



Sector Leaders

Gold Miners

Bonds

Software

Stock Gainers

PLBY 15.5%

WRI 10%

CTRN 10%

DELL 8.7%

PAAS 7%

PPD 7%

Volatility Gainers

- TWIN
- QS
- SPCE
- HTLD
- HL
- RKT

High Call Volume

- KDP
- SGMS
- PLBY
- DELL
- VSH
- CTVA

Bullish Options

- HPE
- IPG
- CHWY
- OMC
- UBER
- OKTA
- GSK
- QCOM
- NRG
- SGMS
- DAL
- KDP

Market Review: Stocks rebounded after a small dip on Wednesday with optimism surrounding strong earnings out of the Banks and Tech stocks as Q1 reports start coming in, also M&A activity continues to surge. Pre-market economic data came in very strong with Jobless Claims dropping, Retail Sales surging, and Philly Fed sharply beating estimates. Industrial production did miss estimates. It was an interesting session as Bonds rallied sharply along with Precious Metals, and carried the growth names with it, Tech leading. Energy and Banks lagged sharply. The unrelenting strength of markets continues, and while supported by the aforementioned strong data, also sets up for some sell the news reactions into earnings season and with put options very cheap, seems like an optimal time to be hedging positions. The schedule is light to close the week tomorrow though it is April options expiration.

S&P Chart:



Resistance	Support
4,135	4,000
4,385	3,880
4,400	3,830

Options Action Trends: Early action saw size May call buys in Advertising plays **IPG**, **OMC** after the Publicis earnings call.

What's On Tap: Housing Starts and Consumer Sentiment. Earnings from **MS**, **PNC**, **BK**, **STT**, **KSU**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **ETSY** May \$220/\$250 Call Spreads at \$7 – No Fill – Canceled (Spreads Up to \$10.75)
- 2) **Spotlight:** Long **SPOT** May \$300 Calls at \$8 – No Fill – Canceled (Calls Up to \$18)

Sector Laggards

Energy

Banks

Solar

Stock Losers

NCTY -12%

BEEM -12%

QS -11%

SPCE -11%

MAXN -11%

MVIS -11%

Volatility Losers

- PPD
- RPAI
- GME
- AMRN
- SNPR
- BTBT

High Put Volume

- TAK
- HAS
- DELL
- MLCO
- NVCR
- GDS

Bearish Options

- BABA
- ATUS
- T
- TAN
- IBM
- LKQ
- KAR
- FROG
- NTP
- LI
- ORCL



FEATURED OPTIONS RADAR REPORT



Bullish Activity in ADC Biotech Play Mersana

Ticker/Price: MRSN (\$17.14)

Analysis:

Mersana Therapeutics (MRSN) on 4/14 with 2000 August \$22.5/\$15 bull risk reversals opening for a debit of \$0.20 and follows bullish positioning in May since February, the \$20 calls with 1250X bought and the \$25 calls with 4800X bought while 2000 each of the \$20 and \$17.5 puts have been sold to open, so with shares at \$17 the reward/risk looking favorable. MRSN shares soared in May 2020 after reporting Phase 1 XMT-1536 data for its first-in-class ADC candidate targeting NaPi2b, in patients with ovarian cancer and non-small cell lung (NSCLC) adenocarcinoma. Shares have now pulled back to the August 2020 lows following that move and showing support the last four weeks above \$15. A Director bought 250,000 shares at \$18.36/share in January for \$4.59M. MRSN has a \$1.2B market cap and is focused on development of antibody drug conjugate (ADC) therapies for cancer patients. Their platform is considered a step forward from first-generation ADCs while being more effective and tolerable to patients. ADCs are a highly-targeted, potent biological drug that is built by attaching a small, molecular anti-cancer drug onto an antibody via a permanent link. The antibody then targets specific antigens within the body. They are sometimes referred to as empowered antibodies (mAbs). Typical ADCs will be highly selective which means they'll have less impact on healthy cells and they'll also have a potent cytotoxic aspect for destruction of cancer cells. MRSN's ADC platform generates high drug-to-antibody ratios with multiple payloads delivered per site, often 15-20. One of the biggest issues for high payload ADCs has been toxicity and MRSN developed a system called DolaLock which slowly converts the toxin over time into a metabolite. They are pursuing strategies in both cytotoxic and immunostimulatory ADCs. Their lead candidate is XMT-1536 which is being explored in ovarian cancer, NSCLC, renal, thyroid, and salivatory gland cancer. Analysts have an average target of \$27 with short interest elevated at 20.6% of the float. Stifel started coverage in December at Buy with a \$33 target calling it the most innovative play in the ADC space.

