



MARKET RECAP REPORT 4/12/2021

Sector Leaders

Banks

Materials

Utility

Stock Gainers

ATNF 17%

PLBY 17%

NUAN 17%

LMNX 12%

SIG 9%

BABA 8.5%

Volatility Gainers

- SWN
- EKSO
- CRON
- MUDS
- ARVL
- FOSL

High Call Volume

- NUAN
- PLBY
- HLT
- YELP
- AMSC
- HYRE

Bullish Options

- TWTR
- SNOW
- BBY
- HYRE
- AON
- APO
- TME
- PM
- VVV
- MU
- LYV
- HLT

Market Review: Stocks started the week modestly lower pulling back off record highs, Powell over the weekend positive on the US Economy and saw some M&A news to start the week as earnings season is set to kick off with the Banks this week. We saw some weakness through the morning with Tech breadth weak and also selling pressure in Biotech and Solar, although volatility remained subdued. Breadth started improving into the early afternoon until Bullard came out with comments on the Fed tapering once we see 75% vaccination rates and markets rolled over a bit. With the S&P near resistance after achieving our upside target and into earnings season with sentiment a bit frothy the reward/risk has clearly become less favorable and calls for locking in some gains and waiting for better set-ups. Tomorrow we get inflation data and a 30-year auction that could impact markets.

S&P Chart:



Resistance	Support
4,130	4,000
4,385	3,880
4,400	3,830

Options Action Trends: Action remains slow with markets extended and into earnings season, some put buying in Airlines **AAL**, **UAL** ahead of some results.

What's On Tap: Inflation data and 30-Year Bond Auction. Earnings from **FAST**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **ETSY** May \$220/\$250 Call Spreads at \$7 – No Fill

Sector Laggards

Solar

Biotech

Semi's

Stock Losers

IRTC -37.5%

CAN -23%

EH -15%

APHA -13.5%

TLRY -12%

TTM -11%

Volatility Losers

- LMNX
- OPK
- NUAN
- TEVA
- CAN
- BHC

High Put Volume

- BCS
- STNE
- SNPS
- GPRE
- CNDT
- HLF

Bearish Options

- AAL
- PHR
- BEKE
- VIPS
- AMGN
- UAL
- WFC
- INTC
- DHI
- CCI
- SKLZ
-



FEATURED OPTIONS RADAR REPORT



Bulls See BHP Strong on Global Growth Prospects

Ticker/Price: BHP (\$70.7)

Analysis:

BHP Billiton (BHP) on 3/30 with a buyer of 16,750 September \$77.50 calls for \$2.55 to open a large trade for a name that also has seen 5000 January \$90 calls and 2000 January \$75 calls accumulate in open interest. BHP shares have pulled back off recent highs and put in a weekly reversal candle on the rising 21-week moving average and also held the 38.2% retracement off the October lows while the low of the pullback was VWAP off those October lows. BHP's main markets are Iron Ore (64% of EBITDA), Copper (19%), Petroleum (10%) and Metallurgical Coal (9%). BHP revenues are closely tied to China which accounts for 62% and Asia overall accounts for 80% of revenues. The \$168.5B global mining leader trades 16.3X Earnings, 3.65X Sales, 15X FCF and 6X EBITDA with a 4.4% dividend yield. BHP estimates see EBITDA rising 51% in 2021. BHP has peer-leading FCF and EBITDA margins. Analysts have an average target of \$86 and short interest minimal at 0.9% of the float. Argus upgraded shares to Buy on 3/9 with an \$87 target seeing BHP benefitting from global economic growth and higher metals prices with attractive valuation.

