



MARKET RECAP REPORT 3/19/2021

Sector Leaders

Biotech

Energy

Solar

Stock Gainers

ALEC 20%

LAZR 12.5%

ALTG 11%

WBAI 11%

SGMO 10.4%

CPE 10%

Volatility Gainers

- CLVS
- RXT
- HGEN
- RIG
- VTRS
- CSTE

High Call Volume

- HUN
- CLVS
- PDCE
- UPST
- SEAS
- RXT

Bullish Options

- BOX
- JD
- SBUX
- INTC
- FTAI
- CSTE
- SE
- CS
- AON
- DDD
- CAL
- V

Market Review: Stocks bounced modestly overnight and into the open as yields eased off the recent high and not much news overnight outside of the BOJ cutting back on some asset purchases. We saw an early sell-off with the S&P retesting its recent breakout and the 21-day moving average and then breadth started to turn around and moved positive by 11am, growth names with strength boosted by a rally in Bonds. We saw growth areas like Solar, Biotech and Software rebound nicely and Energy also snapped back. Financials and Industrials lagged. The S&P bounced back to the 8-day moving average as breadth improved sharply but stalled in the early afternoon and a lot of OpEx dynamics in play. The schedule for next week is a quiet one as we start to look to quarter-end and the start of another earnings season mid-April.

S&P Chart:



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

Options Action Trends: We saw some bullish activity continue in **V, MA**. It was fairly quiet again with some adjustments for OpEx, not a lot of notable impact size trades.

What's On Tap: Looking ahead to next week the schedule is very quiet with PMI flash reports for March due Wednesday morning and the GDP number out on Friday. The earnings schedule is very quiet with just Adobe and RH notable while the conference schedule remains active. The market will continue to focus on the bond yield movement, Europe COVID resurgence, and Biden infrastructure & tax plans.

Trade Tracker Portfolio Changes:

- 1) Closed **FB** Call Spreads \$12.30 (Opened \$7.80)

Sector Laggards

Financials

Materials

Industrials

Stock Losers

LX -14.5%

ALXO -7.5%

PFSI -6%

RAVN -6%

V -4.85%

ARCT -4.8%

Volatility Losers

- INO
- NLY
- SGMO
- PSTH
- UPST
- GME

High Put Volume

- HIG
- WSM
- FE
- SUMO
- WELL
- OLLI

Bearish Options

- GT
- WELL
- RKT
- HYLN
- U
- KR
- NXPI
- ZTO
- AGNC
- FUBO
- TSLA



FEATURED OPTIONS RADAR REPORT



Alderyx Bulls Position for Upside into Pivotal Readouts

Ticker/Price: ALDX (\$11.55)

Analysis:

Aldeyra Therapeutics (ALDX) IV rose late into the close with unusual 1700 June \$12.50 calls bought \$2.35 to \$3.30 to open as IV surged into the close. ALDX has more than 4500 June \$15 calls sitting in open interest from buyers as well. ALDX shares ran up strong to start 2021 and have since formed a bull pennant, a move above \$13 would start the next leg higher. ALDX is developing and commercializing next-generation medicines to improve the lives of patients with immune-mediated diseases. Its lead product candidate, reproxalap, is a first-in-class treatment in late-stage development for dry eye disease (“DED”) and allergic conjunctivitis (“AC”). ALDX has additional product candidates in development for proliferative vitreoretinopathy (“PVR”), primary vitreoretinal lymphoma (“PVRL”) and other retinal diseases, autoimmune disease, and cancer. ALDX currently has a market cap of \$550M with no revenues but forecasts see \$430.6M in revenues by 2025. Analysts have an average target of \$25 and short interest is 6.5% of the float. On 2/8 HCW was out with a note rating ALDX a Buy and seeing significant upside potential. It noted that Aldeyra's novel aldehyde trap platform is designed to sequester or neutralize reactive aldehyde species (RASP) by irreversibly trapping the pro-inflammatory and toxic RASP. The lead drug candidate, topical reproxalap, has demonstrated significantly positive efficacies with clean safety in dry eye disease (DED) and allergic conjunctivitis (AC), both of which are common ocular diseases with substantial market potential. Oral RASP inhibitor (ADX-629) Ph2 PoC data in psoriasis and topic asthma are expected to report data by YE21. RASP inhibitors may show broad applicability in inflammatory diseases and holds promise for treating immune disorders mediated by the RASP. Leerink started at Outperform with a \$22 target last week and Citi recently noting pivotal data readouts this year for reproxalap in both allergic conjunctivitis and dry eye disease have an 80% chance of working and should double the stock.