Hawk Vision:



Hawk's Perspective: MRSN clearly is risky with no revenues and an elevated short float, but also seems to be one of the more exciting plays, though 2021 catalysts appear limited, possibly a name that could attract M&A.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Bull Spreads Position for Geothermal Leader to Regain Momentum

Ticker/Price: ORA (\$78.87)

Analysis:

Ormat Technologies (ORA) seeing unusual action this week with 1250 September \$80/\$65 bull risk reversals opening on 4/8 and then on 4/14 the September \$80/\$70 bull risk reversals opened 100X while the \$100 calls are being sold against in these spreads. ORA rarely sees any options activity so it is an interesting strategy with shares down 12.6% YTD and a Utility that always screens favorably. ORA shares have pulled back sharply since February highs with a negative report out of Hindenburg Research calling the company corrupt in dealings in Kenya and Guatemala. ORA shares have based the last few weeks at a key long-term volume support level and back above \$79 can start a recovery move. ORA is a leading vertically integrated company that is primarily engaged in the geothermal and recovered energy power businesses. ORA seeks to become a leading global provider of renewable energy. Electricity is 76.8% of revenues where ORA develops, builds, owns and operates geothermal, solar PV and recovered energy-based power plants. The Product segment is 21% of revenues, equipment for geothermal and recovered energy-based electricity generation and remote power units and provide services relating to the engineering, procurement and construction of geothermal and recovered energy-based power plants. ORA also has a small Energy Storage segment. Based on the IGA, as of January 2021, geothermal power is generated in 29 countries with a total installed power generation capacity of 15,600 MW at the end of 2020. The IGA estimates an additional 4,000 MW will be added by 2025. ORA is the 2nd largest geothermal play in the World and sees 9X potential capacity versus the current installed. ORA expects ~ 50% MW growth by 2023 and is also focused on accelerating a leading position in the US storage space. ORA has a market cap of \$4.36B and trades 14X EBITDA, 40X Earnings, 2.3X Book and yields a 0.6% dividend. ORA EBITDA is seen falling 4.7% before recovering with 14.8% growth in 2022. Analysts have an average target of \$97 with short interest elevated at 9% of the float. BAML started shares Buy with a \$96 target in December, as increasingly recognizable as a quasi-yield-co structure with LT contracted cash flows on its renewable base derived almost entirely from 900 MW of Western U.S. geothermal assets.

Hawk Vision:



Hawk's Perspective: ORA has a bottoming structure making an easy trade-against level and very intriguing flows, I like the Geothermal space and it is the only real way to play it, though definitely some overhangs with Hindenburg's allegations.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



PennyMac Bulls Buy into 200-MA, Key Support into Spring Housing Season

Ticker/Price: PFSI (\$59.20)

Analysis:

PennyMac Financial (PFSI) late day buyers on 4/14 for 3,000 August \$70 calls for \$1.40 to \$1.65 with shares right back at the 200-MA and prior support. PFSI has 1,000 May \$55, 3,500 May \$60, and 3,000 May \$65 calls in open interest. Shares are back at the 200-day MA and put in a bullish reversal candle yesterday closing on the highs. PFSI also held the \$58 level again, a key area from both January and March while the top-end of the recent channel at \$68-\$70. Longer-term, a nice bull flag setting up after a strong rally in 2020 with upside to \$83. The \$4.13B company trades 5X earnings, 0.9X sales, and 1.25X book with a 1.35% yield. PFSI is one of the largest non-bank mortgage originators in the US, buying loans from smaller companies and selling them into their trust. PFSI is coming off of a strong year with historically low rates benefiting their Production business and in 2021 with rates creeping higher they expect to see stronger earnings out of their Servicing business as prepayments decline and the value of MSR grows. They have a roughly \$3B MSR portfolio. Analysts have an average target for shares of \$84 with a Street High \$109. Credit Suisse positive in February noting that while moderating from the peak, the return environment remains exceptional, which will continue to allow for significant book value growth in the coming quarters. In February, the CFPB announced it was investigating the company over disclosures made in 2015-2016. KBW commenting on the CFPB matter noted that it should not materially impact the company since the issues were self-identified and remediated prior to the CFPB exam. Short interest is 4.45%. Institutional ownership fell 5% in Q4, Senvest Management a buyer of stock and Basswood Capital added to their stake.

