



# MARKET RECAP REPORT 4/1/2021

## Sector Leaders

Semi's

Software

Internet

## Stock Gainers

- UXIN 42%
- UTHR 16%
- PLBY 13%
- ACMR 13%
- FNKO 12%
- QS 10.5%

## Volatility Gainers

- UXIN
- JNPR
- YALA
- QS
- PAVM
- FTFT

## High Call Volume

- UXIN
- FNKO
- VIAC
- PAVE
- SEE
- PAVM

## Bullish Options

- FCX
- YALA
- SQ
- VIAC
- ABNB
- ADI
- AU
- XP
- DBX
- TGT
- RIO
- 

**Market Review:** Stocks were higher to start Q2 with Tech opening very strong following results at Micron and Taiwan Semi CAPEX news while yields pulling back also helped. Global PMI data came in a bit soft but still strong expansion across the globe and the Infrastructure plan also now in focus while Q1 earnings season is right around the quarter. In morning data Jobless Claims came in above expected though ISM Manufacturing came in very strong above expectations. Breadth held strong all session as the S&P crossed 4000 to record highs and the Nasdaq broke out of a bottoming pattern. The trend & price-action remains strong though some bearish divergences developing and signs of complacency. We have another quiet schedule next week before earnings season starts to pick back up.

S&P Chart:



Resistance	Support
4,000	3,900
4,140	3,880
4,385	3,830

**Options Action Trends:** We saw some put buyers in consumer staples leaders like **KMB, PG**. Bullish flow continued into Metals leaders like **RIO, FCX**.

**What's On Tap:** Markets will be closed for the Holiday on Friday though the Jobs Report will be released as scheduled.

## Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **FSLR** June \$90/\$100 Call Spreads at \$3

## Sector Laggards

Solar

Metals

Consumer Staples

## Stock Losers

- MVIS -15%
- BTAI -13.5%
- EBS -14%
- BCEL -9%
- USCR -8.5%
- PLAY -6.5%

## Volatility Losers

- MVIS
- RAIL
- XSPA
- DISH
- CRON
- UA

## High Put Volume

- CS
- TWO
- BXP
- MCK
- KMX
- SKX

## Bearish Options

- RLX
- STZ
- KMB
- UPS
- UI
- SKX
- HBI
- BRK.B
- PH
- PG
- SPOT
- RL



## FEATURED OPTIONS RADAR REPORT



### Large Bull Trade in Cloud Communications Leader RingCentral

**Ticker/Price:** RNG (\$297.88)

#### Analysis:

**RingCentral (RNG)** seeing bullish activity this week, a massive \$13.5M buy of 2500 October \$270 ITM calls on 3/31 as well as 500 January \$350/\$280 bull risk reversals and previously seen 900 January \$470 calls bought while most other strikes have lower volumes with high dollar trades. RNG is at an interesting spot breaking under its 200-day moving average recently to retest a major range breakout from November, a round-trip move. RNG is also back to VWAP off the March 2020 lows and a 50% retracement of the 2020 range. RNG is working on a weekly reversal candle off its extreme oversold levels. RNG is a leading provider of global enterprise cloud communications, video meetings, collaboration, and contact center software-as-a-service solutions. RingCentral benefits from both the shift to mobile and distributed workforces and the migration of hardware on-premise based communication systems to cloud-based software solutions. RNG is establishing itself as a leader in the UCaaS market with their Message Video Phone platform and expanded product reach. RNG has been establishing key partnerships it sees ramping the next few years with Avaya, Alcatel, Atos and Vodafone. RNG has a \$26.75B market cap and is now trading 18.7X FY21 EV/Sales with revenues growing above 30% each of the last four years and seen rising 25.5% in 2021 and 23% in 2022. RNG spoke at the Morgan Stanley Conference on 3/2 and noted it sees seats growing 3-4X the next four to five years. Analysts have an average target of \$480 and short interest is 7.5% of the float. Craig Hallum lowered its target to \$410 on 3/16 noting the Zoom infringement suit as an overhang. Needham raised its target to \$500 in February on the ongoing shift to cloud communications. Truist with a \$525 target impressed by the large contract wins and Evercore with a \$535 target as an elite software company. Hedge Fund ownership was down 1.7% in the latest quarterly filings, Alkeon and Tiger Global notable top holders.