Hawk Vision:



Hawk's Perspective: ALDX is tightly coiled here sitting back on the 55-day MA and looks like a nice speculative name considering the options activity, minimal short interest, early success of data, and positive Analysts.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Pepsi Calls Position for Rebound in Shares

Ticker/Price: PEP (\$132.6)

Analysis:

Pepsi (PEP) on 3/18 with a few bullish positions as 500 October \$135 calls were bought for \$340K, the April \$135 calls traded actively over 5500X, and May \$135 calls bought 1250X. PEP also has 2000 April 9th (W) \$133 calls in open interest from an unusual buy on 3/9, the June \$135 calls with 2,500X accumulation, and still has the 1500 January \$105 calls opened on 4/27/20 as a \$5M position trading down around 10%. PEP shares have sold off in 2021 and sit just under VWAP off the March 2020 lows and just above the lower edge of this major \$129/\$139 volume zone. PEP above \$134.50 can start to trigger a move higher. The \$185B beverage and snacks leader trades 20.5X Earnings, 2.6X Sales and yields a 3%+ dividend. PEP revenues are seen rising 6.8% in 2021 which would be its best in a decade and EPS seen rising 10.2%, also the best in a decade, a name that will benefit from reopenings of venues. PEP's leading brands including Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana. Geographically, greater than 60% of revenue comes from North America with the remaining amount coming from international markets. ROCKSTAR, Pioneer Foods, Be & Cherry, SodaStream, and BFY Brands are notable PEP acquisitions the last few years. PEP only commands an approximate 9% share in a \$570 billion global LRB addressable market and an approximate 7% share in a \$550 billion global macro snacks addressable market. Analysts have an average target of \$152 and short interest is low at 0.7% of the float. Goldman rates shares Conviction Buy seeing PEP committed to increasing margins, a strong position in beverage growth opportunities such as energy drinks, and market share. FundSmith a notable top holder with a \$1.4B stake and Lindsell Train has a \$760M stake as an 11% portfolio weighting.

Hawk Vision:



Hawk's Perspective: PEP has a solid yield and feel it should see momentum with reopening names, a boring play but upside options are cheap if it clears the recent high at the 34-EMA.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) May \$371 puts hot this morning trading 18,000X \$7.26 to \$7.30+ for over \$13.5M

Emerging Bonds (EMB) buyer of 6500 April 23rd (W) \$108/\$102 put spreads

Biotech (XBI) with 5,185 September \$160 calls sold to buy the \$130 puts at \$2.60 debit, odd size makes it a likely collar

Treasury (TLT) opening seller 2000 December 2022 \$105 puts for \$5

Russell (IWM) with 5000 December \$260/\$200 bull risk reversals opening at a \$4.40 credit, stock replacement

Nasdaq (QQQ) afternoon buyer 5000 May \$319 calls \$11.07 offer to open, also earlier 6000 May \$312 puts opened \$13.48 as the April \$300 adjusted

Oil & Gas (XOP) buyer 7000 September \$73/\$50 put spreads for \$5.11

Retail (XRT) April \$95/\$100 call ratio trades 3600X7200 at \$0.11 debit

Consumer Goods

Simply Good Foods (SMPL) relative strength lately and dipping back to the prior breakout range this morning with 2,600 April \$35 calls bought for \$0.50 to \$0.55

General Mills (GIS) buyer of 400 January 2023 \$55 calls for \$9.20 to \$9.30, starting to work out of a six-month downtrend

Peloton (PTON) 200-MA bounce today and 1000 April 30th (W) \$135 OTM calls bought for \$2.50

Goodyear Tires (GT) January \$17 puts being sold to open 1850X at \$3 here seeing little downside for shares

RLX Tech (RLX) with 4500 July \$12.50 puts sold to open \$1.70

Consumer/Business Services

500.com (WBAI) with 500 September \$20 puts sold to open for \$10.50 to \$10.20, a gaming company in China that is becoming more of a bitcoin play with their recent purchase of 1900+ mining machines

Discovery (DISCA) with 1200 May \$85 calls bought today for \$7.35, adjusting the April \$70 calls higher from 3/5 buys

SeaWorld (SEAS) buyer of 500 April \$48 calls for \$3.90 and 1000 April \$55 calls for \$1.30 today with outdoor theme park rules being relaxed

Roblox (RBLX) with 2450 April \$100 calls bought \$1.40 to \$1.50 far OTM, could see sell-side initiation pump coming

Lowe's (LOW) buyer of 1200 April \$175 puts for \$4, tied to stock

Caleres (CAL) unusual 1800 April \$17.50 calls bought here \$1.35 to \$1.40, pulled back to retest recent big breakout level and 21-MA

