



## MARKET RECAP REPORT 4/23/2021

### Sector Leaders

Financials

Tech

Materials

### Stock Gainers

MVIS 35%

LAZR 19%

RLX 17.5%

TIGR 14.5%

SKX 14%

SKLZ 12.5%

### Volatility Gainers

- SYPR
- ALDX
- SAGE
- ACAD
- REAL
- AMBA

### High Call Volume

- RAIL
- YNDX
- CSTM
- PAGS
- AMBA
- ABEV

### Bullish Options

- FSLR
- ORCL
- GS
- ZM
- AG
- QFIN
- SQ
- SE
- VRM
- SABR
- MRK
- AMBA

**Market Review:** Stocks were modestly higher into the open as the volatility from the capital gains tax proposal digested overnight and strong PMI data came in for Asia and Europe. New home sales jumped 20.7% M/M in March with the annual rate of about 1.02M, above Street. The Midwest and South both saw strength. US PMI data was strong at 60.6 vs 59.1 prior and services also beat. Breadth was strong early with 10 of 11 major sectors in the green and we continued to climb throughout the morning as concerns over Washington abated. We made it back just above yesterday's highs while cumulative TICK continued to climb steady into the afternoon. We're back near the high-end of April value at 4184 and still feel a bit extended so any breakout next week may not have a lot of energy behind it. We held the 13-EMA all week and 4,110.5 the key spot to watch which could drive some more downside but for now a market holding up well.

### S&P Chart:



Resistance	Support
4,150	4,050
4,385	4,000
4,400	3,880

**Options Action Trends:** We saw OTM May call buys in semi names **AMBA** and **CREE**. Metals saw a lot of bullish flows today including **AG, X, SCCO, MT, FCX**, and **CSTM**

**What's On Tap:** It will be an extremely busy week with Q1 GDP, inflation data in both the US and EU, China PMIs, both the BOJ and FOMC, OPEC, and Biden's address to congress. And it's the busiest week of earnings by far in Q1 with notables from **TSLA, UPS, AMD, GOOGL, MSFT, SBUX, V, AAPL, MGM, QCOM, CAT, MA, MCD, AMZN, TWTR, CVX** and many, many more

### Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **ATVI** May \$95 Calls \$2.75

### Sector Laggards

Staples

Utilities

REITS

### Stock Losers

AVIR -10%

RUBY -9.5%

QDEL -7%

KMB -6%

INTC -5%

APLS -4%

### Volatility Losers

- SNAP
- ATOS
- CLVS
- SKX
- MAT
- LOTZ

### High Put Volume

- VRTX
- WEN
- NDAQ
- KMB
- CROX
- HRL

### Bearish Options

- ALDX
- AZO
- ASML
- AI
- BIIB
- SMH
- MCD
- LOW
- DELL
- TWTR
- DDOG
- SAGE



## FEATURED OPTIONS RADAR REPORT



### Fastly Bulls Position for a Bottom, See Upside Ahead

**Ticker/Price:** FSLY (\$66.66)

#### Analysis:

**Fastly (FSLY)** this week seeing several bullish trades, the May \$70 call open interest has surged above 11,000 from 2,200, the January 2023 \$125 far OTM calls with 2500 bought for over \$2.5M, the September \$65 puts sold to open 1500X, the September \$80 calls added 1500X, and December \$80 calls bought 400X. The positioning comes ahead of earnings 5-5. FSLY in February/March saw a lot of large put sales with 5000 September \$65, 3000 January \$55, 2000 January \$70, over 6000 September \$70 and 2000 May \$60 all sold to open, so with shares at \$66.50 there appears to be value at these levels. FSLY has been under pressure since February and sits back near support from October while weekly MACD is starting to curl higher and nearing a potential bull crossover. The FSLY low in March was right at a 61.8% Fibonacci of the 2020 range though shares remains under key VWAP levels. FSLY is a leader in the edge cloud platform that enables developers to build, secure, and deliver digital experiences, at the edge of the internet. The edge cloud uses the emerging cloud computing, serverless paradigm in which the cloud provider runs the server and dynamically manages the allocation of machine resources. When milliseconds matter, processing at the edge is an ideal way to handle highly dynamic and time-sensitive data. The edge cloud complements data center, central cloud, and hybrid solutions. The \$7.75B company currently trades 19.6X FY21 EV/Sales with revenues seen rising 31% in 2021 and 27.5% in 2022. FSLY has impressive 143% dollar based net expansion rates and 89% of revenues come from Enterprise customers. FSLY sees a \$36B market with \$18.6B in App Services and Edge Security and \$17.5B in CDN/Streaming. FSLY gross margins improved to 63.7% last quarter and sees room for further expansion as network efficiency improves. FSLY acquired Signal Sciences last August and sees 2021 as a big year for Secure@Edge which also brings higher margins along with Compute@Edge. FSLY mentioned at its MSCO presentation in March it is considering more of a move to be subscription-based. Analysts have an average target of \$85 on shares and short interest remains near record highs around 20% of the float. Piper upgraded shares to Neutral in March with a \$65 target noting the negative headwinds and catalysts have largely played out. Hedge Fund ownership jumped 13% last quarter, Abdiel with 23% of its portfolio and Whale Rock a \$360M reduced position.

