



MARKET RECAP 2/8/2022

Sector Leaders

Metals

Retail

Transports

Stock Gainers

PTON 21%

HOG 14%

AA 10.7%

PDD 8.7%

AGCO 8.2%

AMGN 7.5%

Volatility Gainers

- APPS
- NVAX
- GPN
- UNM
- CRSR
- CDAY

High Call Volume

- LIND
- AES
- HTA
- UNM
- AZEK
- TGH

Bullish Options

- TSM
- SONO
- MS
- BP
- GES
- GM
- APA
- OKE
- INTU
- AZEK
- VALE
- AES

Market Review: Stocks drifted lower overnight and into the open as Bond yields continued to rise across the globe though there appeared to be some de-escalation with the Ukraine/Russia situation. Earnings results continue to come in mixed and overall one of the weaker quarters in a while as companies navigate a challenging environment of rising costs and supply chain bottlenecks. It was a quiet morning with just Trade Balance data coming in at expected levels. Stocks were lower the opening hour but then some buyers showed up with the VIX staying weak into the declines. Sector strength was fairly broad with Retail, Metals, Transports, Banks, Semi's and Housing firmly green while Energy the only real laggard. The schedule remains very quiet tomorrow and most of the focus on earnings and the upcoming inflation print.

S&P Chart:



Resistance	Support
4550	4500
4630	4440
4720	4300

Options Action Trends: Action was fairly slow and no major themes in the activity as we remain in a heightened earnings catalyst period.

What's On Tap: MBA Mortgage and EIA Data. Earnings from **DIS, CVS, CME, UBER, ORLY, MSI, YUM, TWLO, EFX, SGEN** and more.

Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **JNJ** April \$175 Calls at \$2.90
- 2) Closed **MAR** Call Spreads \$5.50 (Opened \$3.50)

Sector Laggards

Energy

Biotech

Bonds

Stock Losers

NVAX -13%

MRTX -12%

KKR -7.5%

CVE -6.5%

WMG -6%

BNTX -5.8%

Volatility Losers

- CVE
- AGCO
- AMGN
- CRNC
- DAC
- IT

High Put Volume

- MTG
- BKLN
- WMB
- SPOT
- FISV
- DEN

Bearish Options

- JWN
- PII
- RF
- F
- CRC
- DEN
- MPWR
- AVYA
- SPOT
- LYFT
- NUE
- NVAX



FEATURED OPTIONS RADAR REPORT



Bulls See Macau Casino Leader Recovering with Reopening Plays

Ticker/Price: LVS (\$45.50)

Las Vegas Sands (LVS) with an interesting late-day trade on 2/7 as 1000 deep ITM September \$55 puts were sold to open for \$12 and follows recent buyers of February 25th (W) \$45 calls 6500X. LVS also recently with 2500 May \$41/\$37 bull risk reversals opened, 2000 March \$49 calls bought, 3500 deep ITM September \$25 calls bought, and still has the 7500 February \$37 calls bought on 12/2 in open interest. LVS shares gapped out of a falling wedge pattern in mid-January and are now working out of a multi-week bull flag while clearing the 200-day moving average and the larger bottoming pattern breakout measures to \$52 with RSI climbing strong on the weekly. LVS is a leading global developer of destination properties that feature premium accommodations, world-class gaming, entertainment and retail malls, convention and exhibition facilities, celebrity chef restaurants and other amenities. LVS owns properties in the US and Asia with a focus on mass market, the most profitable gaming segment. LVS has a market cap of \$33.55B and trades 19X Earnings and 8.6X FY23 EBITDA with an estimated 7%+ FCF yield and revenues seen rising more than 50% in 2022 and 2023 as it comes out of the pandemic. LVS should see a boost for its Asia business as Omicron impacts fade. Analysts have an average target of \$51.50 with short interest low at 2.9% of the float. Deutsche Bank recently lowered its target to \$60 while UBS upgraded to Buy with a \$53 target on 1/19 citing lower risks from the new Macau gaming laws. Citi has a \$60 target seeing the new gaming law revisions removing investor concerns. Goldman rates LVS at Conviction Buy with a \$66 target expecting shares to re-rate higher.