Hawk Vision:



Hawk's Perspective: **BHP** and **RIO** are our main ways to play Iron Ore, a market to pay attention to, and clearly tied to China. I prefer **FCX** in Metals with my outlook for Copper, but **BHP** provides an attractive yield and steady operations for a patient investor.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Spread in Amryis, Intriguing Synthetic Biotech Company

Ticker/Price: AMRS (\$16.60)

Analysis:

Amyris (AMRS) interesting spreads opened on 4/8 as June \$14 puts sold to open 7500X and the \$16/\$22 call spreads were bought 15,000X. AMRS also with 1000 January \$17 puts sold to open ITM on 4/8. AMRS shares have been on a parabolic run since November and last week pulled back to a 38.2% retracement and also trying to base at the 55-day moving average. AMRS did a share offering last week at \$15.75 for 19M shares that was well-received. Shares need to get back above \$18.50 to work out of the pullback trend. AMRS is a leading synthetic biotechnology company active in the Clean Health and Beauty markets through its consumer brands and a top supplier of sustainable and natural ingredients. Through the combination of its biotechnology platform and industrial fermentation process, AMRS has successfully developed, produced and commercialized thirteen distinct molecules used in formulations by thousands of leading global brands. AMRS believes that synthetic biology represents a third industrial revolution, bringing together biology and engineering to generate new, more sustainable materials to meet the growing global demand for bio-based replacements of petroleum-based and traditional animal- or plant-derived ingredients. AMRS revenues grew 140% in 2019 and 13.5% in 2020 with expectations for 95% growth in 2021. AMRS currently has a market cap of \$4.4B and trades 14X EV/Sales with 50% gross margins and current R&D as a % of Sales at 41.34%. AMRS had an exciting year in 2020 with accelerating product growth, positive Q4 EBITDA, reduced debt, and delivered six new ingredients. AMRS has digitalized its development efforts which has accelerated time to market and lowered costs. The global beauty and personal care market is expected to grow at a 7% CAGR through 2025 reaching \$716B, a large market ripe for disruption and AMRS products are targeting 80% of the global market with skincare, haircare, cosmetics, bath & shower, baby care and sun care. Analysts have an average target of \$26 and short interest elevated at 21% of the float. HCW raised its target to \$35 from \$11 on 3/3 seeing monetization of the ingredients portfolio at \$500M, 30-50% annual revenue growth the next several years, less debt, expanding margins and nearing positive EBITDA margins, potential for 30 commercialized ingredients by 2025, four new brand launches in 2020, and contribution from acquisitions and distribution agreements in International markets like China and Brazil.

Hawk Vision:



Hawk's Perspective: AMRS is a very intriguing small cap with a long runway for growth and all metrics moving in the right direction. There could be some valuation concerns, but watching for momentum above \$18.50.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Philip Morris Calls Bullish on 2021 Product Rollout, Smokeless Future

Ticker/Price: PM (\$91)

Analysis:

Philip Morris (PM) breaking out of a flag with 1250 September \$90 calls bought \$5.45/\$5.50 today and follows buyers in the January \$115 and \$125 OTM calls in late March, over 3000X each. The September \$82.50, \$85 and 87.50 calls all have seen buyers since mid-February too while put sellers active in the January \$82.50 strike and June \$67.50 strike. Shares have traded strong since mid-February and back near resistance of a more than two-year range at \$92. A move higher and shift in longer-term trend targets a run back to \$104. The \$140B tobacco leader trades 13.89X earnings, 4.86X sales, and 19X cash with a 5.25% yield. PM is targeting mid-to-high single digit growth in FY22 and FY23. PM hosted an investor day in February where they outlined a strong pathway forward in an uncertain macro environment where tobacco use is expected to shift more towards reduced risk products like their flagship IQOS which is a category leader. The company intends to launch a new 'heat not burn' device in 2021, e-vapor products in more than twenty markets, and also expanding their early entries into the nicotine pouch markets. Analysts have an average target for shares of \$100 with a Street High \$110. JP Morgan upgrading to Overweight on 4/9 with a \$105 PT calling PM the clear leader in heated tobacco products market with an 82% share and already makes profits which will accelerate going forward. Citi positive on the name in March noting that PM has been ahead of peers on the shift to reduced-risk products and also has exposure to markets where the decline in smoking is likely to be more gradual than others. Short interest is less than 1%. Hedge fund ownership fell 4.5% in Q4.