#### Hawk Vision:



**Hawk's Perspective:** FSLY valuation is more reasonable here though always prefer NET which now trades twice the multiple. At a \$7.75B market cap FSLY could be an eventual acquisition target.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Southern Copper Bulls Eye Further Strength as Global Demand Ramps

Ticker/Price: SCCO (\$69)

#### Analysis:

**Southern Copper (SCCO)** with 1150 December \$60 ITM calls opening near \$12.60 on 4/22, follows bullish action earlier in the week in the June \$70 calls bought 1275X and sellers in the Sept. \$65 puts on 4/15. SCCO has seen buyers in the June \$75 and \$80 calls in March as well. Shares have pulled back to the low-end of March value and the 21-week MA after a long stretch of outperformance. SCCO has room out to \$90+ on a breakout above recent highs. The \$54.75B company trades 22.8X earnings, 6.8X sales, and 21X cash with a 3.3% yield. SCCO is a leading miner for copper and other minerals in South America with a focus on Peru, Mexico, Argentina and Chile. SCCO has a solid mix of new projects coming online as well as cost-efficient operations which position it well for long-term growth with copper inventories at their lowest level since 2014 and China scrap imports down 50% in the 2H of 2020. The company also has the global lead in reserves with 67.6 Mt vs Freeport at 52.6. Analysts have an average target for shares of \$50 with a Street High \$70. UBS cut shares to Sell this week expecting China copper demand growth to decelerate and noting that temporary price support factors are weakening. BAML positive on 3/2 citing long-term tailwinds for copper from decarbonization/electrification efforts. The firm thinks new projects will continue to come online in 2021 despite the higher prices and the supply/demand dynamic will remain favorable for miners with capacity. Short interest is 0.6%. Hedge fund ownership rose 10% in Q4, Moore Capital a buyer of stock.

#### Hawk Vision:



**Hawk's Perspective:** SCCO gets kind of overlooked by FCX but I like their positioning in the copper market and think there are plenty of macro drivers to push it higher through year-end, on watch for a reversal day back around these March lows

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### HCA Put Sales See Limited Downside into 2H

**Ticker/Price:** HCA (\$201.50)

#### Analysis:

**HCA Health (HCA)** higher after earnings yesterday and saw 1,600 January \$220 puts sold to open in the afternoon for \$32.50 expecting a continuation of the longer-term trend. HCA also saw 640 June \$195 puts sold to open around \$6.20. HCA has bullish open interest in the June \$185 calls where 1000 were bought in late March for \$1M. HCA has shown a lot of strength since the initial COVID lows and broke out of a two-and-a-half-year bull flag above \$140 last Summer. Shares are extended here but support below around \$185 and the March/April VPOC with upside to \$220+. The \$66.7B company trades 14.12X earnings, 1.3X sales, and 10.7X FCF with a 1% yield. HCA is a leader in health care services with both general and acute care hospitals. HCA raised their outlook this week seeing strength in the 2H as COVID headwinds fade and outpatient revenues rebound across post-acute, ER, and ambulatory surgery. HCA has talked extensively about capital deployment in the last year, especially around M&A. The company recently announced a deal to buy Brookdale's home health business, a move that gives them a nice foothold on the growing home care and hospice opportunity. The company noted earlier this year they discharge about 250,000 patients annually into home care and their new offering will give them an advantage to continue care. Analysts have an average target for shares of \$180 with a Street High \$230 from Truist. The firm was out on 4/14 raising estimates bullish on the group as COVID-19 headwinds dissipate. The analyst notes that FCF should remain robust amid an attractive reopening and a rebound in economy, with accelerating flight to quality set to further tip the field in favor of scaled, high quality, well capitalized providers. Short interest is under 1%. Hedge fund ownership rose 1.2%. Viking Global a buyer of a new 1.7M shares while Sanders Capital has 7M shares.