#### Hawk Vision:



**Hawk's Perspective:** RNG remains richly valued at 18X and a bit early for an all clear signal for multiple compression in software growth, but it is a highly attractive company that can likely return to a \$40B market cap.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Biogen Bulls Position for Catalyst Rich 2021

**Ticker/Price:** BIIB (\$279.75)

#### Analysis:

**Biogen (BIIB)** options sentiment turning more positive the last week or so with 7500 April \$280/\$340 call spreads opening and 2000 June \$375/\$425 call spreads. BIIB also with 1250 May \$300 calls bought for \$1.3M on 3/22 and has 2000 July \$380 short calls from 2/3. BIIB shares have started showing some strength this week nearing a move out of its tight YTD value range and back above key moving averages. A longer term chart shows a 7-year month triangle forming with MACD nearing a bull crossover and clearing \$300 would be key on the volume profile. Biogen is a global biopharmaceutical company focused on discovering, developing and delivering worldwide innovative therapies for people living with serious neurological and neurodegenerative diseases as well as related therapeutic adjacencies. Its core growth areas include multiple sclerosis (MS) and neuroimmunology; Alzheimer's disease and dementia; neuromuscular disorders, including spinal muscular atrophy (SMA) and amyotrophic lateral sclerosis (ALS); movement disorders, including Parkinson's disease; ophthalmology; and neuropsychiatry. BIIB has also been expanding its successful Biosimilars portfolio. BIIB has a market cap of \$42B and trades 13.7X Earnings, 3.1X Sales and 10X FCF with a strong balance sheet and struggling to generate much top-line growth as some core franchises erode and the company needs some pipeline success to return positive sentiment to investors. BIIB has a 6-7-2021 PDUFA for aducanumab, an anti-amyloid beta antibody candidate for the potential treatment of Alzheimer's disease. BIIB has 9 mid-to-late stage readouts in 2021, a catalyst rich year. BIIB's readout for Zuranolone from the company's recent partnership with **SAGE** is another key event. BIIB is also involved in patent battles for Tecfidera/Vumerity versus generics and though seen as low probability, if it wins and restores its market position it would have a big impact. Analysts have an average target of \$290 and short interest low at 2.6% of the float. Mizuho sees a \$400 upside target on Alzheimer's approval and \$200 downside target and sees potential upside on the Gosuranemab catalyst that is seen as no value assigned to it currently. Citi sees Aducanumab approval at 50/50 at best. Hedge Fund ownership fell 3% in the latest quarter filings.

#### Hawk Vision:



**Hawk's Perspective:** BIIB skew is inverted so upside call spreads are a sensible way to position for upside, a likely hit or miss type play but price-action and flows turning positive the last two weeks.

**Confidence Ranking:** \$\$





## FEATURED OPTIONS RADAR REPORT



### Target Call Buyer Sees Further Upside into Mid-Year

**Ticker/Price:** TGT (\$200)

#### Analysis:

**Target (TGT)** stock replacement opens 10,000 June \$220 calls at \$3.40, strong chart continues to work higher. TGT has seen buyers recently in the July \$190 calls and May \$195 calls while the October \$165 puts sold to open in size in early March. TGT still has some notable long-term position in the January \$230 calls from December. Shares in a small flag this week above the rising 8-EMA and near a multi-week flag breakout above \$200. TGT has been a strong performer since last March and continuation has a measured target to \$230-\$240. The \$95B company trades 20.67X earnings, 1X sales and 11X cash with strong FCF and a 1.4% yield. TGT gave somewhat conservative guidance in March with uncertainty facing reopening but they've executed well on a very successful omnichannel strategy and should thrive in any scenario with a stronger consumer spending backdrop. TGT has seen explosive growth in their drive-up and delivery strategies including Shipt that grew 300% in 2020. They also continue to expand their exclusive collections with leading names like Ulta Beauty which should support foot traffic growth during reopening. TGT could also expand on their best-in-class private label business in 2021 which now has ten in-house brands that generated \$1B+ in sales last year. Analysts have an average target for shares of \$180 and Street High \$230. Guggenheim raising estimates this week as TGT has increasingly become a preferred destination for brands and consumers, and its recent notable partnerships should support continued relevancy and traffic gains. Short interest is 1.65%. Hedge fund ownership fell 5% in Q4, D1 Capital a top buyer of 1.28M shares and now with 3.55M total. Samlyn Capital a buyer of stock and call options.

