



MARKET RECAP REPORT 3/22/2021

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

- TSM
- QS
- MUR
- Z
- CRTO
- WYNN
- RRR
- MO
- OKE
- BIIB
- ROOT
- CPE

Market Review: Stocks opened the week mixed with Tech outperforming as Treasuries rallied with the Turkish Lira collapse. The other main market news centered on the continued strong rollout of vaccines as the reopening trade gains momentum and an eye on potential tax policy changes. A \$29B railroad M&A deal was the major stock-specific news which follows a recent large Insurance deal between Hartford and Chubb, so M&A picking back up. Stocks rose the opening hour with Tech leading the way and the S&P futures continued to rebound off the Friday low at 1-month VWAP while the Nasdaq worked out of a right shoulder of a possible key inverse head and shoulders pattern developing. Breadth was not all too convincing and have quarterly rebalances coming that could be a headwind. The schedule is light tomorrow as we remain in a catalyst-void.

S&P Chart:



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

Options Action Trends: We saw some low Delta April puts sell to open in high growth names **DASH, BILL, BILI, COUP, FTCH, DDOG**. Large premium trades were scarce in the quiet tape.

What's On Tap: New Home Sales and Richmond Fed Survey.

Trade Tracker Portfolio Changes:

- 1) Closed K Call Spreads \$2.90 (Opened \$1.80)

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

- WB
- ZTO
- SEDG
- JBHT
- NOC
- UPST
- LEG
- CAL
- LYFT
- ATUS
- DOYU



FEATURED OPTIONS RADAR REPORT



MasterCard Calls Position for Recovery Trade

Ticker/Price: MA (\$356.50)

Analysis:

MasterCard (MA) bullish positioning last week as the October \$390 calls were bought 6000X to open for more than \$16M and later in the week April 9th (W) \$370/\$390 call spreads bought 2500X. MA also has notable open interest in June \$350 calls with 8500X, many spread with \$390 calls and short the \$310 puts while June \$320 and \$340 calls also have some size buys in open interest from last October. MA shares had been showing recent momentum but pulled back last week to the rising 55-day moving average and testing back near the recent range breakout. MA should be able to resume the trend higher and target a move up to \$430 in coming months. Mastercard is a technology company in the global payments industry that generates revenues from fees assessed based on gross dollar volume activity of its customers. MA offers products across consumer credit, consumer debt, prepaid and commercial credit and debit. MA currently has a \$355B market cap trading 34X Earnings, 33X EBITDA, 67.4X FCF and 19.7X EV/Sales. MA forecasts see revenue growth around 18% for 2021 and 2022 and 25-30% annual EPS growth. MA continues to see traction in electronic and contactless payments in ecommerce and considers itself a leader in digital capabilities and has several digital wallet partnerships. Analysts have an average target of \$395 and short interest low at 0.7% of the float. Truist out positive on 3/5 with a Buy rating and \$450 target saying the Street is underestimating the recovery EPS leverage and sees pent-up demand in travel providing a multi-year boost. MA came under some pressure last week along with Visa as the DOJ scrutinizes debit routing practices. MSCO raised its target to \$412 last week with ongoing strength for the US consumer and the eventual International travel recovery. Goldman with a \$402 target notes MA's exposure to high-growth geographies could drive share gains globally. It estimates that B2B could drive \$25bn of revenue for card networks by 2030. Hedge Fund ownership rose 1.45% in the latest quarter filings, Polen and Melvin Capital with large concentrated stakes.

Hawk Vision:



Hawk's Perspective: MA looks great into this pullback and these October calls likely pay-off nicely if patient.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Position for the Consumer Recovery in Starbucks

Ticker/Price: SBUX (\$106.35)

Analysis:

Starbucks (SBUX) has seen some massive size call buys the past two weeks with May \$110 calls on 3/19 seeing over 12,000 bought around \$4 and on 3/16 the April \$110 calls added another 13,500 contracts for over \$5M. SBUX has also seen June \$110 calls active with buyers, more than 9000 now in open interest. SBUX has been in a well-defined \$108/\$96 range with an upside move targeting \$120 and also has a 1.382 Fibonacci extension target at \$119. Near-term I want to see SBUX move back over \$108, VPOC from March OpEx cycle. Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 83 markets. SBUX has succeeded with its strong loyalty program and technology investments while also targeting high-growth markets like China. SBUX currently has a market cap of \$125B and trades 30.7X Earnings, 5.4X Sales and pays a 1.7% dividend yield. SBUX forecasts see revenues jumping 21% in 2021 versus easy 2020 comps and 8-10% annual growth the three years to follow while EPS seen rising 142.7%, 21.8%, and 13.7% Y/Y the next three years. SBUX has not presented at any conferences since its latest earnings call in January. Revenues from our reportable operating segments as a percentage of total net revenues for fiscal 2020 were as follows: Americas (70%), International (22%) and Channel Development (8%). The Channel Development segment includes roasted whole bean and ground coffees, Seattle's Best Coffee®, Starbucks- and Teavana-branded single-serve products, a variety of ready-to-drink beverages, and other branded products sold worldwide outside of our company-operated and licensed stores. Analysts have an average target of \$111 on shares with short interest low at 1% of the float. Wedbush upgraded to Outperform last week with a \$124 target expecting SBUX to hit high end of guidance. Cleveland Research out positive last week as well on strong checks for comps despite some weather headwinds. BTIG upgraded to Buy with a \$130 target expecting upward earnings revisions and sees same-store sales accelerating through 2021 on easy comps, reopenings, and stimulus. Gordon Haskett upgraded to Buy on 2/5 with a \$120 target, noting the company is seeking an increasingly aggressive pursuit of competitive advantages across digital, delivery, convenience, customer loyalty and labor force stability, which should generate even greater gains in the future. Hedge Fund ownership rose 1.9% in the latest quarter filings, Magellan, Polen, FundSmith and Duquesne all adding to positions.

Hawk Vision:



Hawk's Perspective: SBUX another quality large-cap looking attractive on this pullback, major repeat all activity a strong signal.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



TI Put Sellers See Limited Downside with Shares Near New Highs

Ticker/Price: TXN (\$180)

Analysis:

TI (TXN) over 2,000 May \$165 puts sold to open for \$3.50 today and follows buyers in the August \$175 calls recently and 1000 July \$165 puts sold to open for \$8.50 on 3/11. TXN has seen large-dollar put sales in the Jan. 2023 \$150 and Aug. \$175 strikes recently as well while more than 1,900 May \$185 calls bought on 2/8. Shares are coiled above their 21-day MA and near a multi-week breakout above \$180 to new highs and measured target out to \$200. The \$161B semiconductor company trades 24.5X earnings, 11X sales, and 24.5X cash with a 2.3% yield. TXN is guiding to mid-single digit growth. TXN has a sizable cash balance and recently boosted their capital return plans while keeping focused on investing in R&D and building out inventories. TXN owns their own manufacturing and tech process (about 80% of all output), especially around 300mm wafer fabs, and as a result they have managed to avoid a lot of the supply chain issues – and thus shortages – of a many peers during the last quarter. The company was at the MSCO Tech conference in early March and noted they remain positioned well into 2021 to take advantage of a better pricing environment where demand across industrial and automotive remains robust. Analysts have an average target for shares of \$169 with a Street High \$220. Raymond James upgrading to Outperform on 2/23 noting the company has seen strong earnings and cash flow despite a lack of M&A and their outlook for 2021 should be very positive given customer inventory remains at historic lows and supply remains tight. Short interest is 1.5% and lowest level since 2018. Hedge fund ownership fell 2% in Q4. In February, a director bought \$1M in stock at \$167, the first open market buy since 2018.

