



MARKET RECAP REPORT 3/17/2021

Sector Leaders

Housing

Banks

Industrials

Stock Gainers

- SAVA 15%
- FLY 11.6%
- FLGT 8.5%
- LMAT 7.5%
- KIDS 6.8%
- LEN 5.5%

Volatility Gainers

- PLUG
- VLDR
- AMRN
- SAVA
- BCOV
- GSAT

High Call Volume

- TEF
- MTG
- BCOV
- SVRA
- HIBB
- SMAR

Bullish Options

- MOS
- BBBY
- FCX
- DE
- MU
- ATVI
- DKNQ
- SNAP
- CCJ
- WBA
- FB
- ABBV

Market Review: Stocks were a bit lower into the open as Treasury yields once again climbed to one-year highs ahead of the pivotal FOMC Meeting. The Housing Starts number for February came in very weak as those higher rates start to weigh. Markets were weak early and news that Powell will speak Thursday now, strength led by Housing, Banks and Industrials while Tech was weak led by the growth/momentum names. Breadth recovered a bit into the afternoon but overall stocks chopped around into the FOMC. Stocks jumped at the 2pm release as the Fed Dots showed just one rate hike through 2023 still and the economic growth outlook was boosted, reiterating it sees inflation temporary and within an accepted range, a dovish stance of accommodative policy into the market's more hawkish outlook. The schedule tomorrow is Philly Fed and Jobless Claims and then March options expiration on Friday.

S&P Chart:



Resistance	Support
3,950	3,900
4,000	3,880
4,140	3,830

Options Action Trends: Action was very quiet early without much new positioning ahead of the big FOMC event.

What's On Tap: Jobless Claims and Philly Fed. Earnings from **NKE, ACN, FDX, DG, LAZR, WOOF.**

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Solar

Software

Internet

Stock Losers

- RUBY -20%
- NRG -16%
- SJI -16%
- PLUG -15.5%
- SKLZ -13.8%
- ARRY -11%

Volatility Losers

- RUBY
- GME
- WPG
- MHLD
- AMC
- CRIS

High Put Volume

- NRG
- CDEV
- APO
- SABR
- YNDX
- YETI

Bearish Options

- BIIB
- KC
- TWTR
- NXPI
- DDOG
- NRG
- ARKK
- KWEB
- CP
- PANW
- SEDG
- RLX



FEATURED OPTIONS RADAR REPORT



Large Call Buys See Exact Sciences Returning to Highs

Ticker/Price: EXAS (\$130)

Analysis:

Exact Sciences (EXAS) large trades on 3/16 bought over 3000 October \$130 calls for more than \$7M paying \$17.70 to \$23.50 for the larger lots and 800 of the \$150 calls also traded, worth monitoring the open interest change. EXAS had a \$1M buy of 500 July \$135 calls on 2/18, has 1000 January \$165 calls bought on 10/27 in OI, and January 2023 has seen 825 of the \$100 calls bought and 1000 of the \$120 calls opened for \$4.45M on 12/28. EXAS pulled back with growth names recently and put in a big reversal candle right at the rising 200-day moving average on 3/5, also building support above a retest of a key resistance top from 2019 and still firmly in an uptrend. Shares have also worked back above VWAP off the September lows. EXAS is a leading global cancer screening and diagnostics company. Its revenues are primarily generated by its laboratory testing services, from Cologuard® colorectal cancer screening test, Oncotype IQ® cancer diagnostic tests and services, and its COVID-19 test. There are nearly 110 million Americans between the ages of 45 and 85 who are at average-risk for colorectal cancer. At a three-year screening interval and an average revenue per test of approximately \$500 this represents a potential \$18 billion market for its Cologuard test. EXAS also expects a readout in 2022 for Cologuard 2.0, an enhanced version, and is looking to bring a blood-based colon cancer screening test to market. EXAS is launching its liver cancer test soon as well. EXAS currently has a \$22.6B market cap and trades 12.6X FY21 EV/Sales and 10X FY22 with revenue growth seen at 17% in 2021 and 23.8% in 2022, though a name still not profitable. EXAS in Q4 announced a transformative deal to buy Thrive and establish themselves as a leader in blood-based multi-cancer screening adding to their suite that includes Oncotype and Cologuard. Thrive is a liquid biopsy testing firm using their CancerSEEK product which measures DNA and proteins in the blood to screen for several types of cancer in one shot. EXAS sees the deal expanding their TAM out to \$46.5B+. EXAS also acquired Ashion Analytics recently. Analysts have an average target of \$173 and short interest at 6.6% of the float is down 27.6% Q/Q. Stifel raised its target to \$165 on 2/17 expecting sequential improvement for Cologuard and sees potential catalysts from AACR meetings in April/May and ASCO in June. Leerink and Cowen raised targets to \$180 after the latest quarter noting Cologuard remains highly underpenetrated and EXAS is a long-term winner. On 1/27 Truist started shares Buy with a \$226 target seeing EXAS products becoming the standard screening products and expanding to the 45-49 age group opens a huge new opportunity. Hedge Fund ownership rose 3% in the latest quarter filings, Ark Investment a top holder.

