorrow, a quiet schedule.

S&P Chart:



| Resistance | Support |
|------------|---------|
| 4550 | 4500 |
| 4630 | 4440 |
| 4720 | 4300 |

Options Action Trends: In early action we saw a lot of large call blocks sell to open in recent strong stocks willing to be called away, like **AAP, CPRI, AA**.

What's On Tap: Imports & Exports, Trade Balance. Earnings from **PFE, SPGI, CNC, CMG, TDG, IT, WMG** and more.

Trade Tracker Portfolio Changes:

- 1) None

Sector Laggards

Utility

Solar

Defense

Stock Losers

- ZBH -6.5%
- BABA -6.5%
- FIGS -6%
- GRFS -5%
- SQ -4.45%
- WB -4.1%

Volatility Losers

- ENR
- HAS
- ON
- SNAP
- ARNA
- SAVE

High Put Volume

- LESL
- OMC
- HLF
- SAP
- FDN
- CSIQ

Bearish Options

- BABA
- BAC
- CHGG
- SWTX
- SAP
- GME
- VRTX
- RBLX
- C
- FUBO
-



FEATURED OPTIONS RADAR REPORT



Option Bulls Supportive of Large Biotech Regaining Leadership Role

Ticker/Price: VRTX (\$242)

Vertex Pharma (VRTX) seeing some larger bull positions in open interest despite smaller contract sizes, the March \$260 calls with 500X bought, March \$240 and \$250 calls with 400X bought in each, September \$220 calls with 890X bought since 12/16 valued above \$3.65M, and 645 April \$240 calls. VRTX shares are +10% YTD firmly outperforming the Biotech group and shares broke out of a weekly falling wedge in early December and have not looked back now working above all major moving averages and volume nodes. VRTX shares closed last week at a 50% retracement of the fall from 2020 highs top 2021 lows but remain in a low volume pocket with a gap to \$269.79 remaining unfilled. VRTX had a large insider buy in August for \$2.965M at \$197.91 from a Director. VRTX is a global Biotech led by its Cystic Fibrosis programs and is evaluating triple combination regimen, in additional patient populations, including younger children, with the goal of having small molecule treatments for up to 90% of people with CF. VRTX is also pursuing genetic therapies to address the remaining 10% of people with CF. Their most-advanced program is CTX001, a gene editing therapy looking at beta thalassemia and SCD. They also have an ongoing partnership with Moderna to use mRNA-based approach to CF. VRTX has five mid-to-late stage programs ongoing across small molecules, cell therapies and gene therapies. VRTX's CF franchise recovered in Q4 with a robust EU launch of Kaftrio, ongoing expansion of Trikafta in 6-11 year olds, and growing reimbursement agreements in additional ex-US geographies. The main overhang for shares has been AbbVie (ABBV) expected data early this year in CF as a competitive product. VRTX now has a \$57.8B market cap and remains cheap at 15.9X Earnings, 7.6X Sales and 32.5X FCF with a debt-free balance sheet and plenty of cash. VRTX has delivered a five-year revenue CAGR above 30% with operating margins strong versus peers around 50%. Management is positive on the VX-147 program in AMKD and will get feedback from the FDA as an upcoming Phase 2 meeting. VX-548 and VX-150 results in pain are expected to be announced this quarter with the goal of pain relief without the negative effects of opioids. Analysts have an average target of \$270 with short interest low at 1.3% of the float. Jefferies on 1/27 called VRTX the best large cap Biotech in the market as the pipeline has inflected and looks promising and sees shares recovering to \$275 as catalysts play out. BMO upgraded to Outperform with a \$274 target seeing the pipeline undervalued and expects VRTX's CF leadership to maintain.

