



MARKET RECAP REPORT 2/8/2021

Sector Leaders

Energy

Biotech

Solar

Stock Gainers

WPRT 42.5%

CLNE 35%

SAVA 30%

RIOT 29%

MARA 32%

XONE 25%

Volatility Gainers

- WPRT
- SNPR
- RIG
- AMRN
- ADMP
- FTFT

High Call Volume

- UBS
- REKR
- ANGI
- PPC
- TDC
- VERU

Bullish Options

- UBS
- U
- MGM
- PINS
- EDIT
- SE
- WPRT
- REKR
- NET
- DRI
- WMT
- AU

Market Review: Stocks opened the week at record highs continuing the momentum from last week with Oil & Yields also continuing to rise. The reasons for optimism surround expected stimulus, an improving battle versus COVID, strong earnings, positive economic data, and a healthy M&A environment. Energy led strength with both Oil & Gas and Solar outperforming while Biotech, Semiconductors and other momentum/growth groups showed strength. REITS, Consumer Goods and Transports lagged the move. Breadth was strong early but the S&P unable to push through the 3900 round number convincingly. Heading into tomorrow the economic schedule is quiet while earnings remain a focal point, a market that has now become quite extended but price action & breadth remain strong.

S&P Chart:



Resistance	Support
3,855	3,610
4,000	3,520
4,140	3,400

Options Action Trends: We saw some good flows to start the week with bullish positioning in Tech growth and some put buying in consumer names. Activity overall much more subdued with smart money not chasing moves.

What's On Tap: JOLTs and WASDE Report. Earnings from CSCO, FIS, TWTR, SPGI, FISV, CNC, CARR, TDG, ENPH, WELL, INCY, AKAM, FOXA, MLM, LYFT, CDAY, FMC and more.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long CRM March \$240/\$260 Call Spreads at \$5 – No Fill
- 2) **Spotlight:** Open COST March \$350/\$340 Bull Put Spreads at \$3.35 Credit
- 3) Closed SQ Call Spreads \$6.50 (Opened \$4.25)

Sector Laggards

REITS

Transports

Consumer Goods

Stock Losers

AMC -10.8%

PENN -9%

CRNT -8.7%

PROG -8.5%

HUYA -8%

MKSI -6.7%

Volatility Losers

- SWN
- MOMO
- GME
- ZIOP
- AMC
- ALKS

High Put Volume

- SAVA
- TECK
- BILLL
- AVYA
- U
- TELL

Bearish Options

- HBI
- CGC
- VIAC
- PLAY
- PENN
- FVRR
- WMT
- STT
- VMW
- GPS
- TDOC
- MTDR



FEATURED OPTIONS RADAR REPORT



Bulls Active in Match for Strong 2021

Ticker/Price: MTCH (\$159.80)

Analysis:

Match Group (MTCH) shares sold off sharply on earnings but have quickly rebounded back to near record highs and options activity has been uber-bullish into the dip. MTCH has seen buyers of upside March call spreads, 2400 June \$160 calls for \$2.8M, 1950 January 2023 \$160 calls for \$7.35M, and still has size bullish positions in February 12th (W) and February expirations. MTCH is starting to work out of weekly consolidating after the rising 21-week moving average geld firm, as it tends to in growth/momentum stocks, and expansion out of this range should target a move to \$175-\$180. The \$40B leader in online dating trades 55.75X Earnings, 15X FY21 ECV/Sales and forecasts calling for steady 15-20% annual revenue growth and 20% EBITDA growth the next few years. MTCH has a dominant market position with strong user activity/engagement targeting the younger demographic and continues to launch new brands particularly in International markets. MTCH should see growth accelerate through the year with a return to normal and on its call discussed its investments and pushed out margin expansion but still sees a long-term target of 40%+. It is also nearing monetization/profitability of newer brands like Hinge, Chispa and BLK. The online dating market is ~\$4B and seen growing at a 13% CAGR the next few years. Analysts have an average target of \$158.50 and short interest is 17% of the float. JPM upgraded to Overweight last week with a \$175 target seeing it positioned well for reopening economies and multi-year growth opportunity. SIG upgraded to Positive noting its strong business franchise and a likely strong 2H recovery. In the latest quarterly filings there were new large positions started by Lone Pine, Jackson Square, Egerton, Steadfast, and Tybourne.