Hawk Vision:



Hawk's Perspective: EXAS is a world-class company and its market cap feels far too small for its position as a cancer diagnostics leader, a name I like a lot long-term.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



ON Semi Calls Hot on Restructuring Upside, New CEO Vision

Ticker/Price: ON (\$40.80)

Analysis:

ON Semi (ON) on 3/16 traded more than 64,000 calls at 15X daily average with IV30 climbing by 10.7%, the April \$43 calls in focus with more than 25,000 trading while 2,900 July \$40 and April 1st (W) \$40 calls were also active. ON saw an opening sale of 4000 January 2023 \$40 puts back on 3/1 and has seen accumulation in April and July calls. ON shares pulled in off new highs recently but quickly found support at the rising 55-day moving average and the weekly pattern setting up a consolidation flag that targets a move to \$50 on a break above \$42.50. ON has an extensive portfolio of sensors, power management, connectivity, custom and SoC, analog, logic, timing and discrete devices. In 2020 revenues were distributed across end-markets of Automotive at 32%, Industrial at 25%, Communications at 20%, Consumer at 11% and Computing at 12%. The \$16.88B Semi trades 20.5X Earnings, 3.2X Sales and 33.7X FCF with revenues seen rising 13.6% in 2021 and EPS jumping 90%. ON is expected to host an Analyst Day on August 5th to unveil the longer-term plan for the company with an intention to focus on product lines tied to secular trends with the highest margin upside. ON is also likely to move to an asset-light model. ON is a potential transformation story to play out this year after years of lagging peers in margins and growth. Analysts have an average target of \$41 with short interest elevated at 7.7% of the float, rising 66% Q/Q. On 3/1 BAML double-upgraded shares to Buy with a \$49 target on rising auto content and restructuring tailwinds. BAML expects ON's relatively new CEO and CFO to leverage their past turnaround experience, to exit unprofitable areas, drive a more asset lite model and raise margins, similar to the 900bps+ expansion in GM and 2x+ in FCF% management achieved in their prior role at Cypress. They note that it will likely take 3-4 quarters for restructuring actions to bear fruit, but we see potential for ON to: 1) exit low-margin consumer, industrial and communications products; 2) raise prices strategically (similar to Microchip/Microsemi actions); 3) lower capex intensity by 100-200 bps towards 6%, inline with peers, partially by executing announced Rochester fab sale, shutting down Belgium/Japan fabs; and 4) utilize lower cost 300mm fabs. As a leading vendor of power semis, image sensors and radar/LiDAR products, ON is attractively levered to EV/ADAS; ON's power semi franchise also benefits from content in cloud servers and 5G base stations. Hedge Fund ownership jumped nearly 30% in the latest quarter filings, Starboard Value LP the top holder.