Hawk Vision:



Hawk's Perspective: PM is an attractive name in the value/yield category with an industry-leading product portfolio and some interesting launches in 2021, they'll have earnings on 4-20 and higher 5 of the last 7, one to keep on the radar around the print

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Novavax Bulls Position for Positive US Data, Rollout

Ticker/Price: NVAX (\$173.50)

Analysis:

Novavax (NVAX) buyer of 300 October \$250 calls this morning for \$29.25, a nearly \$900,000 buy and follows similar small but high-dollar value trades last week in the May \$180 and \$240 calls as well as the October \$120 short puts. NVAX still has 1,100 July \$210 calls in OI as well from a \$9M buy in March. Shares jumped higher in February and ran up to \$320 before pulling back and now in a narrow range around \$170-\$180 below downtrend resistance. A move above \$215/\$220 can make a strong move back to challenge those prior highs. Support is below at the 200-day around \$140. The \$13B company trades 5.5X earnings, 27X sales, and 18X cash. NVAX had positive data for their COVID vaccine in late January in Phase 3 UK trial and in a final analysis showed 96% efficacy against the original strain and more importantly showed strong results against the UK variant which is becoming the predominant strain. They also showed efficacy in a Phase 2b trial against the South African variant. NVAX expects US Phase 3 data any day now and the company has said previously they expect to file for EUA in the US sometime in Q2. NVAX has strong partnerships already in place for production and distribution including an announced agreement with GSK recently and said in December they have billions in commitments for their shot already. Analysts have an average target for shares of \$229 with a Street High \$338. HCW with a \$317 PT and positive on 3/12 noting that given Novavax's ability to rapidly adapt its nanoparticle vaccine technology to emerging strains of virus, as was demonstrated with its NanoFlu seasonal influenza vaccine's high immunogenicity against drifted strains of influenza virus, the company's prospects for a future role in COVID-19 are very bright. In addition, their established and growing global vaccine supply and distribution agreements are second to none. Hedge fund ownership jumped 33% in Q4, RA Capital and Perceptive both adding to their positions. Short interest is 6.75% and down sharply from around 25% in late 2020

Hawk Vision:



Hawk's Perspective: NVAX is clearly an event-driven play but I've come away liking it a lot versus the existing candidates given their strong infrastructure in place and flexibility on variants which are going to be increasingly relevant during this next big surge in cases

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Oil & Gas (XOP) seeing May \$84/\$88/\$92 call fly's open 3900X7800

S&P (SPY) with 15,000 May 7th (W) \$400/\$397.5 bull put spreads opening, also the April 30th (W) \$415 calls very active early 25,000X with buyer flow

Nasdaq (QQQ) with 3500 August \$330 puts bought \$15.75 to \$16.03

Financials (XLF) buyer 10,000 January \$32 ITM calls \$4.45 into Bank-reporting season

Consumer Goods

AutoZone (AZO) buyer of the January \$1740 calls today for \$32.80, 150X in stock replacements

WW (WW) with 1250 October \$25 puts sold to open \$2.45 bid

P&G (PG) with 10,000 June \$145 calls sold to open for \$1

Consumer/Business Services

Bed Bath (BBBY) sweep buy 1500 May \$26 calls \$6 offer into 4-14 earnings

1800-Flowers (FLWS) buyer 500 September \$29 calls for \$3.10

Tencent Music (TME) weak below its 200-MA today but seeing 3500 July \$16 ITM calls active with buyers \$3.95 to \$4. **TME** also 1250 Jan. 2023 \$17 puts sold to open \$3.70

DraftKings (DKNG) into weakness with 1400 May 14th (W) \$62 calls bought \$3.35 that will capture 5-7 earnings

Signet (SIG) moving back near session highs and 800 April 30th (W) \$60 calls bought \$6.90 to \$7.80, gave a positive update pre-market and investor day late today