Hawk Vision:



Hawk's Perspective: MTCH was a great opportunity into weakness with the 21-week moving average always a buy point for best-in-class names from the annual report. Near-term shares could use a dip back to \$150 before working higher.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Option Bulls Confident in Stellantis Merger Story, Cheap Valuation and Upside Catalysts

Ticker/Price: STLA (\$16.15)

Analysis:

Stellantis (STLA) a newer name seeing unusual upside call activity the past few sessions, the January 2022 \$20 calls have accumulated 7250X and the \$25 calls 12,280X. STLA shares have been consolidating in the \$15/\$17 range the last few weeks. Stellantis is the result of the Groupe PSA and Fiat Chrysler merger and owns key brands like Chrysler, Dodge, Fiat, Jeep, Maserati, Opel, and others. STLA trades 2.6X FY21 EBITDA with revenues seen rising 18.7% in 2021 and EBITDA +45.5% as it is positioned to participate in the strong automotive recovery. STLA plans to roll out 10 new EV models in 2021. The merger will allow the companies to grow scale and save billions in capital costs. The merger is expected to provide about 5 billion euros, or \$6.1 billion, in annual cost savings. Carlos Tavares, the PSA chief now leading Stellantis is known in automotive circles for his success in turning around faltering businesses. Stellantis plans to divert the bulk of the \$6 billion in projected yearly savings to developing electric vehicles and other costly technologies. Analysts have an average target of \$24 and short interest is low at 0.5% of the flat. MSCO started shares Overweight last week with a EUR16 target noting shares are very cheap and with strong execution it can generate strong synergies and lead the European battery electric vehicle transition while developing new businesses. Goldman started at Buy with a target at EUR18 as a synergy story and attractive valuation. Jefferies started shares Buy with a \$22 target seeing opportunities in the strategic reset and a strong balance sheet.

Hawk Vision:



Hawk's Perspective: STLA is a value name with growth catalysts and a turnaround story, feels like a nice long-term investment among European auto plays.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unity Bull Spreads Buy into Earnings Weakness

Ticker/Price: U \$126

Analysis:

Unity Software (U) spread this morning sells 1,000 Jan. 2023 \$120/\$80 bull put spreads for \$24.30 and buys the Jan. 2023 \$100 ITM calls for \$60.95 with the July 2022 \$200 call sold for \$25.50, unique bullish structure we have seen in other names in the past year. Later, Unity (U) with 1,500 August \$100 puts sold to open for \$12.20 in a stock replacement, and follows the August \$80 puts sold to open on Friday for \$4.40, over 5000X. Unity shares were hit last week on earnings and now just above the 50% retracement of the rally from 2020 after its debut. Unity has a small volume gap just below to \$118.50 from November. The \$40.57B company trades 34X EV/ sales and 23X cash with 30% growth forecast each of the next two years. Unity is a leading 'pick and shovel' play on gaming growth through their licensed game engine which is used to develop games, 3D content and other apps. Unity has a dominant market position with more than 50% of PC, mobile, and console games developed on the Unity platform and entering a multi-year period of strong visibility and growth with the new console launches late in 2020. Analysts have an average target for shares of \$123.50 with a Street High \$175 from Wedbush who sees the FY outlook as conservative with plenty of room for upside throughout 2021. CSFB starting at Outperform on 1/15 noting that Unity has multiple paths to potential revenue upside including a growing gaming market, runway in non-gaming verticals, additions to Unity's game services stack, and a call option on XR success. Short interest is 1.5%. Silver Lake, D1 Capital, Viking Global, Altimeter, and Light Street Capital all notable holders.