Hawk Vision:



Hawk's Perspective: VRTX could use some retracing to around \$230 but looks attractive there on valuation and with upcoming catalysts, a name that has ran strong since our bull wedge breakout alert in December.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Call Buyer in REIT Benefiting from Major Secular Shifts in Housing

Ticker/Price: (\$18)

Analysis:

Preferred Apartment Communities (APTS) jumpy again today with 5,000 July \$20 calls bought up to \$1.35 where 4,500 opened last week, volume that stands out in the \$905M REIT. APTS has over 11,000 calls in open interest with just 1,700 puts. Shares are showing relative strength with a bullish consolidation just below recent highs at \$19 and holding the rising 55-MA in January on the pullback. A breakout move has room to \$23. Shares trade 2X sales and 8.3X FCF with a 4% yield. APTS is a REIT focused on high-amenity, class A multi-family properties, grocery-anchored retail, and student housing properties in the US. They have over 100 properties in 34 key markets across 13 states including the hotly desired Sunbelt. APTS sees long-term benefits to their growing footprint in the region including better business regulations and the lower cost of living with lower taxes which will keep migration patterns steady for the next decade. APTS also thinks their portfolio of suburban communities will continue to see strong demand in the West and Southwest as remote work becomes more normalized going forward. The company has bounced back strong from the pandemic lows in 2020 with 99% rental collections across their entire portfolio in August and September, well-above peers. They are coming off a transformative year where they sold out of the majority of their office properties, instead focusing on the higher-return multi-family community market. Analysts have an average target for shares of \$15 with a Street High \$18, although limited coverage. Truist raising estimates on 1/18 while JMP has a Buy rating for shares citing strong recent results driven by higher rental revenue and interest income. The firm also likes how APTS has simplified its business model with their asset disposals in 2021 coming at an attractive price. Short interest is 1.15%. APTS has seen a lot of smaller insider buys since March 2020. Hedge fund ownership rose 18% last quarter. Miller Value a top buyer.

Hawk Vision:



Hawk's Perspective: APTS is a very attractive name with their focus on some hot areas of the housing market and attractive fundamentals while the portfolio changes last year position them much better from a visibility perspective into the future; the recent activity stands out and like the look for a potential breakout and run above \$19.25

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bull Targets CNS-Focused Biotech with Multiple Catalysts in 1H

Ticker/Price: (\$25.65)

Analysis:

ACADIA Health (ACAD) buyers of 1,185 March \$20 ITM calls for \$5.80 to \$6.10 today and follows nearly 3,000 February \$26 calls bought last week. ACAD has 500 January 2023 \$23 short puts in open interest as well from 12/9. Shares are strong today and extending a move out of a multi-week bull wedge with room above \$27 up to \$35+ and firmly into a big gap from March 2021. The \$3.72B company trades 7.85X sales and 6.88X cash. ACAD focuses on developing treatments within the CNS space with Nuplazid available for the treatment of hallucinations and delusions associated with Parkinson's disease psychosis. The company has notable early-year catalysts in the pipeline including Phase 2 data for ACP-044 in post-op pain, meeting with the FDA for a pre-NDA discussion over Trofinetide for the treatment of Rett Syndrome and a final decision from the FDA on their sNDA for Nuplazid for the treatment of Alzheimer's disease psychosis. The company announced intentions to resubmit the latter in December but there remains uncertainty around whether the FDA will require further studies to be run. Advancement for Trofinetide would be a positive driver with JMP estimating in December that a conservative peak sales estimate would be \$400M to \$500M. Analysts have an average target for shares of \$29 with a Street High \$57. Citi upgraded to Buy on 1/5 citing conversations with management and FDA experts which made them feel the market is under appreciating the probability of success for pimavanserin in Alzheimer's psychosis on resubmission in Q1. Hedge fund ownership rose 1% last quarter, Baker Bros a top holder with 42M shares and last bought publicly in March 2020 near \$32. Palo Alto Investors also a top holder while Avoro has 2.2M shares. Short interest is 4%.