Hawk Vision:



Hawk's Perspective: LVS fits the theme of the groups we are focusing on in this new market environment and the chart looks great for a move to \$50, though do prefer **MGM** a bit to it.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Call Buyers Target Lagging Utility Undergoing Massive Shift to Renewables

Ticker/Price: (\$22.5)

Analysis:

AES Corp (AES) jumpy with 5,000 August \$23 calls bought for \$1.50 and also seeing buyers in the January 2023 \$27 calls for \$0.95, over 4800X. AES had sellers in the February \$22 and \$23 puts in January, the latter 5000X. AES had a strong run in 2020 and into early 2021 and now back at the 38.2% Fibonacci retracement on the weekly. A narrow wedge is forming off the highs and above \$24 a key pivot to make a run back at \$30 longer-term. The \$15.3B company trades 13.35X earnings, 1.32X sales, and 9X cash with a 2.9% yield. AES owns a number of regional utilities and undertaking a massive investment cycle towards more renewable projects including clean energy generation and distribution. They announced a deal in 2020 to merge their renewables business with sPower to accelerate their R&D of clean energy solutions and in September completed a deal to IPO their energy storage tech company Fluence. AES sees multi-decade tailwinds for the space with digitalization, decarbonization, and electrification driving a structural shift in the sector. They expect their renewable capacity to grow by 5X through 2050 while maintaining low-double digit EPS growth and 8% to 10% FCF growth in the parent company. Analysts have an average target for shares of \$31 with a Street High \$32. Goldman positive in November and thinks the company is well positioned to take advantage of the material clean energy investment pipeline, driving an approximately 8% EPS CAGR through 2025. Hedge fund ownership jumped 17% last quarter. Zimmer Partners a top buyer of 3M shares and now with 6.2M total. Insiders active in 2021 as well including a \$700K buy from a director on 9/16 at \$23.80.

Hawk Vision:



Hawk's Perspective: AES has a unique set of assets for the bigger secular shift towards clean energy and upside calls are cheap, especially with the upside potential on a breakout

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Put Sellers See Recent Lows Holding in Relative Strength Biotech

Ticker/Price: (\$94)

Analysis:

Horizon Therapeutics (HZNP) with 1,500 May \$85 puts sold to open today for \$4.70/\$4.60, relative strength biotech that has pulled back to a big volume node from 2021. HZNP has seen sellers in the March \$80 puts and February \$90 puts recently while the May \$100 and \$105 calls with buyers. Shares are just above VWAP from the 2020 lows and back at a key breakout spot from February 2021. A move higher has room to \$103 near-term and then up to \$115. The \$21B company trades 16X earnings, 7X sales, and 26X FCF with double digit growth. HZNP is a leading biotech with a solid commercial portfolio with nearly \$10B in peak sales, twenty emerging pipeline programs, and more than \$1.5B in cash. HZNP is coming off a strong year where they worked through supply chain issues around Tepezza and regained patient momentum into the 2H. They also closed on a \$3B deal for Viela Bio and positioned well into 2022 to leverage their scale for a number of acquired assets to build out a stronger commercial program. HZNP could look at further deals this year as they look to balance their pipeline with more early-stage programs and expand their focus with recent adds in neuroimmunology, dermatology and respiratory. Analysts have an average target for shares of \$128 with a Street High \$168. Piper lowering estimates on 1/26 but remaining bullish as they still see upside potential in 2022 despite tough comps for Tepezza. JPM Morgan likes the valuation after the recent sell-off as their elevated investments should translate into sustained healthy growth over time. Further, the analyst remains bullish on Tepezza's sales potential both near- and longer-term. Wells Fargo starting at Overweight in December. They think there is upside potential for both Krystexxa and Uplizna and both should remain durable even with competition picking up. Hedge fund ownership fell marginally last quarter. Avoro remains a top holder with 9M shares, the top position for the smart fund.