Hawk Vision:



Hawk's Perspective: U is one of my favorite longer-term names with tons of potential over the next decade and think its one to accumulate on dips, the \$120 level looking solid

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Pulte Call Buyers Active into Spring Season, Expects Housing Demand to Remain Hot

Ticker/Price: PHM \$49.15

Analysis:

Pulte (PHM) buyers active today for more than 2,700 July \$50 calls up to \$5.30 to open and name that has over 2,750 July \$55 calls in OI from buyers in December. Shares have been strong recently and back near a multi-month breakout above \$50 which measures out to \$60 longer-term and continuation of the strong trend since March. The weekly seeing a bullish MACD cross last week and RSI remains strong, plenty of room to run. The \$12.5B homebuilder trades 7X earnings, 1.13X sales, and 7.85X FCF with a 1.16% yield and low-double digit growth. PHM reported a strong quarter in January citing 24% growth in net new orders as tailwinds from the surge in housing demand continues. The company continues to invest in land and development with a sizable backlog and sees the overall mix shift towards single-family housing and away from apartment living providing a solid floor for demand for years to come. Analysts have an average target for shares of \$52 with a Street High \$70. BTIG upgrading to Buy on 1/29 noting that near-term earnings growth will be driven by the "efficient conversion" of its current \$6.8B backlog relative to many peers while their gross margin and SG&A/sales outlook looks conservative as he expects double-digit order growth in the first half of FY21. Short interest is 3.5% but near 5-year lows. Hedge fund ownership fell 6.5% in Q3, Samlyn Capital a notable buyer of stock. In October, an EVP bought 5,000 shares of stock at \$41.50, the first notable open market buy in over two years.

Hawk Vision:



Hawk's Perspective: PHM has bounced back from the earnings gap down well and sitting right at key resistance, would prefer it consolidate a bit before making the move but above \$50 can really get moving

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Energy (XLE) with 10,000 February 26th (W) \$45 calls bought for \$0.95 and earlier 10,000 of the \$46 calls bought for \$0.62. **XLE** buyer 6000 September \$40 puts \$3.55 offer

Russell (IWM) extended and 2300 March \$225 puts are bought \$7.79 to open, also seeing April \$235 calls sell to buy \$214 puts 7000X

Japan (EWJ) buyer 4000 June \$70 calls \$3.40 and sells 4000 of the \$70 puts \$3.05

Russia (RSX) moving off session lows with 5000 January 2023 \$25 calls bought \$3.90 to \$4

Metals (XME) with 5000 January 2022 \$45/\$28 bull risk reversals opening

S&P (SPY) with 45,000 April \$410 calls opening \$3.15 with 15,000 March \$400 calls adjusting

Materials (XLB) with 3000 January \$90/\$60 bull risk reversals opening for a net credit

Consumer Staples (XLP) with 6000 June \$65 puts opening near \$2.38 as March adjust

Consumer Goods

Beyond Meat (BYND) with 700 May \$195 calls bought for \$17.60 in a stock replacement today, pulling back to the 21-MA and recent breakout area

Genesco (GCO) with 1,000 February \$50 puts sold to open today for \$5.60, adjusting back the \$40 short puts from last week

Mondelez (MDLZ) stock replacement opens 3000 June \$57.5 calls \$2.23

WalMart (WMT) with 1500 April \$145 puts sold to open \$6.475

Sony (SNE) moving off lows with 1000 April \$120 calls bought \$3.60 to \$3.90

Tyson (TSN) buyers 1500 July \$75 calls near \$2.60 to open into 2-11 earnings, name that saw massive opening put sales back near \$64. **TSN** 1500 July \$50 puts selling to open with those \$75 call buys

Coty (COTY) with 5000 May \$9 puts sold to open for \$2.25

Spectrum (SPB) buyer of March \$80/\$90 call ratio spreads 1000X2000 after recent strong quarter

Aphria (APHA) opening sale 1000 January 2023 \$10 puts today \$3.70

Consumer/Business Services

MGM with 1500 April \$35/\$40 call spreads bought earlier for \$1.72

Viacom (VIAC) with over 4,250 April \$52.50 puts being bought for \$5.30 to \$5.35 this morning with the recent rally, earnings in late Feb.