Hawk Vision:



Hawk's Perspective: ON clearly worth monitoring as a turnaround/transformation story most are overlooking with a clear August catalyst though these calls expect news much sooner.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Walgreens Bulls Positive on Strategic Moves, Vaccine Tailwinds

Ticker/Price: WBA (\$53.25)

Analysis:

Walgreens (WBA) buyer of 1000 October \$55 calls for \$4.40 this morning and follows the \$57.50 calls being bought earlier this week and some Jan. 2023 puts sold to open. WBA still has 10,000 April \$55/\$45 bull risk reversals in open interest as well from 2/22. Shares have been strong in 2021 and currently a bit extended after bouncing over 17% off of the rising 50-day in early March. WBA is working out of a longer-term base and downtrend with room back to \$60 and then the next big volume node around \$68. The \$45.77B company trades 10.5X earnings, 0.32X sales, and 41X cash with a 3.45% yield. WBA kicked off 2021 with a big deal to sell their Alliance Healthcare business to AmeriSourceBergen (ABC) for \$6.5B, a move that ultimately will allow them to deleverage their balance sheet and focus on growing the core retail business. The company was at the JPM Conference in January noting that they expect to allocate much of the capital towards further investments in tech and digital as well as the intersection between physical stores and their digital presence has narrowed due to COVID. WBA also expects to roll out a 'tech driven' healthcare startup later this year, a project aimed at building out a patient platform to simplify the healthcare process including connections between payers and providers. Analysts have an average target for shares of \$45 with a Street High \$56. MSCO positive yesterday seeing vaccine reimbursement as a windfall for pharmacies. They note the CMS's decision to increase Medicare payments for the administration of COVID -19 vaccines with higher reimbursement that could translate into as much as three times higher average EBIT per person vaccinated. Short interest is 1.5%. Hedge fund ownership fell 1.5% in Q4, Camber Capital a buyer of 3M shares as well as call options on 1M additional shares. The last notable insider buy was around current levels back in April 2019 when the Co-COO bought \$982,000 in stock at \$54.56.

Hawk Vision:



Hawk's Perspective: WBA has run a lot recently and entry back near \$51 and the 21-day would be an attractive risk/reward spot for a continuation higher

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Estee Lauder Put Sales See Limited Downside in Best-of-Breed Play

Ticker/Price: EL (\$290)

Analysis:

Estee Lauder (EL) with 1,300 July \$270 puts sold to open today down to \$10.50, high-quality name in a narrow bull flag near recent highs. EL has 1,000 April \$310 calls still in open interest from February and also 500 April \$280 calls from November. Shares have consolidated the recent gap higher well and a run back above \$295 has a measured target to \$315. The \$106B cosmetics leader trades 41.5X earnings, 7.5X sales, and 19X cash with a small yield. EL is guiding to mid-teens growth on the bottom line and 7-10% topline growth as they expand their footprint in skincare and other high-growth categories. They saw a big return to growth for some of their cornerstone brands last quarter like Clinique while online penetration continues to improve with double-digit growth behind expansion onto more third-party platforms. EL is optimistic into 2021 on further vaccine rollout which will drive higher demand around cosmetics like Aveda and Supreme+Bright. Analysts have an average target for shares of \$275 with a Street High \$348 from DA Davidson. They were out on 3/2 positive on the company's \$1B deal to increase its stake in DECIEM to 76%, stating that the assets add a uniquely positioned brand to Estee Lauder's portfolio in skin care, which is also the highest margin and growth category in beauty. Short interest is 0.65% and lowest since 2005. Hedge fund ownership rose 6% in Q4, Third Point a small new position.