Hawk Vision:



Hawk's Perspective: HZNP screens as one of the better values in the space with the recent selloff and like its positioning into 2022 with both the approved assets and pipeline, the January low a good risk/reward spot

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Industrial (XLI) with 2000 June \$102/\$92 strangles sold to open \$6.50

China Internet (KWEB) with 5500 March \$38 calls bought \$1.75 to \$1.82

S&P (SPY) with 4000 May \$399 puts bought to open this morning for over \$3M, but also seeing buyers 5500 March \$448 calls for over \$5.5M

High Yield (HYG) trading over 300K puts in the opening two hours with a lot of put spreads trading

Oil & Gas (XOP) major laggard today and 2500 March \$108 puts bought \$6.80. **XOP** also with 25,000 March 4th (W) \$104/\$99 put spreads bought and March \$88 puts sold

Ark Innovation (ARKK) with 3000 May \$69.22 puts opening \$7.30 offer for over \$2.3M

Treasury (TLT) with 12,500 March \$139 puts opening \$3.70 as the February \$142.50 adjust down and out, also seeing 7000 June \$125/\$120 put spreads bought

Junior Gold Miners (GDXJ) buyer 5000 June \$36 puts for \$1.80

Energy (XLE) buyer 2250 January 2024 \$70 calls for \$9.10

Consumer Goods

Canopy Growth (CGC) with 6500 March \$7.50 puts being sold to open between \$0.75/\$0.80 in stock replacements

Guess (GES) buyer of 2,500 June \$25/\$30 call spreads for \$1.18 with the activist reports today

Polaris (PII) with near 900 June \$105 puts bought today from \$6.80 to \$7 to open

Sonos (SONO) another 2000 June \$17.50 puts sold to buy the \$30/\$45 call spread, same spread as yesterday

General Motors (GM) bouncing off lows after being down 5% on the MSCO downgrade seeing 15,000 April \$55 calls bought \$1.15 as March \$57.5 adjust. **GM** also with June \$35 put sales today nearing 15K

Hasbro (HAS) with 2950 March \$85 puts sold to open for \$1.30

Dollar General (DG) with 575 May \$200 puts being sold to open \$9.80 to \$10

Olaplex (OLPX) with buyers of the April \$20 puts, 1425X, for \$2.80 tied to stock

Ford (F) seeing another 30,000 April \$17 puts adjust to June. **Ford (F)** rebounding to day highs with the April \$19 calls being bought earlier up to 27,000

Rivian (RIVN) rallying up 3% and May \$80 calls with 3000X bought this morning as the \$90 strike look to be adjusting

Philip Morris (PM) buyer 1000 January 2023 \$97.5 calls for \$11.20 in a stock replacement, earnings 2-10

Tempur Pedic (TPX) with 5000 March \$40/\$35 bull risk reversals opening at \$1.60 debit, earnings 2-22

Take-Two (TTWO) with buyers of the June \$180/\$210 call spread 2000X for \$8.85 as some March calls adjust up and out

Gap (GPS) spreads selling 3000 Feb. 25th (W) \$17 puts and buying March puts for earnings early March

Consumer/Business Services

Macy's (M) with 1,500 January 2023 \$32 calls opening for \$3.47, the \$30 calls adjusting higher; shares coiled in a narrow range above its 200-MA with the ongoing activist pressures

Nordstrom (JWN) buyer of 2200 January 2024 \$12.50 OTM puts for \$1.85

Disney (DIS) weekly \$148 calls active with buyers here from \$2.33 to \$2.35, over 2000X for earnings on 2-9. **DIS** also seeing 1,400 July \$105 puts sold to open for \$2.10