Lyft (LYFT) with 1300 October \$42.50 puts sold to open for \$4.55

Penn National (PENN) with the April \$140 calls sold to open 10,000X today from \$10.35 to \$9.75

Texas Roadhouse (TXRH) with 1,200 March \$80 puts sold to open for \$2.05/\$2 into strength

Planet Fitness (PLNT) with 1200 February \$77.5 calls bought near \$4.50

ANGI Homeservices (ANGI) with a spread selling March \$15 puts 6250X for \$0.60 and buying February \$17.5 calls \$1.60

Dave and Buster (PLAY) with 1700 July \$40 calls sold to open for \$6.10

Hanes (HBI) buyer 2500 weekly \$16.5 puts \$1.15 to open, earnings tomorrow

Darden Restaurants (DRI) IV fading all morning with 4,000 March \$140 calls sold to open down to \$2.60

Fiverr (FVRR) the July \$140/\$95 OTM put spread bought 1190X today for \$4.50

Container Store (TCS) with 1000 March \$15 puts sold to open today \$1.70 to \$1.65 and flagging near recent highs

Chewy (CHWY) with more than 1500 Feb. 26th (W) \$120/\$124 call spreads trading

Party City (PRTY) with 6000 July \$9 calls opening as the \$6 calls adjust

Dick's Sporting (DKS) opening sale 1000 January 2023 \$85 calls for \$13.20

Electronic Arts (EA) pulled back last week but today 1000 January \$170 calls are bought for \$8.60 to open, bringing back NCAA Football game

Children Place (PLCE) with 625 September \$100/\$50 bull risk reversals opening as June adjust

Brinker (EAT) opening sale 1100 April \$65 puts for \$6.20

The Gap (GPS) with 5000 March 5th (W) \$21.50 puts bought up to \$0.98

Kohl's (KSS) buyer of 1000 January \$80 OTM calls for \$3.57

Barnes and Noble Education (BNED) buyers of 2,200 March \$7.50 calls today for \$1.60 to \$1.85, strong run recently

TJX Co (TJX) spreads this afternoon are selling the Feb. 26th (W) \$75 calls to buy the March 5th (W) \$70 calls 1000X2000 for a net \$1.16 with earnings around 2-24

Sirius (SIRI) buyer 2500 September \$6 calls for \$0.85

Energy

Westport (WPRT) with 3000 April \$13 calls bought \$3 offer with stock up 42%

Technip (FTI) the March \$12 calls with 4000 bought up to \$0.80, nice consolidation just below recent highs

Devon Energy (DVN) with 1000 July \$20 calls bought \$2.35 to \$2.40, follows hot action in Natural Gas names last week

Matador (MTDR) with 6,500 March \$17.50/\$15 put spreads opening today for \$0.85 as some February puts adjust

Conoco (COP) with 1200 January \$55 calls bought to open today \$4.25

GEVO (GEVO) highs of the day and 1925 March \$15 calls being bought up to \$2.55, nice flag forming for the \$2.33B renewable fuels company

Financials

UBS AG (UBS) hot early with 20,000 May \$17.50 calls bought to open

HSBC (HSBC) buyers 2650 June \$29 calls to open \$1.17 to \$1.19

UP Fintech (TIGR) more bull flow with 1500 July \$30 puts sold to open \$13.60 to \$13.10, being called the Robinhood of China

PNC Financial (PNC) stock replacement bought 750 January \$160 calls for \$16

Voya Financial (VOYA) opening sales 550 May \$60 puts \$5.10

Cowen (COWN) with 1000 July \$30 calls sold to open for \$2.85 in a buy-write

Zillow (Z) strong to highs into 2-10 earnings, looks like February \$170/\$180/\$190 butterfly call spreads popular 2500X5000 as an earnings strategy

PayPal (PYPL) March \$270 puts active with opening sales 2000X, and 2000 June \$240 puts being sold to open near \$10.30 as well

Bridgetown (BTWN) a recent Hong Kong SPAC with a spread selling 5000 August \$12.5 put to buy the \$17.5/\$25 call spreads, net \$0.50 debit.