#### Hawk Vision:



**Hawk's Perspective:** HCA is fairly extended here but a pullback into that 8-EMA and prior volume node could present a nice bounce opportunity for a high-quality name with multiple tailwinds into the 2H and could strike another M&A deal too

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Semiconductors (SMH)** buyer 2000 June \$245/\$205 put spreads

**Oil & Gas (XOP)** buyer 10,000 September \$85/\$100 call spreads as June spreads adjust

**Nasdaq (QQQ)** with 12,000 July \$270 puts bought for \$1.80 this morning and spread with a sale of 4,000 of the \$351 calls for \$7.99. **QQQ** also with the January \$305 puts bought for \$16, over 15,000X

**Energy (XLE)** with 14,000 July \$53 calls bought for \$0.58 as some June calls adjust

**Regional Banks (KRE)** with 7500 May \$68/\$59 bull risk reversals opening today for \$1.65

**Homebuilders (ITB)** now with 17,000 June \$62/\$58 put spreads bought and follows the earlier May \$71 put buys, likely hedging activity

### **Consumer Goods**

**AutoZone (AZO)** shares rolling over a bit with 500 April 30th (W) \$1460/\$1395 put spreads bought for \$22.30, earnings not until mid-May but **O'Reilly (ORLY)** reports 4-28

**Ambev (ABEV)** buyer 4000 October \$3 calls \$0.30 to \$0.35

**Levi (LEVI)** buyer 1150 July \$29 ITM calls \$2.25 to \$2.45, coming off an impressive quarter

**Under Armour (UAA)** buyer of the May 7th (W) \$23 calls 7500X for \$1.42 and spread with the \$26 calls sold 10,000X for \$0.36, the May 7th (W) \$21.50 calls closing 5000X and earnings 5-4

**Croc's (CROX)** with 4000 May \$90/\$100 call spreads opening today with the \$75 puts sold and still has 6000 May \$80 calls in OI

**Walmart (WMT)** with over 11,000 May 14th (W) \$141 calls being sold to open today from \$1.55 to \$1.39

**Dollar Tree (DLTR)** sellers of 1000 May 28th (W) \$115 puts around \$4.15 today, targeting earnings which should be 5-27

**Kimberly Clark (KMB)** weak today after earnings and guidance but seeing 2,500 June \$130 puts sold to open for \$3. **KMB** also with 1,500 October \$110 puts sold for \$1.25 to \$1.20 to open today

**Target (TGT)** large buyer of 3,200 May \$205 calls for \$7.10 to open, earnings in mid-May

**Sysco (SYY)** now with 1000 June \$85/\$80 bull risk reversals bought for \$0.94 debit

### **Consumer/Business Services**

**Vroom (VRM)** trading 3000 May \$45/\$55 call spreads, earnings 5-12, recent relative strength. **VRM** also seeing 1000 May \$30 calls open today for \$15.63 as the July \$35 calls adjust back for earnings

**Expedia (EXPE)** buyer opening the May \$185/\$200 call spread 1000X2000 for \$1.58 into early May earnings

**Roblox (RBLX)** with buyers of the May 7th (W) \$70 calls for \$4.20, over 1675 so far and follows the May 7th (W) \$72 call buys yesterday. **RBLX** now with 2000 of next week's \$71 calls bought up to \$3

**Electronic Arts (EA)** IV rising with 1300 May 7th (W) \$145 calls bought up to \$2.15

**Draft Kings (DKNG)** mid-day buyers of the May \$59.50 calls for \$3.10, over 2350X

**FarFetch (FTCH)** also seeing bullish positioning today with 1000 June \$40 puts sold to buy the \$50/\$60 call spread

**Rush Street (RSI)** higher by 6.5% today, bull flows all week in the name, and today 3000 May \$15 calls being bought for \$0.85

**The Real Real (REAL)** with IV rising as 2,850 May \$25 calls bought for \$1.65 ahead of early May earnings

**Wendy's (WEN)** spread sells 5,000 May \$24 calls to buy the \$23 puts for \$0.90 ahead of 5-12 earnings and McDonalds (MCD) next week

**Altice US (ATUS)** buyer of 2,500 December \$26 puts for \$0.95, tied to stock

**Chewy (CHWY)** with over 850 October \$85 calls bought between \$9 and \$9.10

**Melco (MLCO)** afternoon buyer of 10,000 July \$20 calls for \$0.80 with shares back near the 200-day

**TripAdvisor (TRIP)** moving to the highs of the day with 7500 May \$50 calls bought for \$3.90, adjusting the June \$37 calls