Spotify (SPOT) with 650 January 2023 \$200/\$135 bull risk reversals opening into weakness at small debits

Lyft (LYFT) with 6000 January 2023 \$45 calls sold to open \$6 in a buy-write

Carvana (CVNA) buyer 600 March \$185 calls for \$6.05, earnings 2-24

FarFetch (FTCH) more bull flow today as 900 July \$20 puts being sold to open for \$4.25. **FTCH** also with 2,000 January 2024 \$25 puts sold to open for \$10.01 as the June \$35 short puts from September adjust. **FTCH** now also with 1,500 January 2024 \$22.50 puts sold to open for \$8.16 as more January 2023 positions adjust

SeaWorld (SEAS) with the February \$62 ITM calls bought for \$3.18 and spread against 1000 of the \$66 calls sold for \$1.24

Lyft (LYFT) with 10,500 weekly \$36 puts opening \$1.25 into earnings as the \$35 adjust

Cinemark (CNK) with 1000 September \$15 puts selling to open \$2.45

Vimeo (VMEQ) with 1350 December \$15/\$10 bear risk reversals opening

Liberty Sirius XM (LSXMA) buyers of 1200 April \$55 calls here as IV climbs, \$1.90 to \$2.15

Carnival (CCL) buyer 2550 January 2024 \$27.5 calls for \$4.80

AutoNation (AN) buyer of 825 April \$120/\$130 call spreads today for \$1.80

Expedia (EXPE) with 1750 March \$190 calls selling to open \$14.80 into earnings 2-10 as shares hit highs, IV dropping off hard

Bath & Body (BBWI) shares reset but a multi-week bottoming pattern setting up and large spread today sells 10,000 May \$50 puts to buy the \$60/\$70 call spreads

DoorDash (DASH) with 300 May \$100 calls bought today up to \$15.70 with earnings next week

Walmart (WMT) with 1500 March 11th (W) \$133 puts sold to open today for \$1.81, earnings on 2-17

Starbucks (SBUX) with 3280 May \$80 puts sold to open for \$1.63

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Energy

Apache (APA) buyer of 2000 March \$35/\$42.50 call spreads today for \$1.43 as some February positions adjust

BP (BP) large trades opening early today with 20,000 June \$35/\$27 bull risk reversals with the \$40 calls sold and 20,000 April \$34/\$27 bull risk reversals with the \$39 calls sold opening as lower strike April r/r's adjust

ONEOK (OKE) with 1500 April \$62.50 calls being bought \$3.60 offer

Halliburton (HAL) buyers 1900 March \$34 calls \$0.88

Chevron (CVX) with 550 July \$125 calls bought near \$15.40 to open

Williams (WMB) with 6,000 January 2023 \$20 puts bought today for \$0.75, tied to stock

Conoco (COP) buyer of 200 August \$75 calls today for \$19.10 as the May \$70 calls adjust higher

California Resources (CRC) buyers of 3,000 March \$40 puts up to \$2.85

Denbury (DEN) similar with 2,000 March \$65 puts being bought this morning from \$4 to \$4.50 ahead of earnings on 2-24, weak recently and cracking under the 200-MA today

Philips (PSX) with 2000 August \$105 OTM calls bought for \$2.85

Financials

Unum (UNM) strong today and 1725 March \$30 calls bought here for \$0.55/\$0.60, some talk of M&A in the group again

Healthcare Trust (HTA) with 7,000 March \$35/\$37.50 call spreads bought as the February spreads close 14,000X

Morgan Stanley (MS) with 2500 May \$105 calls bought \$6.90 early, will confirm OI tomorrow

Visa (V) buyers of 3,000 May \$235 calls up to \$9.25 today with shares holding the 8-EMA