Redfin (RDFN) breaking out today and 600 May \$115 calls bought to open for \$4.90 earlier

Metlife (MET) with 3,000 January \$60 calls sold for \$3.75 in a buy-write

Healthcare

Editas (EDIT) moving strong with the new CEO news today and 950 OTM March \$100 calls being bought up to \$4.90. **EDIT** 1000 February \$84 calls bought \$2.90 offer

Lantheus (LNTN) with 1200 OTM July \$30 calls bought for \$0.95 to \$1 today into new highs, small-cap med-tech name

Nevro (NVRO) with 1000 March \$180 calls sold to open \$10.30 to \$10.20, earnings 2-24

Alkermes (ALKS) with 1000 May \$30/\$20 bull risk reversals opening for a credit as February \$23 calls adjust

Select Medical (SEM) with unusual 1500 September \$30 calls bought \$2.60 to \$2.70 to open, a small cap Hospital play that has always screened well on fundamentals

TelaDoc (TDOC) with 1150 July \$240 puts opening \$19.55 as the \$190 puts adjust

J&J (JNJ) size buys this afternoon 2000 March 26th (W) \$155 calls to open \$10.90

Thermo Fisher (TMO) with 750 OTM June \$600 calls bought \$5.40 to \$5.50 offers

Biogen (BIIB) buyer of 400 January \$370 calls \$22.30 to open, stock replacement

Dynavax (DVAX) with buyers of 5,000 April \$15 calls for \$1.65 to \$1.70 this afternoon, follows the bull flows last week into the January calls

Industrials

Echostar (SATS) opening sale 1000 March \$25 puts \$2.10

Stratasys (SSYS) with 400 June \$55 calls bought \$9.95 to \$10 today

PACCAR (PCAR) with 1000 May \$114.30/\$124.30 call spreads bought to open. **PCAR** also seeing 2000 August \$135/\$145 call spreads bought

Hawaiian Air (HA) with 4500 April \$28/\$30 call spreads bought, already has 12,500 Apr \$30 calls in OI

Camping World (CWH) with 1600 March \$40/\$50 bull call spreads active

3D System (DDD) opening sale 1000 March \$48 puts \$5.80 in a stock replacement

Lithia Motors (LAD) with 400 March \$400/\$450 call spreads opening

Spirit Aero (SPR) buyer earlier of 600 December \$42.50 calls for \$7.90 with shares near a multi-week breakout

Materials

Livent (LTHM) with 1000 July \$22.50 calls bought for \$4.50, follows Dec. put sales and call buys last week

Mosaic (MOS) spreads opening 4000 Feb. 12th (W) \$30 / February \$29 bull diagonal spreads, WASDE report this week. **MOS** now 3000 March \$32 calls are bought. **MOS** also with 500 January \$32 ITM puts sold to open today for \$7.75

Teck Resources (TECK) opening sale 10,000 August \$15 puts \$1.08

Anglo-Gold (AU) with 2000 April \$20 calls bought \$4.30 offer sweeps with Gold recovering this week

Rio Tinto (RIO) large trade for 1876 January \$72.5 calls \$12.10 offer opening. **RIO** working nicely out of bull wedge pullback

MP Materials (MP) coiling tightly with 5000 March \$30 calls bought earlier \$5.10 to \$6

Dow Chemical (DOW) the January 2023 \$60 calls being bought for \$8.60 today in a stock replacement, 500X

Tech and Telecom

Smith Micro (SMSI) with 1000 April \$8/\$11 call spreads bought today for \$0.75 with the \$7 calls adjusting higher

Teradata (TDC) with 400 July \$40 calls bought for \$7 with JMP upgrading this morning

Palantir (PLTR) with 1,000 May \$41 calls bought \$8.10 into the strength from the IBM news