Hawk Vision:



Hawk's Perspective: EL is a best-of-breed name setting up well for a continuation higher while their portfolio is unmatched around long-term growth areas like skincare, alert set for \$295 out of this range

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Homebuilders (ITB) buyer of 2,000 July \$63/\$57 put spreads this morning for \$2.55, top holdings DHI, LEN, PHM, LOW, and HD

Ark Innovation (ARKK) with 5000 May \$110 puts bought \$6.60 offer this morning

China Tech ETF (KWEB) with 4,000 April \$76 puts bought for \$1.47 with the government exerting more control over the sector lately. **KWEB** the April \$76 puts up to 8500X

S&P (SPY) seeing 2000 September \$396 calls bought for over \$4M and 1500 of the \$362 puts sold to open for over \$2M

Oil Services (OIH) buyers of the July \$180 puts for \$13.10 to \$13.50 this afternoon, 2400X

Blockchain (BLOK) aggressive buy 2500 April \$65 calls \$3.80

Regional Banks (KRE) with 6400 September \$80 calls sold to open \$2.88

Energy (XLE) stock replacements buying 6000 September \$53 calls today

Russell (IWM) stock replacement bought 2500 August \$230 calls \$15.47 and also 5000 June 2022 \$270 calls opening \$9.265

Emerging Markets (EEM) stock replacement opens 7500 June 2022 \$53 calls \$5.95 liking the USD weakness

Metals (XME) earlier today with 10,000 April \$41/\$46 call spreads bought \$1.17

Consumer Goods

Camping World (CWH) with 1000 April \$23 calls opening for \$18, adjusting some March ITM calls bought in mid-January. **CWH** the April \$21 calls also opening 1000X as some March ITM calls roll

Yeti (YETI) with 3000 May \$75 straddles sold to open adjusting March \$77.5

RLX Tech (RLX) with 2,500 April \$15 puts bought today for \$1.45 to \$1.50. **RLX** now with 4000 April \$12.50 puts bought for \$0.85 and some July \$20 puts also active iwth buyers at \$7.20, 1450X

AB In Bev (BUD) with 350 January 2023 \$60 puts sold in a stock replacement for \$8.90

Consumer/Business Services

Viacom CBS (VIAC) relative outperformance lately and today 500 June \$95/\$115 call spreads bought for \$6.30

Melco (MLCO) with 1300 October \$20 puts sold to open for \$2.10 this morning, shares holding the 21-day well recently

Draft Kings (DKNG) nice bounce early and 2,500 August \$85 calls being bought \$6.70 to \$6.85 to open, volume now swelling to over 11,000 with some large blocks

ActiVision (ATVI) buyers 1300 next week \$93 calls and selling the \$87 puts. **ATVI** also with 2000 May \$95/\$105 call spreads bought \$2.61

Sabre (SABR) with 8000 April \$16 puts selling to open \$1.07 to \$1 seeing minimal downside, name continues to attract bullish flow with travel outlook

Uber (UBER) May IV rising here with 15,000 May \$60 calls hot, already 30,934 in OI

Expedia (EXPE) April \$200 calls being sold to open 2500X

Dominos (DPZ) opening sale of 1,000 June \$330 puts for \$9.10 to \$9.20

Lowe's (LOW) buyers here for 650 October \$145 puts for \$5.50 to \$5.55. **LOW** buyer 1500 July \$180 calls and sells 2700 July \$210 calls and 600 of the \$240 calls

Avis (CAR) opening sale 2000 January \$85/\$40 strangles for \$14.10

American Eagle (AEO) with 4,000 August \$19 puts sold to open today from \$0.46 to \$0.44

Comcast (CMCSA) with 1450 January 2023 \$52.5 puts being sold to open \$6.20 to \$6.10

Dish (DISH) buyer of 1000 January \$47.50 calls \$4.50 offer to open

Int'l Game Tech (IGT) over 12,000 April \$21 calls being bought today up to \$0.80 and a surge of volume and IV here, likely TV mention

Urban Outfitters (URBN) size buyer of 1600 June \$38 calls today for \$6.40 to \$6.60