Hawk Vision:



Hawk's Perspective: PFSI is giving a nice risk/reward spot to lean against on the 200-MA and ultimately think the rates situation is being overblown while another strong Spring selling season should be a positive

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Kratos Bulls Position for Upside As Project Delays Subside

Ticker/Price: KTOS (\$27.50)

Analysis:

Kratos Defense (KTOS) over 5000 May \$30 calls bought up to \$1.30 and volume running over 7,500X now, a very coiled name under \$29. KTOS has seen buyers recently in the May \$27.50 calls, as well, over 2000X. Shares are flagging in a narrow range around the 8-EMA with a move above \$29 key to re-testing the prior highs around \$33-\$34. KTOS has a longer-term measured move out to \$45 and extensions of the strong trend. The \$3.5B company trades 52X earnings, 4.7X sales, and 9.2X cash with limited debt and accelerating topline growth at 9.3% in FY21 and 15.44% in FY22. KTOS had a mixed quarter in February as they continue to bounce back from many program delays last year due to COVID. They continue to invest in their core areas, Space, Satellite and Unmanned Systems, which are expected to be their highest growth and margin opportunities and signing new partnerships in 2020 including one with Microsoft to build out Azure's ground system. KTOS has a number of exciting 3-5 year projects ahead including their Air Force's expansion of Skyborg drones, hypersonic development, and development of the Ground Based Strategic Deterrent (GBSD) with Northrop. Analysts have an average target for shares of \$27 with a Street High \$32. Noble Capital cutting shares to Neutral in February but positive on the long-term prospects as KTOS is well positioned to capitalize on new and emerging trends in defense, but ultimately 2021 is a reset year with many programs having been pushed out due to COVID. Short interest is 4.25% and near 10-year lows. Hedge fund ownership rose 3.5% in Q4, ARK a buyer of more than 1M shares.

Hawk Vision:



Hawk's Perspective: KTOS is an attractive small-cap with a number of drivers on a longer timeline and has always felt like a nice M&A candidate after peers were bought out by large-cap defense names

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Solar (TAN) with 5350 May \$77 puts bought \$1.90 to \$2

Russell (IWM) with 7000 June 30th (Q) \$240 calls bought for \$2.65

S&P (SPY) buyer of 2000 September \$412 puts today for \$17.68, also a buyer of 7000 March 2022 \$360 puts \$14.91 with December \$310 adjusting

NASDAQ (QQQ) buyers of 4350 July \$315 puts today for \$7.18

Consumer Goods

GoPro (GPRO) buyers of 2000 May \$12 calls for \$0.78 to \$0.81, adjusting back some \$14 calls

Keurig Dr. Pepper (KDP) buyer 13,000 May \$36 calls \$1.08 as April \$33 adjust and take some profits

Dollar Tree (DLTR) with 400 January \$115 puts sold to open \$10.03

Celsius (CELH) highs of the day with 1000 May \$60/\$70 call spreads bought for \$3.15

Constellation Brands (STZ) with 400 October \$225 puts bought today for \$12.70 to \$12.90

Advanced Auto (AAP) buyer of the May \$190/\$220 call spread 1250X today as the \$185/\$210 spread from 4/6 adjusts higher

WW (WW) afternoon buyers of 1000 January \$40 OTM calls for \$2.40 to \$2.45

Tupperware (TUP) with 350 January 2023 \$42 puts sold to open today for \$19.80, nice base forming above its 200-day after a huge run in the 2H of 2020

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Consumer/Business Services

Omnicom (OMC) with buyers of 2300 May \$80 calls for \$3.30 to open this morning after the Publicis report, similar flows to **IPG** early

Uber (UBER) with 3500 May 7th (W) \$70 calls bought for \$0.57 to \$0.65 ahead of 5-5 earnings

Altice US (ATUS) buyers active for more than 4,250 January \$20 puts for \$0.60/\$0.65

Interpublic (IPG) unusual large buys of 5000 May \$30 calls early up to \$1.40, aggressive on wide spreads, after Publicis report

Chewy (CHWY) with 2000 May \$75 puts sold to buy \$90/\$105 call spreads with shares forming a nice rounded base

Target (TGT) offer buyers 2000 next week \$215 calls \$2.15, flagging tightly

Scientific Games (SGMS) with 5000 May \$50 calls bought \$1.50 to \$1.65

Activision (ATVI) with 450 January 2023 \$95 puts sold to open for \$14.40 today

MGM Resorts (MGM) opening sales of 875 January 2023 \$37 puts for \$7.10/\$7.15 as it flags near recent highs. **MGM** also now with the January 2023 \$35 puts sold to open for \$6.20 to \$6, over 800X