#### Hawk Vision:



**Hawk's Perspective:** TGT is one of the best performing names in retail, especially compared to some of its large-cap peers, and should continue to lead with all of their drivers

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Evercore Bulls Bet on M&A Rebound as Economy Recovers

**Ticker/Price:** EVR (\$135.50)

#### Analysis:

**Evercore (EVR)** unusual activity this week with the May \$135/\$125 bull risk reversal bought 450X and then on 3/31 the June \$145 calls bought over 1,600X up to \$5.10, over 30X average. Shares pulled back just above the 50-MA this week and working back above the 8- and 21-MA with room back to \$140 and then new highs. EVR has been a strong trending name and continuation higher targets \$165. The \$6.35B company trades 12.15X earnings, 4.4X book and 7.75X FCF with a 1.85% yield and strong ROE. EVR is an independent investment banking advisory firm with strong experience across M&A, shareholder advisory, and deal structuring. They also have wealth management services, research and sales, and other investment products. EVR expects 2021 to be a big year for deals as growth continues and an overall recovery in the economy boost optimism in the c-suite. They also note that most companies are sitting on unprecedented levels of cash on the balance sheet while private equity 'dry powder' stands near record highs. Analysts have an average target for shares of \$138 with a Street High \$162 from Goldman Sachs. They raised their rating to Conviction Buy on 3/19 citing their leadership in M&A and noting they expect the M&A cycle to be driven by elevated activity in large cap, U.S. and technology, all of which are core strengths of Evercore's franchise. UBS positive today seeing strong earnings for the company given solid underwriting revenues. Short interest is 3.85%. Hedge fund ownership fell 6.75% in Q4, Samlyn Capital a top holder.

#### Hawk Vision:



**Hawk's Perspective:** EVR has quietly been one of the steadiest names in the market since September and the recent dip a nice risk/reward setup for a move higher; Overall, I like it as a tangential play on M&A growth and business confidence, which should both remain elevated in 2021

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**S&P (SPY)** hot contract this morning the December 2022 \$525 calls with 13,000 bought \$3.15 to \$3.35

**Nasdaq (QQQ)** with 20,000 May 14th (W) \$300/\$285 put spreads opening as April \$298 adjust. **QQQ** with 13,000 December \$360/\$295 bull risk reversals opening at \$6.12 credit

**Tech (XLK)** unusual structured trade bought 5000 May \$130 calls \$7.69 and sold 5000 Dec. \$160 calls \$1.96

**Oil ETF (USO)** with 25,000 July \$35 puts bought for \$1.21 to \$1.22

**China Internet (KWEB)** with 6500 April \$78 puts bought this afternoon

**Energy (XLE)** buyer 10,000 May \$52 calls \$1.242, spread with the \$55 which may be adjusting back as XLE bases after the recent pullback

### **Consumer Goods**

**Constellation Brands (STZ)** with 2,000 May \$220/\$190 put spreads bought for \$5.40 ahead of earnings on 4-8

**Kimberly Clark (KMB)** with 3,000 April 30th (W) \$136 puts bought \$3.30 to \$3.50

**Hanes (HBI)** buyer 2400 April \$19 puts for \$0.50

**P&G (PG)** buyers of 1,600 October \$115 puts from \$2.37 to \$2.40 today

### **Consumer/Business Services**

**Las Vegas Sands (LVS)** with 2,500 April 9th (W) \$62/\$65 call spreads bought for \$1.74 with the weekly \$61 calls rolling

**Viacom (VIAC)** seeing spreads 10,000X selling June \$35 puts and buying the \$50/\$60 call spreads, will confirm OI tomorrow

**Airbnb (ABNB)** seeing 2475 April 9th (W) \$195 calls bought \$4 to \$4.30 range into dip back to morning range support