Hawk Vision:



Hawk's Perspective: TXN is setting up well for a breakout move and run and the latest chip issues for peers could be a tailwind for them into the 2H, on watch for a break above \$181.50

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Lumber Liquidators Bulls See Further Tailwinds from Housing Boom

Ticker/Price: LL (\$26.50)

Analysis:

Lumber Liquidators (LL) buyers of 1000 May \$20 ITM calls for \$7.30 to \$8 this morning and volume over 2,500 now on the day, running about 8X average. LL still has 1,425 January \$37 calls in OI from buyers last August as well as a more than \$1M position at the \$7 ITM strike from over a year ago. Shares have been in a strong longer-term trend and bouncing recently at the 38.2% Fibonacci retracement of the run around \$23.25. LL is working out of a base and pullback trend today above \$26.50 with room back to \$30 and then a re-test of the prior highs at \$35. The \$700M company trades 17.5X earnings, 0.63X sales, and 5X FCF with 10% sales growth in FY21 and mid-teens EPS growth. The company has benefited from a strong housing backdrop with low rates helping both sales and remodel activity. LL has been focusing on costs and expanding their digital/mobile offering which is seen as a key driver in 2021 for growing their higher-margin services and installation businesses. They also have put more of a priority on building their Pro business which is expected to be a 1-2 year move. Analysts have an average target for shares of \$23 with a Street High \$30. Piper positive on the name given strong fundamentals in flooring/home improvement trends. Loop Capital cut to Neutral in January citing valuation. Short interest is 4.85% and lowest levels in over a decade. Hedge fund ownership fell 3% in Q4. Insiders active in 2020 with the CEO buying over 10,000 shares up to \$22.

Hawk Vision:



Hawk's Perspective: LL flows are certainly notable given their size but there are higher-quality ways to play the remodel theme like **MHK**. One interesting catalyst to watch for LL would be any changes on US/China tariff exclusions which they discussed as a potential headwind in early March

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

NASDAQ (QQQ) buyer 8000 April \$304/\$273 put spreads

Financials (XLF) with 20,000 January \$34 calls bought \$2.90 to open

MSCI EAFE (EFA) with 17,000 January 2023 \$76/\$54 put spreads bought today

Banks (KBE) buyer 1900 January \$54 calls \$5.30 offer

ARK Innovation (ARKK) September \$115/\$100 put spreads active 4000X today

Consumer Goods

Altria (MO) with 3000 September \$47.5 calls bought \$4.53 as June \$45 start to adjust out and up

Aurora Cannabis (ACB) buyer of 1000 November \$13 OTM calls for \$2.89

Leggett (LEG) with 3000 April \$45 puts bought \$1.05 to \$1.15

Consumer/Business Services

Kohls (KSS) buyers of 1,500 of next week's \$60 puts for \$2.10

Red Rock (RRR) buyers of 1,500 April \$35 calls for \$1.40 to \$1.50, strong name just back above its 21-day and should benefit from a stronger Vegas

DoorDash (DASH) with 28,000 April \$100 puts selling to open down to \$0.65

Hibbett (HIBB) buyer 450 May \$90 calls \$3.80 offer

Restaurant Brands (QSR) with 970 July \$62.5 calls being bought today near \$5.65

Royal Caribbean (RCL) with 650 September \$90 calls bought today for \$14.70, cruise operations expected to be back in full operation by the Fall. **RCL** now also with the weekly \$89/\$84/\$79 put butterfly bought 4,000X8000

Nordstrom (JWN) with 2,500 of next week's \$41/\$45 call spreads bought for \$1.05

FarFetch (FTCH) with 58,000 April 445 puts sold to open down to \$0.24, similar to many names today

Starbucks (SBUX) with 3500 May \$115 calls bought \$2, also has the 6000 April 1st (W) \$112 calls hot

Tencent Music (TME) with 3000 May \$31 puts sold to open \$2.70 into earnings

Express (EXPR) buyers of 1250 October \$5 calls for \$2

TJX Co (TJX) with 600 January \$67.50 puts sold to open today for \$8

eBay (EBAY) with 1000 January 2023 \$55 puts sold to open \$7.80

Kohl's (KSS) another 6400 October \$85 calls bought \$3.05 with 10,000 July \$37.5 adjusting

Caleres (CAL) with 1000 November \$25 calls sold to open for \$3.30

Altice US (ATUS) buyers of over 6,500 January \$15 OTM puts for \$0.35/\$0.40 today

Energy

Murphy Oil (MUR) opening buyer of 1000 April \$17.50 calls for \$1.70 into the shallow pullback

Alto Ingredients (ALTO) unusual 1200 July \$9 calls bought early \$0.60 offer, small renewable fuels name