Expedia (EXPE) buyer 350 October \$195 calls \$19.80 to \$20.15

Energy

Centennial Development (CDEV) another 2,000 October \$6 puts sold to open this morning for \$2.45 where 9,000 opened yesterday into weakness

QuantumScape (QS) buyer 1000 April \$55 calls \$7 to \$7.20

Apache (APA) back to the rising 21-MA and 1500 Apr. 30th (W) \$25 calls are bought \$0.93 offer

Aemetis (AMTX) with 5,000 April \$20 calls bought today for \$3.30, adjusting higher the \$10 calls into strength

Solar Edge (SEDG) with 1200 April \$320 and \$350 puts opening with March adjusting

Pioneer Natural (PXD) with 1,250 January 2023 \$165 calls bought for \$33 in a stock replacement

Exxon (XOM) with 6000 October \$62.50 calls sold today as part of buy-writes, some collaring with Oct. \$55 puts

Conoco (COP) with 9000 next week \$57 calls opening this afternoon as the \$65 calls from 3/8 adjust back as shares hammer above the 21-MA. **Conoco (COP)** with 500 January 2023 \$60 calls bought for \$9.65 this afternoon, stock replacement

Transocean (RIG) over 5,000 April \$4 calls bought this afternoon starting around \$0.50

Sun Run (RUN) afternoon buyers of the April \$55 puts for \$5.55 to \$5.60, over 3200

Financials

SLM Corp (SLM) tight flag and pops off lows here with unusual 1000 October \$21 OTM calls bought \$0.65

Apollo (APO) large opening sale 11,420 June \$45 puts for \$2

Bank America (BAC) opening sale 2500 May \$38 puts \$2.09

US Bank (USB) near 2,000 May \$52.50 calls bought today for \$3.30, adjusting the April \$60 calls from 2/16

Citi (C) buyer 5000 next week \$72.5 puts \$1.25 looking for yields to come in

Healthcare

Biogen (BIIB) with 1,000 June \$260 puts bought up to \$42 to open this morning ahead of their June PDUFA

Omeros (OMER) a Biotech with unusual 600 August \$15 ITM calls being bought \$6.50 to \$6.95 to open

Amyris (AMRS) with 800 June \$21 calls bought today for \$4.10, strong name lately

AbbVie (ABBV) July \$110 calls trade 7000X to open against the \$125 calls as May \$110 adjust

J&J (JNJ) with 7000 May \$165 synthetic short positions opening for \$3.85

Viatis (VTRS) with 10,000 July \$15 calls bought for \$1.28 to \$1.34

Bristol Myers (BMY) with 2500 April 30th (W) \$66 calls bought \$0.65 to \$0.67

Industrials

Deere (DE) trading another 1000 June \$400/\$350 bull risk reversals that were active late yesterday

Toll (TOL) buy-write sells 2000 May \$55 calls \$4.40

Canadian Pacific (CP) buyer 350 September \$330 puts \$10.60 to \$10.80

Aecom (ACM) with 790 June \$55/\$45 bull risk reversals bought today for \$8.05, adjusting some March \$50 calls

Johnson Controls (JCI) with sellers today in the October \$65 and \$67.50 calls into strength. **JCI** now also seeing 2700 October \$52.50 calls roll up to the \$62.5 strike, a buy-write position that has been adjusted many times

Hub Group (HUBG) unusual large buy 1500 July \$65 calls \$5.80

United Air (UAL) buyers of 2300 September \$65 calls this afternoon \$8.20 to \$8.30. **UAL** September calls really heating up now to 4750X up to \$8.75

Manitowec (MTW) buyer of 1000 June \$23 calls for \$2.80, adjusting some April calls higher

Materials

Cameco (CCJ) stock and IV higher again today with buyers of 2,250 April \$21 calls and over 7,500 of the April \$22 calls, some recent large buys in the spot market