**Match (MTCH)** the April \$145/\$155 call spread bought 1000X2000 today for \$2.20

**Altice (ATUS)** with 5000 January 2023 \$20 puts bought for \$1.40 today with stock

**Lyft (LYFT)** over 900 January 2023 \$60 puts sold to open for \$13.35 to \$13.20

**Darden (DRI)** with 650 October \$155 calls bought for \$8.70, strong name setting up near recent highs

**Skechers (SKX)** buyers of the April \$42 puts for \$1.40 to \$1.45, over 1900X

**Playboy (PLBY)** buyer 1000 October \$17.50 ITM calls \$10.20 to \$10.30

**Ralph Lauren (RL)** with 2,000 April \$120/\$110 put spreads bought for \$2.85

**Caesars (CZR)** buyer of next week's \$89 calls for \$2.35, 1500X, while the \$95 calls sold 2500X for \$0.60

**Capri (CPRI)** with 5000 next week \$50/\$47.5 put spreads bought, weak near LOD here

**Dicks Sporting Goods (DKS)** with 1,575 April \$80 puts bought this afternoon for \$2.99

### Energy

**Apache (APA)** with 2000 October \$30 OTM calls bought \$0.90

**Shell (RDS.B)** with 1000 January \$37.50 puts sold to open for \$5

**Sunnova (NOVA)** buyer of 2,000 April \$50 calls for \$1.10, closing 1000 April \$40 calls and leaving on a trailer

**Matador (MTDR)** with 2,500 May \$22.50 puts sold to open today for \$1.81, adjusting some April short puts

**Laredo (LPI)** seeing some April \$33 short puts roll to May today, 1850X that open for \$5.80

**Marathon Petro (MPC)** buyer 4000 May \$55/\$60 call spreads, adjusting April spreads

**Pioneer Natural (PXD)** with 1000 May \$160 puts sold to open for \$8.40 today, nice flag forming near new highs. **PXD** now also with 1000 January \$200 calls sold for \$9.80 to \$9.70 in buy-writes

**Centennial Development (CDEV)** buyer of the January \$5 calls for \$1.25, 2000X, and name with large put sales in OI in October

**Valero (VLO)** with 500 May \$70 calls bought for \$6.45

**National Oilwell Varco (NOV)** with 3000 May 7th (W) \$16 calls bought today up to \$0.40

### Financials

**Square (SQ)** with 2,500 April 23rd (W) \$250 calls bought this morning from \$5.25 to \$6

**XP (XP)** aggressive buyer 1000 May \$42 calls for \$1.50

**FinVolution (FINV)** with 13,500 May \$10 puts sold to open today for \$3.25, adjusting the April short puts from 3/19

**Berkshire Hathaway (BRK.B)** buyer of 1750 June \$250 puts \$6.25 and 1000 January \$250 puts sold for \$14

**Chubb (CB)** with 750 May \$160 calls bought \$5.70+ as it weighs a higher offer for **HIG**

**Morgan Stanley (MS)** trades long stock with 3000 January 2022 \$100 calls sold and the Jan. 2023 \$65 puts bought as a collar

**Capital One (COF)** with 5,325 June \$150 calls sold to open for \$1.92

**HSBC** with 500 January 2023 \$30 puts sold to open today for \$5.90 to \$5.85

**Invesco Mortgage (IVR)** buyer of 10,000 January 2023 \$3.50 calls for \$1.09 to \$1.10

**UBS AG (UBS)** stock replacement sells 1,500 January \$15 puts for \$1.25 today to open

**Kimco Realty (KIM)** with 4000 May \$17.50 puts sold to open today for \$0.45

**Citi (C)** June 2022 \$65 calls trading 6500X this afternoon \$13 to \$13.25

### Healthcare

**PAVmed (PAVM)** recent small cap profile with May \$5 calls hot early \$0.95 to \$1.10 for 2800X

**J&J (JNJ)** with 880 January 2023 \$175 calls opening \$10.35/\$10.40

**Encompass Health (EHC)** buyer of 2,000 May \$90 calls for \$1.30 today, company exploring strategic alternatives for their home health and hospice business

**Eargo (EAR)** with another 1000 April \$50 puts sold to open today for \$3.10, follows sellers in the \$45 and \$40 puts this week