ONEOK (OKE) buyer 1000 July \$50 calls \$3.70 offer, recent write up on bull flows

Solar Edge (SEDG) buyer of 1,000 June \$220 puts for \$11.50 and spread with the \$370 calls sold for \$12.30

World Fuel Services (INT) opening sale of 1000 August \$35 puts for \$3.50, a name set to benefit from the recovery in jet fuel demand

Callon (CPE) with 1000 January \$45 calls bought \$10.50 to \$10.70 into the pullback to the rising 21-MA

Fuel Cell (FCEL) with 20,000 April \$10 puts sold to open for \$0.20

Exxon (XOM) buyer of 700 January 2023 \$70 ITM puts for \$22.35 to \$22.50

Baker Hughes (BKR) opening sale 2000 July \$20 puts \$1.15

Plug Power (PLUG) with near 2,000 May \$35 puts sold to open for \$4 to \$3.95

First Solar (FSLR) buyer 500 September \$90 calls \$7.70 to \$8.20

Enphase (ENPH) opening seller 545 January \$160 puts \$39.40

Financials

Rocket (RKT) with 1000 September \$24.89 calls sold to open for \$4.10 today

Zillow (Z) offer buyer of 1000 January \$240 far OTM calls \$6.50 to \$6.75. Z also the June \$125 puts sold to open for \$11.25, 400X

Bill.com (BILL) with 10,750+ April \$115 puts sold to open for \$0.65, popular strategy in the name lately

Ellington Financial (EFC) with 2500 May \$15 calls opening \$1.36 as April \$15 from 8/25/20 adjust

Root (ROOT) basing still and 3450 April \$10 calls being bought to open up to \$2.65

Marathon Patent (MARA) with 1800 September \$20 OTM puts sold to open for \$4.75

Square (SQ) opening sale 400 June 2022 \$210 puts \$40.45

MasterCard (MA) opening sale 300 January 2023 \$360 puts for \$57.50

Healthcare

United Therapeutic (UTHR) with 420 November \$180 calls being bought around \$725K today, long range developing

Biogen (BIIB) buyer of 4000 April \$280/\$340 call spreads for \$9.25. **BIIB** also now 1000 May \$300 calls being bought with April sold against

ABIOMED (ABMD) basing along 200-MA with 450 April \$330 calls bought \$3.60 to \$3.70 today

Bridge Bio (BBIO) one of the stronger Biotech charts and 350 August \$90 calls opening \$3.50 with May \$70 adjusting

ICU Medical (ICUI) buyers of 400 April \$220 calls for \$3.10 to \$3.30. nice base forming under \$210

Intuitive Surgical (ISRG) spread sold 300 January \$580 puts to open \$25.30 and bought 260 of the \$700 calls for \$70.17

CRISPR (CRSP) with 1000 April \$155 calls bought today from \$2.30 earlier up to \$2.90

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Industrials

Tesla (TSLA) April \$805 calls actively bought 3000X this morning up to \$13.50

Canadian Pacific (CP) down 4% after their deal for KC Southern and 655 May \$340 puts sold to open here for \$6.40

Nio (NIO) over 3,450 December \$35 puts being sold to open this morning for \$6.75, small consolidation below its 21-day

JB Hunt (JBHT) trader is selling 2,500 April \$170 calls to buy the \$160/\$150 put spread for a \$2.60 net debit

Northrop Grumman (NOC) buyer 1000 January \$230 puts to open \$5.25

GM near 2,000 June \$57.50 puts sold to open today for \$4.75. **GM** also the May \$62.5/\$75 call spread being bought into the afternoon highs, 1000X

Southwest Air (LUV) with 3000 April \$60 puts sold \$2.16 to open. **LUV** also stock replacement buying another 1000 Sept. \$57.50/\$40 bull risk reversals today for \$7.15

Harley (HOG) with 2,500 April 30th (W) \$42 calls sold to buy the \$36.50/\$30.50 put spread for a net \$0.83, targeting earnings which should be around 4-27