Mosaic (MOS) with 1800 April \$33 puts being sold to open early

Freeport (FCX) early buys 2000 next week \$35 calls to open, follows recent size August call buys. **FCX** buyers also come in for 3000 April 9th (W) \$36.50 calls into morning low

Olin (OLN) impressive strength this week and 490 January \$45 calls with buyers this morning \$3.90 to \$4.20

Kraton (KRA) buyer 2000 April \$40/\$50 call spreads as March \$35 calls adjust, strong name that keeps raising prices

Air Products (APD) opening sale 300 January 2023 \$200 puts \$14.60

Tech and Telecom

Twitter (TWTR) buyers of 1000 September \$55 puts for \$4.55

Dynatrace (DT) bullish spreads today selling 700 May \$47 puts to buy the \$55/\$65 call spread, nice hammer above its 8-day MA

Micron (MU) buyer 1000 May \$97.50 calls \$4.80 offer. **MU** Mar \$87.5 short calls rolling to May \$100 this afternoon, likely extending a buy-write

Lumentum (LITE) buyer 1000 April \$90 calls for \$4 with \$95 calls closing. **LITE** buyer of 1000 next week \$90 calls for \$2.20

NXP Semi (NXPI) bear flow early with 1000 July \$170 puts bought \$6.55 offer, also some July \$190 put buys

DataDog (DDOG) with 2000 April 9th (W) \$84/\$74 put spreads opening

Avalara (AVLR) with 450 May \$150 calls opening \$8.73 as March \$170 adjust

SmartSheet (SMAR) opening sale 2000 May \$80 calls \$1.85

Yandex (YNDX) with 1,100 January \$60 puts bought for \$6.60, tied to stock

Facebook (FB) relative strength lately continues, the April \$300 calls hot 5500X earlier and also seeing 3200 April 1st (W) \$285 calls active w/ buyers

Splunk (SPLK) trading January \$155/\$240 1X3 call ratio spreads 550X1650

Palo Alto (PANW) trades 2500 January 2023 \$390/\$270 put spreads, one of those deep ITM spreads, though this one stock tied. **PANW** also 375 June \$340 puts bought \$25.15 to \$27

Dell (DELL) with 4000 April \$90/\$100 call spreads bought as March \$87.5 calls adjust

JD.com (JD) stock replacement opens 1500 January \$77.50 calls for \$16.10. **JD** now a buyer of 5000 September \$80 calls \$12.25

Pinduoduo (PDD) down 9.7% on earnings and 1500 April 9th (W) \$150 calls bought \$7 to \$7.80 into morning lows. **PDD** now also seeing 3,000 April 1st (W) \$157.5 puts sold to open from \$13 down to \$12

Fire-Eye (FEYE) with 1800 June \$24 calls opening \$1.06 as some March \$18 and \$19 adjust. **FEYE** also with 400 ITM June \$29 puts sold to open for \$9.25

Unity (U) up to 1180 January \$125 calls trading today with buyer flow, will check OI change tomorrow as currently 950

United Micro (UMC) with 5000 July \$7.50 puts bought \$0.85 to \$0.90 and 6500 April \$7.50 puts also active with buyers

Microsoft (MSFT) with 1000 October \$220 puts bought \$14.10 to \$14.20

Anaplan (PLAN) the April \$62.50/\$70 call spread up to over 3600x on the day

DSP Group (DSPG) with 1000 October \$15 puts sold to open for \$1.40

Tyler (TYL) trade bought 300 June \$380 puts \$13.75 and sold 300 of the \$350 puts \$5.85 and 600 of the \$310 puts \$3.05

Utility

American Electric (AEP) buy-write with 3000 January \$90 calls sold \$3.20

Vistra Energy (VST) IV rising this afternoon with buyers active in April \$18 calls 3000X and April \$17 puts 3000X as well as some lower strike April puts

Disclaimer:

Not Investment Advice or Recommendation

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