



MARKET RECAP REPORT 3/29/2021

Sector Leaders

Utility

Aerospace

Industrials

Stock Gainers

HGEN 95%

SEAC 55%

FLY 27%

HMHC 12.5%

NCTY 11%

X 7.5%

Volatility Gainers

- SEAC
- KTOS
- VTRS
- ATOS
- CS
- AMRS

High Call Volume

- FLY
- EDU
- KTOS
- HIG
- DISCA
- SMAR

Bullish Options

- AAPL
- NFLX
- MAXR
- PM
- DISCA
- EDU
- CSCO
-

Market Review: Stocks started the shortened week modestly lower after a big rally to close last week, most of the talk surrounding some fund blow-ups from leveraged long positions in growth Tech. Markets rallied early and then rolled over with further scares of fund blow-ups and rising yields causing weakness in high multiple names yet again. The Dallas Fed Survey came in very strong as Macro data in the US continues to surge. Breadth was very weak the opening 90 minutes and the **VIX** jumped more than 13% back well above the 20 level. Utility, Aerospace and Defense held up best in the morning session and we started to bounce with the Europe close. Banks and Energy sold off hard as did the Tech space. The schedule remains quiet tomorrow as we look to quarter-end this week and Friday's Jobs Report when the market will be closed.

S&P Chart:



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

Options Action Trends: We saw some more OTM low Delta put opening sales in top growth names for April expiration with **SNOW, ABNB, AFRM, SHOP**. Flows were overall quiet without any real large high impact trade blocks. Brazilian FinTech plays **PAGS, STNE, XP** all saw bullish flow.

What's On Tap: House Price Index and Fed Speak.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Solar

Banks

Energy

Stock Losers

CLDX -32%

QD -18%

LIVX -14.5%

FOSL -12%

BEEM -12%

GAN -10%

Volatility Losers

- HGEN
- FLY
- IQ
- BLUE
- GLW
- RIG

High Put Volume

- CS
- NSC
- WU
- SSSS
- QD
- SFM

Bearish Options

- VIAC
- PLUG
- TME
- OSCR
- ACIW
- BCRX
- MRNA
- TGT
- LOW
- NSC
- QDEL
- PHR



FEATURED OPTIONS RADAR REPORT



Bulls See Eventual Recovery in Vistra Corp.

Ticker/Price: VST (\$16.75)

Analysis:

Vistra Corp (VST) seeing consistent bull flow last week with October \$17 calls bought 1000X, the October \$18 calls bought 4000X, and the October \$20 calls bought 1500X. VST insiders have also been actively buying the stock since September including a round of purchases in December in the \$17.44-\$18.25 range and in early March in the \$16.42-\$16.76 range. VST shares have an ugly chart and sit back on the lower end of its one-year range. VST shares sold off hard with the Texas power crisis in February. VST is an electricity utility with both retail and generation businesses through TXU Energy, Homefield Energy, Dynegy, Ambit Energy, and Luminant. They're a strong FCF story which has allowed them to invest over \$1.5B into growth projects like solar and storage in Texas and California. VST is undergoing a big portfolio transition and now expects 45% of their EBITDA to come from renewables, storage, and retail by 2030. They see significant development opportunities over the next five years. VST continues to reduce its coal exposure and by 2030 targets 38% Gas, 28% Retail, 18% Renewables, 9% Coal and 6% Nuclear. Analysts have an average target of \$24 and short interest is low at 1.9% of the float. Wolfe downgraded shares 3/17 seeing a long time to rebuild confidence in the ERCOT construct and sees further uncertainty to Texas exposures. BAML upgraded to Buy on 3/1 with a \$20 target noting the potential \$900M-\$1.3B impact from the Texas weather event but sees the outlook intact seeing the event as a one-time thing. The \$8.25B Utility now trades 9.4X Earnings and 0.99X Book with a 3.56% dividend yield.