Hawk Vision:



Hawk's Perspective: ACAD is interesting despite the recent run-up with multiple shots in the first-half of 2022 to shift sentiment more positively and above \$27.50 can really fly, worth looking at as a speculative play

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Russell (IWM) trade opens June \$198/\$170 ratio put spreads 10,000X20,000. **IWM** buyers of 14,000 Feb. 25th (W) \$207 calls \$1.73 and also spreads buying 7000 March \$207 calls and selling the March 2nd (W) \$215 calls. **IWM** also a buyer 1000 May \$205 calls \$8.08. **IWM** moving to highs also saw 6000 Mar. 4th (W) \$200 calls bought midday

Oil (USO) with 3000 July \$70/\$85 call spreads bought

Treasury (TLT) buyer 5000 May \$132/\$125 put spreads for \$1.37, and **Short Treasury (TBT)** with 5000 September \$20/\$28 call spreads bought while selling the \$18 puts

Consumer Discretionary (XLY) buyer 7000 March \$165 puts for \$2.25

Nasdaq (QQQ) sale to open 1000 September \$358 puts for \$30.03 and a seller of 6000 May \$310 puts for \$7.72

Retail (XRT) trading 10,000 March \$78/\$72 put spreads today

Consumer Goods

Fossil Group (FOSL) shares jumpy with 3,500 March \$14 calls bought \$0.50/\$0.65

Capri (CPRI) with a block of 7916 May \$80 calls sold to open for \$1.80, likely overwrite with the odd lot size

General Motors (GM) stock replacements are selling 2,500 May \$45 puts for \$2.14/\$2.15 today

Harley (HOG) with 1500 weekly \$36/\$40 call spreads bought early into earnings tomorrow. **HOG** rising off lows with 4000 weekly \$38 calls bought up to \$0.85 into earnings. **HOG** stock replacement also selling 850 August \$35 puts for \$4.10

Advanced Auto (AAP) with 3950 March \$260 calls sold to open for \$1 today

Coty (COTY) trade opens 5000 February \$8.50 calls \$0.75 as the weekly calls adjust

Beyond Meat (BYND) with 900 April \$60 calls sold to open today down to \$8.60

Sysco (SYY) into earnings tomorrow morning seeing 2,500 February 11th (W) \$77 puts bought for \$1.12 and spread with the March \$70 puts sold for \$0.83

Under Armour (UAA) buyers active for 10,500 weekly \$20.50 calls into 2-11 earnings and sellers in the \$23 calls as some \$18 calls adjust

Rivian (RIVN) buyer of 1300 February 25th (W) \$60 calls from \$4.85 to \$5.15

Ford Motor (F) with 5500 September \$14 puts sold to open for \$1.05 in a stock replacement

Toyota Motor (TM) with 1000 January 2023 \$220 calls sold for \$11.50 in a buy-write

Hershey (HSY) strong name in 2022 seeing 1000 August \$175 puts sell to open \$4.20 to \$4.10

Sonos (SONO) spreads into earnings this week selling 2000 June \$17.5 puts and buying 2000 of the \$30/\$45 call spreads

Skechers (SKX) gapping higher after earnings and today seeing a buyer of stock sell 750 January 2023 \$50 calls for \$5.20/\$5.30 with the \$35 puts sold for \$2.80

The Gap (GPS) with 2000 January 2023 \$13 puts opening \$1.50 with stock

Consumer/Business Services

Uber (UBER) buyer of 1000 July \$45/\$55 call spreads for \$2.05 ahead of earnings this week. **UBER** February \$34 and \$35 calls also active with size buyers and spreads vs. \$40, the Analyst Day seen as a big catalyst

Dicks Sporting Goods (DKS) with over 5,700 February \$100 puts sold to open for \$0.56, shares basing above the 200-MA

Pinterest (PINS) over 9,725 March \$40 calls sold to open today near \$0.20. **Pinterest (PINS)** spread today is selling the May \$35 puts and buying the \$45/\$70 call spread 2750X, adjusting some Feb. bull spreads that are underwater

GameStop (GME) slipping to lows with 2000 July \$60 OTM puts active with buyers today, will confirm OI tomorrow

Roblox (RBLX) with 1300 June \$40 OTM puts bought for \$2.72 to open ahead of 2-15 earnings