Materials

US Steel (X) with 1400 April 9th (W) \$20.50 calls opening \$2.75 early

Aspen Aerogels (ASPN) November \$10 puts sold to buy the \$17.5/\$30 call spreads 1750X, adjusting Aug. spreads

Vale (VALE) with 10,000 June \$14 puts sold to open \$0.43

Lyondell (LYB) spread sells 500 January \$115 calls to buy the \$90 puts at \$0.40 credit

Alcoa (AA) with 2500 April 1st (W) \$30 puts sold to open \$1.08

Tech and Telecom

Taiwan Semi (TSM) with 1000 April 9th (W) \$109 ITM calls bought for \$7.80 and spread with a sale of the \$120 calls for \$2.30

Weibo (WB) buyer of 2,400 April \$48 puts for \$1.15 to \$1.35 into the recent bounce back into the declining 21-day and later **WB** also with 1000 April \$52 puts bought \$2.95. **WB** now with 1,300 June \$50 puts bought to open \$4.40 to \$4.60

DataDog (DDOG) with 1500 October \$110 calls sold to open \$6.40 to \$6.35. **DDOG** also with 4,000+ April \$70 puts sold to open for \$0.48/\$0.47

American Tower (AMT) buyer of next week's \$227.50/\$235 call spread 1500X for \$2.50 with the \$217.50 puts sold 750X for \$1, name with size bull spreads already in open interest

Shopify (SHOP) over 1,500 April \$950 puts being sold to open today for \$7.20 down to \$7

Google (GOOG) with 100 January 2023 \$2900 calls bought today \$91.90 to \$94 range

T-Mobile (TMUS) stock replacement sells 2,000 January \$120 puts for \$10.25

Bilibili (BILI) with 9000 April \$90 puts selling to open \$1.22

Coupa Software (COUP) with over 7450 April \$210 puts sold to open \$1.05 to \$1, similar to other OTM April put sales today

Intel (INTC) buy-write with 5000 September \$70 calls sold \$4.20

Snowflake (SNOW) buyer of 870 June \$230 calls \$24.30. **SNOW** also with 1000 April 9th (W) \$237.50 calls bought for \$5.10

Chegg (CHGG) with 440 October \$100 ITM puts selling to open \$18.50, also seller of 540 October \$110 calls \$8 bid

Interactive (IAC) with 2000 May \$290 short calls opening as April \$260 adjust from 3/8. **IAC** also 1250 May \$250 calls bought today \$20.55 to open into the 3-24 Vimeo Investor Day

Marvell (MRVL) working higher and 5000 April 1st (W) \$50 calls active with buyers earlier

Advanced Micro (AMD) with 5000 April 1st (W) \$84.5/\$90 call spreads bought, also seeing 4500 of the \$82 calls active

Unisys (UIS) IV falling this morning with more than 700 November \$24 puts sold to open for \$2.90

Coupang (CPNG) with 1000 May \$60 calls bought for \$1.60 today, follows some April upside call spreads bought last week

Dropbox (DBX) buyer of 3000 May \$26 puts for \$1.75, tied to stock

Upstart (UPST) with 1500 April \$140 puts being bought here for \$20.30 to \$21 into the big three-day run after earnings

Skyworks (SWKS) strong on highs with 1000 April 9th (W) \$177.5 puts being sold to open \$3.50 to \$3.30

Canaan (CAN) with 1000 July \$25 puts sold to open \$9.40 bid

Microvision (MVIS) with 1500 May \$15 puts sold to open \$3.50 bids

Nuance (NUAN) jumping with 9000 May \$47 calls bought \$2.55 to \$2.70. **NUAN** also 1000 April \$46 calls bought up to \$2.10

DouYu (DOYU) buyers of 3,500 April \$10 OTM puts for \$0.35/\$0.40

Joyy (YY) with 500 January \$115 calls being bought \$25.60 to \$26.10 this afternoon into earnings 3-25, follows recent bull flows and a name that has seen some strong earnings responses

Advanced Micro (AMD) with 2,500 April 23rd (W) \$81.50 calls bought for \$3.40 to \$3.45

Utility

American Electric (AEP) with 2000 January \$75 puts bought today for \$3.52, tied to stock

Disclaimer:

Not Investment Advice or Recommendation

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