Cinemark (CNK) with 500 January \$22.50 puts sold to open for \$5 as theaters begin to reopen and many bigger releases pushed into the back-half of the year

Expedia (EXPE) buyer of 1000 May \$180/\$200 call spreads for \$4.30 ahead of early May earnings

Airbnb (ABNB) continues to hold support, next week \$185 calls very active 4000X trading around \$2.20 average with buyer flow. **ABNB** seeing stock buyers collar with 2500 May \$190/\$155 this afternoon

Abercrombie (ANF) jumpy with 5000 June \$42 calls bought here up to \$3.60 and follows the November \$44 calls bought last week

Under Armour (UA) with the October \$17.50 puts sold to open for \$1.75, over 1275X

SeaWorld (SEAS) with 800 January \$42 puts sold to open for \$5.50 to \$5.40, narrow range lately ahead of 5-6 earnings

Fubo TV (FUBO) with 1000 May 28th (W) \$22.50 calls bought today for \$2.15 ahead of 5-11 earnings, recently announced rights to some World Cup matches

Uber (UBER) with 1500 January 2023 \$52.5 puts sold to open \$9.05, adjusting from \$37

Energy

Murphy Oil (MUR) with 1000 April 2022 \$17.50 puts being sold to open today for \$4.70, basing nicely above its 50-day

Delek (DK) stock replacement opens 1000 December \$22.50/\$20 bull risk reversals for \$0.90 today

Suncor (SU) afternoon buyers of 3,500 January 2023 \$25 calls for \$3.20 to \$3.30, basing nicely above its 50-day MA

Financials

Visa (V) with 1200 July \$245 calls bought \$3.67 as June \$230 adjust

Lemonade (LMND) buyer 2070 May \$110 OTM calls for \$2.30

ING Group (ING) with 1000 October \$17 ITM puts sold to open today for \$4.80

Innovative Industrial (IIPR) with 1200 May \$195 calls sold to open \$6.90

Nam Tai (NTP) buyer of 2000 May \$11 puts for \$0.85 to \$1 here, a \$540M real estate developer in China

MasterCard (MA) buyer of 250 October \$375 calls for \$34.40 to open today

PayPal (PYPL) buyer of stock puts on 850 January 2023 \$400/\$250 collars for \$18.60

UpStart (UPST) the May \$100 calls being bought 800X around \$16.50 as the \$105 calls look to be adjusting back in strikes

Ally Financial (ALLY) into earnings with September \$50 calls bought 1500X at \$3.85

Healthcare

BioCryst (BCRX) more bull flow today with 2000 May \$10 puts sold to open for \$0.85, follows the risk reversals yesterday.

BCRX also with 1,500 May \$11 calls being bought now for \$1.05

Glaxo (GSK) trading 24,000 calls this morning with May \$40 calls bought 7000X \$0.30 to \$0.35 and 2500 August \$36 calls \$2.75 offer now, reports of a large Elliott stake this morning

Abbott Labs (ABT) the April 30th (W) \$126 calls being bought today \$1.59 to \$1.64, over 2000X ahead of earnings on 4-20

Medtronic (MDT) over 5,000 June \$130 calls being bought on the day now from \$2.50 to \$2.70, relative strength name ahead of earnings in late May

TelaDoc (TDOC) with 1500 July \$250 calls opening near \$4.20 in stock replacements

Moderna (MRNA) seeing buyers of 1000 each January \$180 and \$185 calls today for around \$5M combined, held an Investor Day yesterday

United Health (UNH) higher on earnings seeing 200 September \$390 puts sold to open \$25.05 and 1000 January \$390 puts sold to open \$36.75 to \$35.50

Boston Scientific (BSX) with 7000 April 23rd (W) \$41 calls opening today for \$0.55 as the \$39 calls bought this week adjust higher

CureVac (CVAC) a chart highlight from this morning seeing spreads sell 3000 May \$85 puts to buy \$120/\$135 call spreads.