Carvana (CVNA) with 1,550 March \$210 calls sold to open \$3.50 to \$3.45. **CVNA** now with 1000 May \$240 calls sold to open for \$4.80 to \$4.75

Sabre (SABR) bull spread today sells 5000 January 2023 \$7 puts to buy the \$10/\$15 call spread for a small net credit

Chegg (CHGG) with 5000 January 2023 \$30 calls opening for \$5.90 today in a stock replacement

Houghton Mifflin (HMHC) seeing a buyer of 1000 June \$17.50 calls for \$3 today as the March calls adjust out

Expedia (EXPE) with 1200 March \$220 calls sold to open today around \$2.65 in buy-writes

Chewy (CHWY) with 4000 January 2023 \$30 puts bought for \$3.35, weak name since early 2021 and has given back all of its post-COVID run. **CHWY** also seeing 1000 June \$60 call sold in buy-writes today

Caesar's (CZR) buyer of 2500 March 11th (W) \$80/\$95 call spreads for \$4.45 as some Feb. 11th (W) calls adjust out ahead of 2-22 earnings

Expedia (EXPE) buyers 1500 weekly \$177.5 puts \$5.40 to \$5.50 into earnings

Energy

Shell (SHEL) buyers of 1,500 June \$65 calls for \$1.05 today as the oil-major continues to climb

Stem (STEM) unusual 1150 Feb 25th (W) \$11 calls bought ITM, earnings 2-24

Occidental (OXY) buyer of 1000 January 2024 \$55 calls for \$6.55

Antero (AR) with 3000 March \$21 calls being sold to open and 1250 of the \$20 puts being sold to open as well

Enbridge (ENB) buyer of 3,500 July \$42.50 calls for \$2.05 with shares near new 1-year highs

Conoco (COP) opening sale 1800 January 2023 \$92.5 puts for \$14.01 and also sellers to open 3500 August \$62.5 puts at \$1.62

Marathon (MPC) with 750 January 2023 \$85 calls sold today for \$7.60 into strength

Financials

Bank America (BAC) buyer 2500 May \$48 puts for \$2.92

Wells Fargo (WFC) sweep buyers 3500 February \$58 calls \$0.62 to \$0.65

JP Morgan (JPM) buyer 1500 May \$165 calls \$3.05 to \$3.10

Marqeta (MQ) with 15,000 September \$12.5/\$25 call spreads bought today for \$1.64 and also tied to sales of 15,000 March \$10/\$5 put spreads

CF Acquisition (CFVI) the Rumble SPAC that saw unusual call buys last week continues to run strong on speculation of a Joe Rogan move, seeing 4000 March \$20/\$25 call spreads open today

Citi (C) buyer earlier of 2,000 May \$65 puts for \$3.65

PayPal (PYPL) buyer of 1000 March 11th (W) \$120 calls for \$9 to open today

Affirm (AFRM) with 2000 weekly \$67/\$78 call spreads bought for \$3.31 into earnings 2-10

Radian (RDN) aggressive sweep buy 1700 March \$22 calls \$1.75 on a Street Insider report the company is mulling a sale

NMI Holding (NMIH) unusual buy of 1000 Jun \$30/\$35 call spreads with that **RDN** report

Zillow (Z) with 500 January 2023 \$55 calls bought \$9.40 offer in stock replacement while **ZG** with 500 January 2024 \$40 puts sold to open \$8.90

Berkshire Hathaway (BRK.B) with 2000 January 2023 \$250 puts sold to open \$6.70 to \$6.80 range

Visa (V) with 1000 September \$220 calls bought today \$23.50 to \$24

Healthcare

IVERIC (ISEE) into strength today seeing 2,000 June \$17.50 calls sold to open for \$1.35/\$1.30

Springworks (SWTX) buyer of 1200 February \$40/\$30 put spreads for \$1.05 ahead of key data in desmoid tumors due in Q1

Vertex (VRTX) spread today buys 4400 March \$220 puts for \$5.30 and sells the \$270 calls for \$2.75 to open