Hawk Vision:



Hawk's Perspective: VST offers attractive valuation and yield after a likely one-time event and insider buying also shows confidence, so a name that can offer a solid return through year-end with much of the risk priced into shares.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls See Positive Reward/Risk in Edwards Life on Trend Support

Ticker/Price: EW (\$81.90)

Analysis:

Edwards Lifesciences (EW) with a large trade on 3/26 as 4000 May \$85/\$70 bull risk reversals opened at \$1.50 debits and becomes the only real notable open interest in the name outside of a smaller 3/16 trade that bought 575 April 30th (W) \$84 calls. EW shares are -9.8% YTD with a steady move back to retest a key breakout level, also basing right near the 200-day moving average and closing the week strong after defending 9-month trend support. Shares have some congestion to work through in the \$84/\$87 zone but potential to then work to next upside targets of \$94.50 and \$102. Edwards Lifesciences Corporation is the global leader in patient-focused medical innovations for structural heart disease and critical care monitoring. EW is the world's leading manufacturer of heart valve systems and repair products used to replace or repair a patient's diseased or defective heart valve. Its robust pipeline of future technologies is focused on the less invasive repair or replacement of the mitral and tricuspid valves of the heart, which are more complex and more challenging to treat than the aortic valve that is currently the focus of many of our commercially approved valve technologies. EW is also a global leader in hemodynamic and noninvasive brain and tissue oxygenation monitoring systems used to measure a patient's cardiovascular function in the hospital setting. Cardiovascular disease is the number-one cause of death in the world and is the top disease in terms of health care spending in nearly every country. EW sees a \$10B+ opportunity in global transcatheter sales by 2025 and sees a \$7B opportunity in TAVR. EW is expecting a strong second half as vaccinations lead to more improved access to healthcare. TMTT is seen as a key growth driver with guidance for sales in 2021 to nearly double as it launches PASCAL PRECISION which is a brand-new delivery system that can deliver both PASCAL and PASCAL ACE for mitral and tricuspid patients. EW currently has a \$50B market cap and trades 33.3X Earnings, 11.5X Sales and 77.7X FCF with revenues seen rising 15.9% in 2021 and EPS growing 14.5%. Analysts have an average target of \$94.25 on shares with short interest low at 2.7% of the float. There has not been any recent analyst commentary. Sands Capital, Jackson Square and Champlain Partners some notable top holders.

Hawk Vision:



Hawk's Perspective: EW has long been a favorite med-tech name and giving an easy recent base low to trade against, though shares still are priced at a premium valuation.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Call Buyers See Scorpio Tanker Relative Strength Continuing

Ticker/Price: STNG (\$18.20)

Analysis:

Scorpio Tankers (STNG) with 1,500 October \$16 calls bought for \$4.50 to \$4.70 into weakness today and follows buyers in the October \$14 calls and October \$17 calls over the last month. STNG still has 3,000 January \$15 calls in open interest from February while the July \$12 calls holding firm with over 3400 in open interest. Shares have been in a strong trend in 2021 and bouncing today off of the rising 21-day MA after a reactive sell-off around the Suez Canal issues. STNG is flagging under \$20 with a breakout move targeting \$23 as it continues to work out of a long base. The \$1.12B company trades 8.3X earnings, 1.2X sales, and 6X cash with strong FCF and a 2% yield. The company noted in February they've seen demand already return to pre-pandemic levels in Asia while they expect North America and Europe to begin moving that direction by mid-year as well while supply dynamics remain favorable for the industry with delays to new fleet builds. STNG is seeing pricing power, as a result, and they expect rates to continue stabilizing into the Spring as excess capacity gets put to work. In early March the company noted that Yard pricing was rising and further interest in areas like LNG will be a tailwind for the 2H. Analysts have an average target for shares of \$22 with a Street High \$35. HC Wainwright started coverage this morning at Buy, \$28 PT, citing a bigger secular shift towards refined products and petrochemicals, as well as shifts in global refinery capacity, resulting in continued product tanker demand growth. BTIG positive on 3/19 as they think STNG benefits from oil's continued recovery as the global economy reopens. Hedge fund ownership fell 15% in Q4. Short interest is 6.35% and down from 14% in late 2020.