Immersion (IMMR) with 1200 March \$17.50 calls bought today \$1.35 to \$1.40 into the breakout

Pinterest (PINS) buyers of 5000 January \$110 calls \$11.40 to \$11.60. **PINS** March \$80 calls up to 20,000X on the day into the day lows shifting back \$85 strike calls

Snap (SNAP) stock replacement bought 1100 January 2023 \$85 calls for \$11.15

Microvision (MVIS) running with buyers of March \$15 calls in offer sweeps at \$3.90

Qualcomm (QCOM) large opening sale 2500 April \$140 puts \$6.70 into post-earnings weakness

Sea (SE) with 1000 Feb. 26th (W) \$305 calls bought with half at \$4.45 and half at \$5.10. SE also buyers 900 March \$310 calls \$9.55 offer

Rekor Systems (REKR) with 55,000 August \$15/\$25 call spreads bought as the \$10 puts sell to open, see if the volume stays or if fat-finger, very large trade for small cap, and one we wrote up a few weeks ago as a bull story

Cloudflare (NET) with 1,450 March \$90 calls bought this morning \$8.20 to \$8.35 ahead of earnings on 2-11

Ozon (OZON) big move recently and buyers today of the March \$75 calls over 700X for \$4.60, play on ecommerce growth in Russia. **OZON** with 500 September \$60 puts sold to open \$10.70 bid

Alibaba (BABA) rolls to day lows and 1500 March 5th (W) \$257.5 puts are bought \$7.20

Advanced Micro (AMD) buyer 2000 April \$80 calls \$13.10. **AMD** seeing 6000 Feb 26th (W) \$99 calls bought \$0.92 to \$1.10 now

Varonis (VRNS) stock replacement sells 300 March \$180 puts to open \$11.70 into earnings tonight

VMware (VMW) today with 500 March \$150 puts bought \$8.50 to \$9.30

AutoDesk (ADSK) stock replacement bought 800 July \$320 calls for \$25.50

Domo (DOMO) with 1000 March \$70 calls opening for over \$1M as February \$60 adjust, earnings around 3-10

BlackBerry (BB) opening sale 4000 January 2023 \$10 puts \$4.55

Taiwan Semi (TSM) with 1500 January \$120 puts being sold to open near \$15.25, also seeing 12,000 March \$150 calls hot with buyers today near \$1.70 average

Magnite (MGNI) with 1300 March \$55 calls opening as the February calls adjust from \$45 strike, while March \$60 calls active as well today 3000X

Zoom (ZM) stock buyers collaring with January \$500/\$2230 today

Micron (MU) strong to highs seeing 2000 January \$82.5 puts sell to open \$14.50

Cisco (CSCO) the June \$47/\$37 put spread bought 6000X today for \$2.13

Ribbon Communications (RBBN) strong day today and 2,200 April \$10 calls being bought this afternoon with buyers starting around \$1.05 and trading up to \$1.30, recently had sellers in the July puts as well with earnings 2-17 and higher two of the last three

DataDog (DDOG) large opening sale 1500 January 2023 \$105 puts for \$25.75, earnings 2-11

Spotify (SPOT) opening sale 200 January 2023 \$290 puts for \$64

Joyy (YY) buyer 650 January \$120 calls for \$30.70

Intuit (INTU) stock replacement bought 500 January \$420 calls for \$40 to open

Mercado-Libre (MELI) trades buying 200 June \$1900 calls for \$4.5M and selling 550 of the \$1540 puts for \$4.7M in risk reversals

TI (TXN) the May \$185 calls being bought 1000X today from \$6.15 this morning up to \$6.55 in the afternoon

Sprout Social (SPT) with 600 July \$75 calls opening for \$13.90 as the \$70 calls roll higher

Intel (INTC) opening sale 12,500 July \$50 puts for \$1.82

Utility

Exelon (EXC) with 2500 January \$47 calls sold \$2.55 in a buy-write

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Not Investment Advice or Recommendation

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