Starbucks (SBUX) May \$110 calls explode to 11,050X bought \$3.65 to \$4

MGM buyer 2000 April \$42/\$46 call spreads

RealReal (REAL) April \$25/\$30 call ratios opening 1250X1750

Ruth Hospitality (RUTH) with 1100 May \$25 calls bought \$2.35/\$2.40

Tencent Music (TME) sweep buyer 1000 July \$32 calls \$2.97. **TME** 3800 April \$35 calls bought \$0.73 here as well

Hilton (HLT) with 1000 January \$145 calls sold \$9.30 in a buy-write

Playboy (PLBY) strong again and seeing IV surge with 2275 April \$20 calls being bought \$1.15 up to \$2.25, a potential NFT opportunity

Energy

Laredo (LPI) with 1150 April \$33 puts opening for \$3.40 as the March \$34 short puts adjust

PDC Energy (PDCE) on the open with 4000 April \$45 calls opening for \$0.50

Par Pacific (PARR) with 13,500 June \$17.50 calls opening against the \$20 calls, many likely adjusting into this recent pullback

Daqo Energy (DQ) with April \$105 puts sold to open 2275 as March short puts adjust

First Solar (FSLR) opening sale 1000 January 2023 \$75 puts for \$15.85

Liberty Oil Service (LBRT) spread sold 1,150 June \$12 calls \$1.60 and bought 1,150 September \$13 calls \$2.15

Array Tech (ARRY) with 1150 July \$32.5 calls sold to open \$3.80 earlier

Financials

Aon (AON) with 1125 July \$240 calls bought today between \$6.50 and \$6.80, awaiting EU regulatory approval for their Willis Towers Watson deal

Bank America (BAC) with 4000 May \$37 puts selling to open \$1.51 into early weakness

Credit Suisse (CS) buyer 1200 January 2023 \$12 calls \$2.85 offer

PennyMac (PFSI) opening sale 1000 April \$60 puts \$1.95

Berkshire (BRK.B) with 3000 June \$275 calls sold \$2.50 to open

Rocket (RKT) buyers of 1,750 June \$19.89 puts for \$2.10 to \$2.13

Affirm (AFRM) with 1200 April \$65 puts sold to open \$2.67

Sandy Spring Bancorp (SASR) unusual August \$45 calls bought 775X this morning \$4.50 to \$5 range, a \$2B regional bank, a group seeing a lot of consolidation

American Express (AXP) with 900 June \$145 puts sold to open \$10.90

Visa (V) size buyers adding to June \$215 calls into the 5% decline on day lows with 5000 bought \$9.35 to \$9.60

Hartford (HIG) with 2000 January \$65 puts sold to open \$6.10, confident in the **Chubb (CB)** deal. **HIG** seeing 1700 June \$75 calls bought with May \$65 puts sold this afternoon as well

MasterCard (MA) buyers of 2000 April 9th (W) \$370/\$395 call spreads

Bank of America (BAC) with 6500 July \$40 calls bought around \$2.27

PNC Financial (PNC) buy-write with 1250 August \$180 calls sold \$10.90

Wells Fargo (WFC) opening seller 2000 January 2023 \$37.5 puts for \$6.05

Fifth Third (FITB) with 1775 April \$39 puts bought \$1.65 to \$1.70 offers

Simon Property (SPG) opening sale 5500 May \$130 calls \$3.39

Healthcare

Teladoc (TDOC) with 500 October \$165 puts sold to open for \$20 in a stock replacement

Curis (CRIS) opening sale 2000 May \$10 puts \$1.70

Neurocrine (NBIX) buyer 1500 April \$115 calls \$0.50 offer

Rapt Therapeutics (RAPT) nice hammer on 8-MA and been strong in March with most of Biotech weak, shares moving higher this afternoon with 2500 April \$20 and \$22.5 calls trading as March calls adjust. The \$545M Biotech has 9% of the float short. BMO has a \$45 target with atopic dermatitis proof of concept data for RPT193 likely next quarter.