Hawk Vision:



Hawk's Perspective: STNG is coming off of a big fleet revamp and now boasts one of the best supply in the tanker market at a time where rates looks to be improving and demand has tailwinds into the 2H, a nice story that can continue higher and the 21-day a short-term support area to lean against

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Kohls OTM Calls See Upside as Activists Push for Board Changes

Ticker/Price: KSS (\$57)

Analysis:

Kohl's (KSS) with 1,175 October \$75 OTM calls bought \$3.70 to \$3.85, name with some large call open interest including 10,000 October \$85 calls bought last week and 5,000 April \$65/\$75 call spreads on 3/15. KSS has seen buyers in the July \$52.50 calls as well recently. Shares have been outperforming the broader market since early November and pulled back last week to the rising 50-MA which held up. A move back above \$62 and above recent highs targets \$75 and a major area of resistance going back to 2002. The \$9B department store operator trades 14X earnings, 0.6X sales, and 10X FCF with a 1.7% yield. KSS is an activist situation with a group of investors including Macellum Advisors and Ancora pushing for a major overhaul of their board. The group wants more retail experience to work with CEO Michelle Gass and focus on inventory levels, promotions, and customer acquisition focus. The activist group also wants a committee to explore a potential sale and leaseback of their \$7B non-core real estate assets. The vote will be held on May 12. Analysts have an average target for shares of \$50 with a Street High \$71 from Jefferies who was out on 3/18 positive on the company's pathway toward superior margin mix, cross-channel benefits, and a more cash-productive business. The analyst also sees tailwinds at Kohl's that include stimulus, pent-up demand for full price fashion and Amazon-returns-linked visits. Hedge fund ownership rose 4.5% in Q4, Macellum has a 9.5% stake in the company and Samlyn Capital, Appaloosa, and Ancora all adding last quarter.

Hawk Vision:



Hawk's Perspective: KSS trend has clearly been strong and a little more consolidation around this 50-MA would give a nice risk/reward into the event

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

High Yield (HYG) opening seller 5000 January \$82 puts for \$2.65

Volatility (VXX) with 7000 September \$12 calls sold to open for \$3.11

S&P (SPY) with 60,000 April 30th (W) \$380/\$370 put spreads opening today, also 3000 June 30th (Q) \$396 puts opening around \$4M and selling 2000 Sep. 30th (Q) \$397 puts

Tech (XLK) April \$132/\$137 call spreads being bought 7500X to open this afternoon

Consumer Goods

Altria (MO) with 3,500 April 23rd (W) \$52 calls bought this morning \$1.45 to \$1.50, strong name lately

Target (TGT) with 1,500 April 30th (W) \$195 puts bought for \$3.90 to \$3.93 into the run up recently

Peloton (PTON) the January 2023 \$70/\$50 bull put spread opening today 1,050X for \$7.65

Consumer/Business Services

L Brands (LB) with 2,500 April \$60 puts bought this morning for \$2.11 as it rolls from the early highs

Viacom (VIAC) with 3000 May \$50 puts bought as \$55 puts adjust down. **VIAC** buyer 1000 January 2023 \$45 calls \$16.50 into the sell-off

Discovery (DISCA) seeing buyers of 1300 May and June \$45 calls into early weakness. **Discovery Communications (DISCA)** the June \$50 calls bought 2,000X for \$3.60 and spread with a sale of the \$60 calls for \$1.75 and the \$70 calls for \$1.15

New Oriental (EDU) spreads selling 2900 July \$11.50 puts and buying the \$14/\$16.5 call spreads

DraftKings (DKNG) with 10,000 May \$70/\$55 bull risk reversals open for \$0.02 credit

Lowe's (LOW) buyer of 1,500 April 30th (W) \$185 puts for \$4.60 to \$4.74, similar to TGT

Caesars (CZR) buyer of 750 May \$80/\$70 put spreads today for \$3.35

Disney (DIS) with 2000 May \$195/\$180 bull risk reversals trading into weakness for net credits

RealReal (REAL) stock replacement buys 2700 April \$20 calls \$2.05

TravelCenters of America (TA) with 1200 May \$22.50 puts sold to open for \$1.05 to \$1 back around its 200-day MA

Skechers (SKX) buyer 1000 July \$45 calls up to \$2.85

Burlington (BURL) with 500 April \$300/\$317.50 call spread bought 500X today for \$4

Aramark (ARMK) with 1,100 July \$39 puts bought for \$4.30 to \$4.40. **ARMK** the July \$38 puts bought now 1300X for \$3.90

Under Armour (UA) buyers of the April \$17.50 calls 2900X for \$0.90, shallow pullback to the 50-MA recently