OpenDoor (OPEN) with 2000 January 2024 \$13 calls bought \$3.30 to \$3.65, shares basing recently around the \$10 level. **OPEN** also seeing buyers in the February 25th (W) \$10 and \$11 calls today in size for 2-24 earnings

Fiserv (FISV) with 2000 January 2023 \$85 puts bought \$5.35, stock tied

American Express (AXP) strong at new highs trading 1100 April \$200/\$170 bull risk reversals for \$2 debits

Futu (FUTU) with sellers of 6,000 February \$45 calls today around \$1.42 to open as IV falls

Affirm (AFRM) with 4000 May \$70 calls bought \$11.25 to open today as the February calls adjust out. **AFRM** 1300 June \$45 puts bought \$5.29. **AFRM** 1500 January 2023 \$95 puts sold to open for \$41.25

Square (SQ) buyers active for 2,475 January 2023 \$140 calls \$11.90 to \$12, will confirm OI change tomorrow. **SQ** also seeing size sellers of 4000 January 2023 \$100 puts today near \$21.90

Aflac (AFL) with near 500 January 2024 \$65 puts sold to open today for \$8.50

Goldman Sachs (GS) with 1,022 January 2023 \$430 calls sold for \$16.50 in a buy-write with stock

NCR Corp (NCR) buyers of 1000 March \$38 calls for \$2.80 to \$2.88 today into the highs

UpStart (UPST) buyer of 500 June \$65 puts today for \$8.18, tied to stock

Signature Bank (SBNY) opening sales of 400 August \$220 puts for \$6.80 today

Prudential (PRU) spread this morning sells 1000 September \$150 calls for \$1.35/\$1.40 and buys the \$90 puts for \$3.30

Zion (ZION) strong Regional Bank breakout seeing 1300 March \$75 calls bought here \$2.50 to \$2.75

Metlife (MET) seeing 600 June \$72.50 ITM puts sold to open today for \$5.95 as the \$65 puts from 10/6 adjust back

Healthcare

Zoetis (ZTS) with 1,425 April \$180 puts sold to open this morning for \$3.65 and still has some size in the July \$210 and \$220 calls

Tenet Health (THC) opening sale of 1750 March \$60 puts for \$1

Intellia (NTLA) buyer of 525 July \$85/\$65 put spreads for \$8.45, weak trend and back into the declining 55-MA today. **NTLA** spread sells 1300 March \$80/\$70 put spreads for a credit of \$2.06 and buys 1300 March \$105 / April \$145 call spreads for \$5.36, net \$3.30 debit

Merck (MRK) with 4000 July \$60 puts being sold to open \$0.79

Cardinal Health (CAH) breaking out of nice multi-week consolidation pattern and above 200-MA with 1000 September \$55 calls opening \$3.67

Acadia (ACAD) buyers active again in the March \$20 ITM calls today from \$6 to \$6.10, over 1000X

AbbVie (ABBV) buyer 1000 August \$160/\$125 strangles for \$7.75 with CF data by quarter-end in focus

AstraZeneca (AZN) buyer of 900 July \$30 ITM calls for \$26.47 this morning, adjusting the April ITM calls

Viewray (VRAY) buyer 10,000 February \$4 calls \$0.72 against the \$5 calls which may be adjusting

Oak Street Health (OSH) unusual action with 2000 December \$22.50 calls bought \$2.60 and 10,000 of the \$25 calls bought \$2.25

McKesson (MCK) opening sale 500 May \$260 puts \$9.20, value name top pick for the year continues to show strength

Industrials

Zim Shipping (ZIM) volume now up over 1200 on the March 25th (W) \$80/\$90 OTM call spreads for \$1.60, targeting 3-21 earnings

Danaos (DAC) with 1000 March \$90 puts sold to open from \$4 to \$3.90 today, strong name and popular strategy lately

Boeing (BA) buyer 900 May \$210 calls \$17.90

Fortress (FTAI) spreads again today selling 2,000 March \$30 calls and buying the April \$30/\$35 call spreads with 2-24 earnings. **FTAI** also a buyer of 1000 March \$25/\$23 put spreads this morning