Immunity Bio (IBRX) unusual 1000 April \$50 calls bought up to \$1.10, new Biotech name, working on a COVID vaccine

Veracyte (VCYT) spread sells 1000 April \$40 puts to buy \$60/\$80 call spreads

Industrials

Aptiva (APTV) opening sale 200 August \$150 ITM puts \$17.70 to \$17.20

DR Horton (DHI) size May \$85/\$72.5 bull risk reversals trading 4000X with similar positions already in OI

3D Systems (DDD) buyer 1200 May \$39 calls \$2.30 offer

Fortress (FTAI) buyers 1500 July \$36 calls \$1.50 offer, continues to draw consistent bull flows

ZTO Express (ZTO) buyer of 8000 April \$26 puts \$0.45, been a favorite of put buyers

United Parcel (UPS) buyers of 1000 January 4195 OTM calls today \$5.45

Tesla (TSLA) spreads this morning opening 3500 April 1st (W) \$750/\$500 bear risk reversals at small debits, could be protecting stock

Delta (DAL) buyer 4000 January 2023 \$35 puts \$4.40 and **United (UAL)** buyer of 3000 January 2023 \$37 puts \$5.15 at same time, both stock tied

United Air (UAL) with 1000 September \$50 puts sold \$4.75 to open

Fed-Ex (FDX) with 1475 January \$290 ITM puts opening this afternoon \$39.85 in sweep buys

Materials

Huntsman (HUN) with 3,000 April \$29/\$26 bull risk reversals bought into the early lows for \$0.10. **HUN** also with 3,000 April \$29/\$25 bull risk reversals bought today as well

Nova Gold (NG) with 1100 September \$9 puts sold to open \$1.10. **NG** also with 2500 June \$11 calls bought \$0.45 to \$0.50 offers

Caesarstone (CSTE) breaking out of long range today with 4000 April \$15 calls hot \$0.40 to \$0.50

Constellium (CSTM) opening sale 7000 April 23rd (W) \$13 puts for \$0.37

Kinross (KGC) opening sale 4200 January 2023 \$7 puts for \$2

Newmont (NEM) September \$65/\$85 bear call spreads trading 1800X to open

Freeport (FCX) with 3000 next week \$37 puts sold to open \$2.90 as this week adjust

Danimer (DNMR) opening sale 1000 August \$30 puts for \$3.01

Tech and Telecom

Sea Limited (SE) buyer of 1000 April \$250 calls for \$4.40 with shares trying to double bottom around the early March lows

Box (BOX) early strength and 10,000 May \$22/\$27 call spreads buy for \$1.45, been an activist play

Rackspace (RXT) March \$25 calls 9500X early on M&A chatter while April \$25 calls also 4000X hot

Intel (INTC) buyer of 1700 next week \$64.50 calls \$1.32 offer with an announcement expected next week from new CEO. **INTC** also seeing 2500 April 30th (W) \$62.5 puts open for \$2.80

Microsoft (MSFT) with 1650 August \$245 calls sold to open for \$11.40

Oracle (ORCL) April \$70 calls with 7500X bought and the \$65 puts sold 2500X. **ORCL** this afternoon with 1200 January 2023 \$65 puts being sold to open \$9.50

Netflix (NFLX) June 2022 \$850/\$950 call ratio spreads 800X1200 opening

Wayfair (W) with the April \$360/\$380 call ratio spreads opening 1300X2600

Huya (HUYA) opening sale 1000 January 2023 \$40 calls for \$5.50

Pinduoduo (PDD) trade puts on 2000 June \$180/\$110 bull risk reversals at \$1.70 debit

Alarm (ALRM) with 950 April \$80 puts sold to open \$1.925

Western Digital (WDC) buyers coming for 8000 April 1st (W) \$80 calls \$0.70 to \$0.77

Facebook (FB) large spread sold 2550 May \$275/\$250 put spreads and bought 2,550 of the \$305/\$325 call spreads. **FB** stock replacement spread buys 3000 June \$315/\$355 call spreads, sells the \$250 puts

IQIYI (IQ) buyer 2500 May \$27.50 calls \$3.10 offer, relative strength and breaking out

Dell (DELL) buy-write with 2000 July \$1090 calls sold \$2.40

T-Mobile (TMUS) with 1300 April \$120 puts sold to open \$2.20 to \$2.15

Fire-Eye (FEYE) sale of 1250 September \$28 calls \$0.97 in a buy-write

Nam Tai (NTP) with 1750 June \$7.50 calls opening ITM as March adjust

Taiwan Semi (TSM) with 1100 January 2023 \$110 puts being sold to open \$20

Google (GOOGL) with 2475 April \$1900 calls opening around \$39M, spread with \$2100 which may be adjusting

Apple (AAPL) this afternoon with 4450 June 2022 \$165 calls selling to open \$6.95 to \$6.85

Veru (VERU) with 2000 October \$22.50 calls sold to open \$3.20 to \$3.10

Utility

Brookfield Renewable (BEPC) with 7000 April \$45 puts sold to open \$5.33 as March \$50 adjust

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