Planet Fitness (PLNT) with 2500 April \$72.50 puts sold to open for \$1.80

Bed Bath & Beyond (BBBY) buyer of 4,000 May \$29 puts for \$3.70 as the \$32 puts rolls down from late January

Chewy (CHWY) the April \$73 puts bought near 2,000X for \$3.30 into earnings and follows the \$75 puts bought 10,000X on Friday

Activision (ATVI) with another 5000 May \$95 calls being bought earlier today, also seeing 1200 August \$100 calls sold \$5.35 bids to open

AutoHome (ATHM) with 1185 April \$95 calls sold to open \$3.40

Dicks Sporting Goods (DKS) afternoon buyers of 1,475 April \$75 calls for \$2.75 to \$2.95

Airbnb (ABNB) buy-write with 400 January 2023 \$290 calls sold \$29.30

The Gap (GPS) with 6250 April \$28.50/\$31.50 call spreads opening this afternoon for \$0.93

Academy Sports (ASO) with 2,500 April \$25 straddles sold to open today for \$4.38

Energy

Plug Power (PLUG) early buyers of 1,950 April \$33 puts for \$2.65 to \$2.71

Daqo Energy (DQ) rolling 5000 April \$45 puts to May \$45 puts. **DQ** the April \$56 puts bought 1300X for \$1.75

Cameco (CCJ) buyer of 10,000 September \$25 calls for \$0.78, stock replacement, bouncing off the rising 50-MA. **CCJ** also with 1350 April \$16.5 calls bought for \$0.74

Marathon (MPC) with 850 October \$60 calls bought for \$3.90, adjusting the April \$50 calls higher

Financials

Signature Bank (SBNY) early buyers of 500 April \$210 puts for \$6 to \$6.40

ACI World (ACIW) buyer of 1,500 May \$35 puts for \$1.40

Affirm (AFRM) with April \$60 puts being sold to open 6000X \$0.70 to \$0.75

American Express (AXP) opening sale 1000 July \$130 puts \$4.65. **AXP** now with 1200 October \$120 puts sold for \$5 to \$5.05 in stock replacements

Zillow (Z) the January 2023 \$75 puts sold to open today for \$12, over 850X

XP (XP) stock replacement buys 3930 August \$45/\$55 call spreads for \$1.55

Stone Co (STNE) stock replacement buys 2930 June \$70/\$80 call spreads for \$2.10, similar to **XP** trade

PagSeguro (PAGS) with 2500 January \$45/\$40 bull risk reversals opening for \$2.25 debit

JP Morgan (JPM) with 4000 May \$150 calls opening as April \$145 adjust

Healthcare

Medtronic (MDT) the June \$130 calls with buyers this morning 1290X for \$1.36 in stock replacements, \$1.20 to \$1.30

Moderna (MRNA) weak this morning and 600 October \$110 puts bought for \$14.40

Novavax (NVAX) with 550 May 7th (W) \$132 ITM calls bought for \$49.70 to \$51.20, shares back above the 200-MA

Oscar Health (OSCR) with 2000 July \$30 puts opening \$8.60 to \$9.35 this morning despite bullish initiation

Phressia (PHR) buyer of 1,000 April \$50 puts for \$2.90 with shares near recent support

Anthem (ANTM) spreads today selling the June \$410 calls to buy the \$350/\$310 put spread for nearly no cost, 835X and likely protective

CVS Health (CVS) with 2000 August \$67.50 calls bought ITM to open \$9.85 offer

J&J (JNJ) breaking out of YTD value range and 2150 July \$170 calls bought \$4 offer

Thermo Fisher (TMO) 200-MA base continues to build and 1000 April \$480 calls bought \$3.40 offer

SAGE Therapeutics (SAGE) buyer of 200 August \$77.50 calls for \$17.20 to \$18.20

Baxter (BAX) opening sale 1000 May \$85 puts \$2.25

Denali Therapeutics (DNLI) with 1250 May \$60 calls sold to open \$2.725

Elanco (ELAN) rising with 17,000 April \$27 puts being sold to open

Merck (MRK) buyers of 3000 May \$77.50 puts up to \$2.02 into day highs

AbbVie (ABBV) buyer 2000 June 2022 \$82.5 puts for \$4.35

Industrials

Kratos (KTOS) basing above its 200-day MA and today 2,850 April \$30 calls bought up to \$0.50/\$0.60 with IV30 up 30%