HyreCar (HYRE) buyers of 1,500 July \$12.50 calls for \$2.20 to \$2.50, a small-cap web-based car sharing marketplace

eBay (EBAY) with 1000 October \$65 puts sold to open this morning between \$6.90 and \$6.95 with shares flagging just below the February highs

Live Nation (LYV) with 3,000 May \$77.50 calls opening around \$9 as the April \$75 calls adjust out from 3/9 buys. **LYV** also with 450 January \$80 puts sold to open \$8.80

Hilton (HLT) with 25,000 October \$110 calls bought \$19.20, adjusting the April \$80 calls. **HLT** also buyers 1420 January \$125 calls \$13.70 offer

VIPshop (VIPS) breaking down with 2250 April \$27 puts bought \$4.10 offer. **VIPS** now with 1800 August \$24 puts bought \$2.60

Floor & Decor (FND) strong price action with 400 July \$120 calls bought \$6.10 to \$6.40

VF Corp (VFC) buyer of 1800 May 14th (W) \$85/\$90 call spreads for \$1.74 ahead of earnings which are expected that week

Gap (GPS) buyer of 1650 June \$35/\$40 call spreads for \$1.09, follows bull flow Friday

Groupon (GRPN) with 1000 December \$45 puts sold to open for \$8 today, shares have pulled back to the 50-day MA. **GRPN** also seeing 2000 January \$80/\$90 far OTM call spreads open

Sabre (SABR) spread this afternoon is selling 10,000 July \$13 puts to buy the \$15/\$19 call spread for a net \$0.41

Marriott (MAR) stock replacement today sells 500 January \$150 puts for \$17.50

Hilton Grand Vacations (HGV) buyer of 200 January \$30 calls this morning for \$10.90 to \$11.30, a beneficiary of leisure travel picking back up

Skillz (SKLZ) with 5000 April 30th (W) \$15 puts bought \$0.85 offer to go with the 10,000 \$14 puts

GSX Tech-Edu (GSX) May 7th (W) \$28/\$44 call spreads bought 10,000X

Royal Caribbean (RCL) with 1000 June \$80 puts sold to open for \$4.50 this afternoon

Foot Locker (FL) buyer of 3,000 May \$60 calls for \$2.60, the April \$55 calls closing 1725X and adjusting

Ross (ROST) seller of 400 November \$140 calls bought 400 November \$120 puts for \$2.55 debit, may be collaring a stock position

World Wrestling (WWE) buyer of 400 July \$60 calls for \$4.10 to \$4.30 this afternoon, nice chart setting up under \$60

Energy

Green Plains (GPRE) spreads selling May \$30 calls to buy \$25/\$22 put spreads 2000X

Sun Run (RUN) with 575 November \$60 calls bought around \$7.95 as the August \$75 calls close and adjust

Financials

Stone (STNE) with over 35,000 May \$55 puts selling to open \$0.85

Aon (AON) buyer 1000 July \$260 calls \$3.20 as the \$240 adjust

KE Holdings (BEKE) buyers of 1,500 May \$45 puts up to \$1.30 to open today ahead of mid-May earnings

Apollo (APO) buyer of 1000 January 2023 \$45 calls for \$7.40

CorePoint Lodging (CPLG) buyer of 1000 October \$10/\$15 call spreads for \$1.06, adjusting some July \$10 calls where over 17,500 sit in OI

Citi (C) buyer 10,000 May \$77.5 calls \$1.03 into earnings, closes 6000 of the \$80 calls

Goldman Sachs (GS) buyer of the June \$350/\$380 call spread today 1,500X3,000 at no cost ahead of earnings later this week. **GS** also seeing 700 September \$300 ITM calls bought for \$41.35 today, stock replacement

Square (SQ) buyer 1000 May 28th (W) \$290 calls for \$8.50 offer and also 1000 of the \$260 calls bought for \$20.50

Fair Isaac (FICO) with 1250 May \$550 calls bought up to \$13 as the April \$500 calls adjust