CVAC said today they expect initial efficacy data for their COVID vaccine in Q2 but they're already moving forward with trials in adolescents too, potentially a big demand in Europe with the recent AZN and JNJ issues

Iovance (IOVA) with 1000 May \$35 puts sold to open for \$5.30, adjusting the April short puts

Industrials

Delta (DAL) into earnings weakness a buyer 2,450 January \$57.5 calls \$2.90. **DAL** also with 2000 January \$57.50 puts sold to open into weakness for \$13.35

Virgin Galactic (SPCE) weak today but seeing 1000 October \$29 puts sold to open today for \$9.50 in a stock replacement

Fed-Ex (FDX) the May \$300/\$320 call spread being bought 1500X3,000 today for \$2.19 debit

LKQ Corp (LKQ) with 5000 May \$42.5 puts bought \$1.30

Boeing (BA) with opening sales of 1390 August \$245 puts today for \$18.59, earnings 4-28, CSFB a positive preview this morning. **BA** also 300 November \$210 puts sold to open \$11.50

Xpeng (XPEV) with the April 30th (W) \$38 OTM calls active with buyers today, over 15,000X

Magna (MGA) with 1000 June \$100 calls bought for \$4.20 today, adjusting higher the April \$90 calls bought in February, follows the size June \$97.50 call buys this week

Spirit Aero (SPR) the January 2023 \$20 puts sold to open 2500X for \$2 to \$1.75

Li Auto (LI) with more than 9,750 April 30th (W) \$17.50 puts bought today from \$0.43 to \$0.47

United Parcel Service (UPS) buyer of 1,500 January 2023 \$155 ITM calls for \$35.40 this afternoon ahead of earnings on 4-27

Materials

Commercial Metals (CMC) with 2,000 May \$30 calls bought early for \$1.50 to \$1.70 into the shallow pullback off of recent highs

International Paper (IP) buyer 3300 May \$57.50 calls for \$1.30

Freeport (FCX) buyer 1000 August \$40/\$48 call spreads

Builder's First (BLDR) buyers of the August \$50 calls 1300X for \$4.10 to \$4.30

Southern Copper (SCCO) opening seller 800 September \$65 puts \$3.40

Tech and Telecom

Okta (OKTA) with 400 May 28th (W) \$265 calls bought to open today for \$18.45 to \$20.40 ahead of earnings which should fall around 5-27

HP Enterprise (HPE) early buyers in May \$16 calls 2700X \$0.54 to \$0.75

Alibaba (BABA) buyer 1250 May 28th (W) \$230 puts \$6.70 offer, earnings 5-21

AT&T (T) with 13,500 April 30th (W) \$29 puts bought \$0.30 to \$0.34, captures 4-22 earnings

IBM (IBM) buyer of nearly 1000 May 28th (W) \$132/\$124 put spreads, earnings 4-19, and poor history of reports

Western Digital (WDC) with 7000 May \$75 calls bought \$2.15, spreading with May \$80 calls that may be adjusting

Pinterest (PINS) buyer 4490 May \$90 calls \$4.52 as April \$80 adjust. **PINS** 2350 August \$70 puts selling to open \$5.20 bid today

Alphabet (GOOGL) with 3,000 May \$2,300 calls bought for \$68 as the \$2,200 calls adjust higher from 4/5, a position that already rolled up from the \$2,080 calls

Taiwan Semi (TSM) weak after earnings but seeing 1,500 January 2023 \$105 puts sold to open this morning for \$14.30

C3.AI (AI) with 1150 October \$80 calls being sold to open \$11.50 bids today, high valuation name that has struggled. **AI** also with near 900 October \$75 calls sold to open today for \$12.20 to \$11.80

Nutanix (NTNX) with 2500 July \$30 calls selling to open \$2.50. **NTNX** also with 2,500 October \$30 calls sold to open for \$3.85

Sea (SE) with 1600 June \$240 puts selling to open near \$18, stock moving strong here off lows

IAC Interactive (IAC) the May \$260 calls bought 750X for \$10.70, closing the May \$220 calls and adjusting them higher

Avaya (AVYA) with 1000 July \$34/\$27 bull risk reversals bought for \$0.30 debit, nice bull flag forming under \$33 and a weekly breakout has room to \$42+

Huya (HUYA) with 2,350 October \$17 puts sold to open today for \$2.65 into weakness

Bilibili (BILI) the June \$110 calls being bought 2500X for \$5.80 to \$6.10 mid-day

Microsoft (MSFT) buyers of 2000 August \$240 puts today \$7.65 offer

Facebook (FB) buyer today of 1500 July \$310 calls \$19.40/\$19.45

Palo Alto (PANW) buyers today of nearly 1000 May \$390 calls \$5.10 up to \$7.40

Pinduoduo (PDD) stock replacement buys 1000 October \$120 ITM calls for \$23.80

Oracle (ORCL) buyers this morning of more than 8000 May \$75 puts from \$0.76 to \$0.87

Utility

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Not Investment Advice or Recommendation

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