Alaska Air (ALK) the January \$75/\$90 call spread bought 500X1,000 for a small debit with shares near new highs

Babcock & Wilcox (BW) with 1,000 May \$10 puts sold to open for \$2 into strength today, clearing a wide flag to new highs

Norfolk Southern (NSC) buyer of 2,000 April \$265 puts for \$4.56, adjusting back the \$260 puts that opened in protective spreads last week

Atlas Air (AAWW) sellers this morning of 2,250 January \$45 puts for \$3.90 to \$3.70

GM with 1000 January \$52.50 puts sold to open for \$6.15/\$6.20 in stock replacements

Caterpillar (CAT) another 3000 June \$230 calls bought this afternoon where 7000 have bought recently into Infrastructure press conference this week

Materials

Int'l Flavors (IFF) with 500 August \$150 calls bought \$6.60 today, adjusting the May \$140 calls with shares near a breakout

Nucor (NUE) opening sales 675 October \$85 calls \$7.20

Gold Fields (GFI) with 2000 ITM May \$10 puts sold to open \$0.85

Vale SA (VALE) seller of 10,000 September \$20/\$14 strangles for \$1.70

Alamo Gold (AGI) with 2500 January \$10/\$7.5 bull risk reversals opening at a net credit

Franco Nevada (FNV) with 500 January \$140/\$115 bull risk reversals bought this afternoon at no cost

Tech and Telecom

Juniper (JNPR) IV rising early with 2,000 April \$26 calls bought for \$0.75 to \$0.85

Some early call sales in software names today. **SmartSheet (SMAR)** with 1000 August \$70 calls sold today for \$4.14 as the May \$80 short calls from 3/17 adjust out; **ZenDesk (ZEN)** with 1000 July \$155 calls sold to open this morning for \$2.90; **Upland Software (UPLD)** with 1000 July \$55 calls sold to open this morning for \$2.05

Apple (AAPL) with 10,000 April 23rd (W) \$120/\$130 call spreads trading on the open. **AAPL** also trading 5000 May 7th (W) \$130/\$140 call spreads early. **AAPL** May 7th (W) \$130/\$140 call spreads up over 20,000X

Netflix (NFLX) working higher early with 1000 April 23rd (W) \$507.50 calls bought \$27 to \$28.10

Shopify (SHOP) with 4000 April \$825 puts sold to open \$2.75

Cisco (CSCO) buyers of 1,125 October \$49 calls and 1,075 October \$50 calls this morning, large cap value Tech outperforming in Q1

Kopin (KOPN) with 2500 January 2023 \$25 far OTM calls being bought \$1.30 to \$1.55 range

Canaan (CAN) buyer of 1300 May \$30 OTM calls for \$2.86 today, hot name in early 2020 that has pulled back to its 50-day MA

Snowflake (SNOW) with 9300 April 200 puts sold to open \$2.70 into day lows

Snap (SNAP) buyers here 5500 April \$55.50 calls \$1.05 to \$1.08

Alteryx (AYX) breaking down but seeing 1100 June \$100 calls with buyers this morning \$3.15

Marvell (MRVL) buyer 1300 August \$52.50 calls \$2.90

Coupang (CPNG) continues to act well in a narrow base and seeing November \$55/\$40 bear risk reversals open, though may be collaring stock

II-VI (IIVI) with 885 January \$70 calls opening today for \$11.35 to \$11.40, adjusting higher the April \$60 calls with shares back near the 200-day MA

Go-Daddy (GDDY) coiled under 200-MA and last week size May calls bought, today 500 August \$90 OTM calls bought \$3 to \$3.10

Qualcomm (QCOM) buyer 500 October \$115 calls ITM \$21.20

Skyworks (SWKS) with 1000 May 7th (W) \$167.5 puts bought today for \$4.40 to \$4.50

DataDog (DDOG) with 600 January 2023 \$75 synthetic long positions opening at \$3.70 debit

Jumia (JMIA) with 1,200 September \$32 puts sold to open for \$8.40

Utility

PG&E (PCG) with 5500 May \$11 puts buying \$0.37 to \$0.42

Disclaimer:

Not Investment Advice or Recommendation

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