Wells Fargo (WFC) buyer 6000 May \$45 synthetic short

GreenSky (GSKY) with 2500 January \$5 puts sold to open \$0.75

Lending Club (LC) opening sale 1350 October \$15 puts for \$3.20

Healthcare

Elanco (ELAN) with 3500 May \$27 puts sold to open \$0.60

Phressia (PHR) buyer of 2000 May \$45 puts for \$1.50, adjusting the April \$50 puts bought on 3/29

Catalent (CTLT) with 970 May \$100 puts sold to open today for \$1.95, follows the 1000 May \$95 puts sold last week

Alnylam (ALNY) buyer of 300 May \$130 calls for \$12.50 this morning after their data release at AACR over the weekend

Amgen (AMGN) with the May \$240/\$220 put spread bought 1,500X3,000 for \$3 net debit into earnings on 4-27

Exact Sciences (EXAS) with 2,000 July / January 2023 \$115 put calendar spreads opening this morning around \$18

Industrials

American Air (AAL) in early action with 5800 May \$21 puts bought to open up to \$0.86

Team (TISI) with 1250 December 20/\$15 strangles sold to open for \$6.75 which leans bullish with shares at \$12, name with sizable June call OI

Pulte Homes (PHM) buyer of 3000 October \$55/\$70 call spreads \$3.85

Tesla (TSLA) with 8000 September \$720 short calls adjusting to the \$900 strike

United Air (UAL) buyer 5000 next week \$55 puts captures 4-19 earnings, paid \$1.62/\$1.63. **UAL** now 1200 September \$52.5 puts sell to open \$5.40

Old Dominion (ODFL) buyer of 150 May \$230 calls today for \$21.95, adjusting some April ITM calls out into strength, best-of-breed name

Lithia Auto (LAD) buyer of 300 May \$450/\$500 call spreads this afternoon for \$7.53 ahead of earnings in late April, nice history higher in seven of the last eight

DR Horton (DHI) drops here with 1500 May \$92.5 puts bought up to \$4.20

Triton (TRTN) IV rising this afternoon with 900 August \$65 calls bought up to \$2, working out of a narrow range above the 50-MA today

Materials

Valvoline (VVO) buyer of 3500 July \$30 calls for \$0.50 as it starts to work out of a narrow bull flag

Amyris (AMRS) with 1000 January 2023 \$17 synthetic long positions opening at \$0.40 credit

Teck (TECK) with 4000 January \$17 puts sold to open for \$1.85 today, stock replacement

Tech and Telecom

Snowflake (SNOW) with 2900 April \$235 calls active early with buyers as IV rises

Twitter (TWTR) April \$72 calls real hot early 4500X

Nova Measuring (NVMI) unusual 1000 November \$85 ITM calls sold to open \$19.50

Micron (MU) stock replacement opens 4000 June 2022 \$100 calls \$15.70

DropBox (DBX) opening seller 1200 October \$25 puts \$2.67

Microsoft (MSFT) moving to highs with 6500 May 28th (W) \$272.50 calls active with size buyers near \$2.82

Sea (SE) opening sale 1400 January 2023 \$175 puts for \$24.20, also 700 of the \$185 calls bought \$88.20

Accenture (ACN) buyer of 600 January \$280 puts for \$20.20, tied to stock

Intel (INTC) more than 12,000 April 30th (W) \$60.50 puts bought since the **NVDA** news, also captures 4-22 earnings

Advanced Micro (AMD) with 5000 April 30th (W) \$73 puts bought up to \$1.09 this afternoon to open, likely captures earnings which should be around 4-27

Criteo (CRTO) with 500 July \$35 calls bought for \$5.60, adjusting higher the \$27.50 calls with the recent M&A talk

Snowflake (SNOW) opening sale 600 January 2023 \$170 puts for \$24.60

ACM Research (ACMR) opening sales of 645 May \$75 puts for \$5 to \$4.90

Utility

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Not Investment Advice or Recommendation

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