**TelaDoc (TDOC)** with near 1,000 October \$165 puts sold to open this afternoon for \$17 to \$16.75

**ACADIA (ACAD)** buyer 1000 May \$25 puts \$3.30 to open

**Cerner (CERN)** out of a long bottoming pattern today and near the 200-MA, the September \$80 calls with 1000X bought \$1.90 to \$2 in stock replacements

**Ocular Therapeutic (OCUL)** with 675 September \$20 calls bought \$4.30 to \$5 into the highs

**Nuvasive (NUVA)** with 500 September \$65 puts sold to open for \$6.10

**CVS** opening sale 1000 January 2023 \$72.5 puts for \$10

#### Industrials

**Parker Hannifin (PH)** sold lower earlier as 500 August \$290/\$260 put spreads bought, potential adjustment

**AerCap (AER)** with 2,000 April \$60 puts sold to open for \$2.40, adjusting back 4,000 \$50 short puts

**Meritor (MTOR)** with 2850 May \$30 straddles sold to open today for \$3.65

#### Materials

**Freeport (FCX)** buyers 5000 April 9th (W) \$35 calls early \$0.47 to \$0.54. **FCX** the May \$32 ITM calls now bought 4000X up to \$3.65/\$3.70

**Rio Tinto (RIO)** large buyers of 13,000 January \$86.57 calls with the \$99.07 calls being sold against over 30,000X.

**International Paper (IP)** with 1300 January 2023 \$50 calls bought ITM as January 2022 adjust

**Olin Corp (OLN)** with 1000 November \$35 puts sold to open today for \$4.50 to \$4.45

#### Tech and Telecom

**Splunk (SPLK)** the January 2023 \$165/\$250 call spread bought 300X900 this morning for a \$5 debit

**Micron (MU)** higher by 4.5% after earnings and buyers active early for the May \$95/\$110 call spread 5,500X11,000 for \$2.50

**Microvision (MVIS)** with the November \$10/\$5 put spreads bought today 1000X2000 for a \$1.70 debit into strength

**Yalla Group (YALA)** with 2000 April \$30 calls bought \$1.20 to \$1.55 in early action

**Snowflake (SNOW)** early buyers of 2000 next week \$250 calls around \$2.50



**Infinera (INFN)** aggressive buyer 1250 May %10 calls \$1.10 offer

**Analog Devices (ADI)** buyers 2300 June \$165 calls aggressive \$5.90 offer with the **MXIM** deal cleared. **ADI** still with 7000 Sep \$150 calls in OI

**Avalara (AVLR)** this morning with 300 May \$140 calls bought \$9.20

**Perion Networks (PERI)** bull spread today sells 900 October \$15 puts to buy the \$20/\$30 call spread

**Dropbox (DBX)** IV steadily rising with 5000 May \$27 calls bought to open \$2.17 to \$2.21 and earlier 2600 April 23rd (W) \$29 calls bought today for \$0.57 to \$0.60

**Apple (AAPL)** April 23rd (W) \$123 puts active with buyers \$2.89 offer, over 9000 trading

**Pinterest (PINS)** buyers of 2000 April \$77 calls \$3.40, also seeing 10,000 April \$85 OTM calls active with mixed flows. **PINS** spread now buys 3200 September \$90 calls \$8.55 and sells 4850 of the \$120 calls at \$2.90

**Qualcomm (QCOM)** buyer 4000 June \$140 calls \$6.27 as 2800 of the \$130 adjust

**Adobe (ADBE)** 1250 June \$490 calls bought \$22.95, look o be adjusting 1500 of the \$470 calls

**Spotify (SPOT)** with 825 October \$220 puts bought today \$12.80 to \$12.90

**Digital Turbine (APPS)** opening sale of 1150 September \$40 puts for \$2.35

**T-Mobile (TMUS)** buyer 1500 August \$120 puts \$4.95 offer

**Mercado-Libre (MELI)** with 250 September \$1500 puts sold to open today in stock replacements raising over \$4.5M

**Applied Materials (AMAT)** buyer 1750 next week \$139 calls \$5.45 adjusts some weekly \$131 calls

**Wix.com (WIX)** with 300 January \$230 puts sold to open today for \$20.30

**II-VI (IIVI)** with 2,000 October \$80 calls bought \$7.60 to \$7.80 to open, pulled back around its 200-day MA recently

### Utility

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**Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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