Cigna (CI) with over 1,450 January 2023 \$250/\$200 strangles sold today for near \$29

Novavax (NVAX) with sellers of 1200 September \$260 OTM calls for \$6.25 to \$6.20. **NVAX** with 600 Jan. 2024 \$120 puts sold to open \$56 as January 2023 \$140 short puts adjust

Fibrogen (FGEN) seeing 3,000 March \$17.50 calls open for \$0.88 as the \$12.50 calls close and adjust higher

Perrigo (PRGO) with 1150 May \$42.50 puts sold to open today for \$6.50 as the Feb. short puts adjust

Actinium Pharma (ATNM) with 1200 January 2023 \$10 calls bought today for \$2.75 and some spread off with the \$20 calls and some against the \$25 calls

Establishment Labs (ESTA) buyer 600 May \$55 calls \$9.10 as the \$65 adjust back

Mirati (MRTX) buyers of the February \$115 puts for \$2.50/\$2.55 up to \$2.80 1000X

Industrials

Caterpillar (CAT) with 500 July \$190 puts being sold to open today for \$11.17 as some Aug. short puts adjust out

KB Homes (KBH) size buyer 3000 January \$45 calls \$4.20 offer

American Air (AAL) buyer 2350 Feb. 25th (W) \$17 calls \$0.85

United (UAL) with 1650 April \$43 puts sold to open for \$3.05

Golden Ocean (GOGL) with 1000 September \$10 puts sold to open \$2.15 seeing limited downside in the small shipper

Fortress Transport (FTAI) with 1,550 March \$30 calls sold to buy the April \$30/\$35 call spread at a net \$0.12

Virgin Galactic (SPCE) buyer 5000 July \$14 calls \$0.88

Materials

Alcoa (AA) with over 8350 April \$80 calls sold to open today around \$1.65 to \$1.50 into strength, likely overwrite

CF Industries (CF) with 10,291 March \$90 calls sold \$0.65 to open willing to get called away. **CF** buyer 500 August \$85 OTM calls at \$5

Teck Resources (TECK) buyer 7500 May \$35/\$45 call spreads for \$2.16

Air Products (APD) the June \$250 puts being bought 550X today for \$12.60 to \$13.40, tied to stock

US Steel (X) with 3000 January 2024 \$25 calls bought \$5.50 offer

Darling (DAR) with 400 January 2023 \$70 calls bought today for \$7.30

Dow (DOW) opening sale 7000 April \$52.5 puts for \$0.85

Tech

Alibaba (BABA) with 2500 weekly \$115 puts active with buyers early for over \$1M

New Relic (NEWR) with 2000 February \$110/\$130 call spreads bought \$4.50 into earnings tomorrow night, Software name where valuation was already reset

Qualcomm (QCOM) buyer 10,000 June \$165 calls \$25.24 adjusts the March \$160 calls

SAP (SAP) with 1200 May \$125 puts bought near \$6.90 to open

Wix.com (WIX) spreads today are selling the April \$100 puts and buying the \$130/\$160 call spread 600X for \$2.40

DXC Tech (DXC) with 5,000 March \$38 straddles sold to open today for \$3.80 into the recent strength

ON Semi (ON) with 10,000 January 2023 \$50 puts bought up to \$6.90, tied to stock

Datadog (DDOG) stock replacement buys 1750 March \$170 calls \$9.45, earnings 2-10. **DDOG** buyers of 2000 weekly \$146 puts today \$7.80, earnings 2-10 as a high valuation name

Roku (ROKU) seller of 1250 March \$160 straddles for \$36.95 tied to long stock

Palo Alto Networks (PANW) with 850 March \$500/\$600 call spreads bought for \$34.70 to open with shares coiled below the 55-EMA

Twilio (TWLO) large opening sale of 750 January \$210/\$190 strangles for \$75. **Twilio (TWLO)** with 1000 March \$175 puts opening today for \$10.85, tied to stock

Communications/Utilities

Disclaimer:

Not Investment Advice or Recommendation

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