Lockheed Martin (LMT) weekly \$390 puts being bought 3000X up to \$1.50

Delta (DAL) with 11,000 June \$50 calls bought \$1.30 offer, breaking out above 200-MA and multi-month range high

Expeditors (EXPD) sellers of 700 May \$115 calls today for \$4.80 to open

SkyWest (SKYW) today with 1000 April \$30 ITM calls sold to open for \$4.30

Materials

Freeport (FCX) buyer 2500 April \$43 calls for \$1.73. **FCX** now also with 3,000 April \$41 calls bought for \$2.63 in a stock replacement

Azek (AZEK) unusual buyer of 2500 June \$35 calls here \$1.75 to \$1.90

Anglo Gold (AU) buyers of 1,785 March \$20 calls for \$1.15 as it looks to clear a down-channel from the December highs

Vale SA (VALE) buyers of 12,750 March \$18 calls for \$0.50, follows some large June call adds yesterday

Franco Nevada (FNV) opening sale of 1000 April \$160 calls today for \$1.35

Kinross Gold (KGC) with 2500 May \$5 calls bought \$0.88

Mosaic (MOS) into strength seeing 2,000 March \$40 puts bought for \$1.25 to open, reports 2-22

Tech

Plantronics (POLY) buyer of 1000 August \$35 calls for \$3 to \$3.10 to open, around 25X average volume in the small-cap. POLY reported earnings this morning and bouncing back red-to-green now up 2%

Palantir (PLTR) buyers of 3,350 June \$10 ITM calls for \$3.85 to \$4

Taiwan Semi (TSM) with 2300 ITM May \$100 calls opening \$24.20 to \$25.10. **TSM** calls now up to 4100X for over \$10M. **TSM** seeing an IV pop here with 4000 April \$125 calls now being bought \$6.25 to \$6.40

Allot (ALLT) unusual buyer 2000 March \$10 calls \$0.55 offer, earnings 2-15

Intuit (INTU) sweep buyer 250 June \$560 calls for \$40.80

Zscaler (ZS) with 200 August \$280 ITM puts being sold to open for \$48.80, earnings 2-24

Monolithic Power (MPWR) rising with the market here with IV also surging with unusual buys of 1200 February \$380 puts \$8.50+ into earnings 2-10, shares whacked last quarter as much as 9%

Ceridian (CDAY) with 1500 February \$82.50 calls bought \$1.70 to \$2.25 into earnings tomorrow night, also has 1500 June \$70 puts in OI

Zip Recruiter (ZIP) with 2,000 December \$35 calls sold to open today for \$1.20 to \$1.15. **ZIP** also seeing over 3,850 July \$25 calls sold to open for \$2.25

Snap (SNAP) with 30,000 February \$32 puts sold \$0.34 to open

FreshWorks (FRSH) buyer of 1,500 March \$22.50 calls today for \$2.70, reports on 2-10

ON Semi (ON) with 500 July \$75 puts sold to open today for \$13.90 to \$13.80

Twitter (TWTR) buyers of 1300 April \$30 ITM calls for \$7.50 to \$8 today, many spread against higher strikes

Workday (WDAY) with 850 September \$240 puts sold to open today for \$28.95 and also seeing 500 each of the January 2023 \$260 and \$270 calls sold in buy-writes with stock

QUALCOMM (QCOM) with 15,000 June \$165 calls opening today for \$36M as the March \$160 calls from 11/30 adjust out

Veeva (VEEV) buyer 300 September \$260 calls \$16.40 to \$16.50, quality software name set to report on 3-2

Facebook (FB) afternoon put sellers getting active again into weakness with around 5000 September \$220 puts

Alibaba (BABA) with 2500 December \$120 calls opening \$24.10 as March calls adjust

Communications/Utilities

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