### Energy

**First Solar (FSLR)** buyer 2000 June \$95 calls \$3.75 early

**Hess (HES)** buyers 1675 May 7th (W) \$63 puts \$0.95 to \$1

**Marathon Oil (MRO)** with 1600 January 2023 \$5 ITM calls opening today for \$6.20 to \$6.30

**Valero (VLO)** with over 5,000 June \$75 calls sold today from \$1.87 to \$1.80

### Financials

**KeyCorp (KEY)** with 1000 September \$21 calls bought \$1.25 to \$1.30, nicely coiled weekly range

**Lemonade (LMND)** opening sale of 1,500 June \$70 puts for \$1.85 today as it looks to work out of a multi-month base

**Square (SQ)** buyer of 1500 December \$410 OTM calls for \$4.70 to \$5.10 today with shares trading \$245. **SQ** also with 1500 December \$200 puts sold to open today for \$17.10 to \$16.40 in stock replacements

**Goldman (GS)** early bull flow with 1150 May 7th (W) \$335 calls bought \$5.75 to \$6.20

**PagSeguro (PAGS)** the January \$47.50 calls being bought 3,850X for \$6.15, adjusting back the \$55 calls where over 12,000 sit and similar to last week could see them all move back

**Nasdaq (NDAQ)** IV climbing mid-day with over 4,900 January \$125 puts bought up to \$3.50, follows bearish flow earlier this week

**Factset (FDS)** sharp move off the early lows with a media report that the company is attracting takeover interest and 250 May \$350 calls being bought today from \$10.50 to \$13.20

**SVB Financial (SVB)** strong today and seeing 200 August \$520/\$420 put spreads open for \$19.40

**Fifth Third (FITB)** buyers of the June \$34 calls for \$4.60 today, over 1350X

**TransUnion (TRU)** spreads today are selling the May \$115 calls to buy the \$100/\$90 put spread 1200X into earnings 4-27



**Itau Unibanco (ITUB)** stock replacement sold 4000 January 2023 \$4.50 puts for \$0.82

### Healthcare

**Aldeyra (ALDX)** vulnerable to a breakdown and 3250 June \$15 calls sell \$0.75 to buy the May \$10 puts at \$1.40

**Boston Scientific (BSX)** with 7250 next week \$42.50 calls opening as the \$41 calls adjust into 4-28 earnings

**Alkermes (ALKS)** spread buys 2,000 August \$25 calls for \$1.17 and sells the \$20 puts 1000X for \$1.64

**Merck (MRK)** opening buyers of 1,500 November \$80 calls for \$3.45 ahead of earnings next week

**Moderna (MRNA)** buyer of 1000 January \$195 calls for \$25.40 to \$25.80 and spread with sales of 500 \$160 puts for \$25.15

**Eli Lilly (LLY)** buyers of 1000 June \$185 puts for \$6.65 this afternoon, tied to stock ahead of earnings

**Catalent (CTLT)** buyers of 1000 May \$115 calls mid-day for \$5.20 to \$5.90 to open, name that has seen a lot of May put sales recently into earnings on 5-4 and higher each of the last six

**SAGE Therapeutics (SAGE)** the August \$70/\$40 put spread opening 1640X today for \$13.90 ahead of data

**Argenx (ARGX)** with 150 November \$320 calls bought for \$30.41, adjusting higher the May \$270 calls

**Establishment Labs (ESTA)** buyer of the May \$75/\$85 call spread 500X1,000 for \$2.10 today with earnings in early May

**Encompass Health (EHC)** strong again today and now seeing a spread sell the May \$80 puts to buy the \$90/\$100 call spread 1250x for \$2 net debit, earnings next week and some sell-side notes this week that they could be pushed to explore a full sale by Jana Partners

**Vertex (VRTX)** the June \$210/\$195 put spread opening 11,700X23,400 today for \$1.70

### Industrials

**Canadian Pacific (CP)** with 435 September \$390 ITM puts sold to open this morning from \$37 to \$36.80

**JetBlue (JBLU)** stock replacement sells 2,000 September \$18 puts for \$1.23

### Materials

**First Majestic (AG)** stock and IV rising with 3000 June \$17 calls bought from \$1.27 up to \$1.36

**US Steel (X)** with 1,500 May 7th (W) \$22/\$25 call spreads bought to open today, nice basing action this week above its 50-MA. X highs of the day and now 1000 May 7th (W) \$21 calls bought for \$3.10

**Alto Ingredients (ALTO)** buyer of 4,500 July \$5 calls for \$0.90 in a stock replacement, a \$380M maker of specialty alcohols and essential ingredients for use in things like mouthwash, cosmetics, sanitizer, and other cleaners

**Ferroglobe PLC (GSM)** with 10,000 December \$3 puts being sold to open for \$0.60/\$0.55 with shares breaking out of a wide range

**Axalta (AXTA)** with 5700 May \$34 calls bought for \$0.60, name often brought up in M&A talk and reports on 4-26

**Southern Copper (SCCO)** jumping mid-day with 2,000 June \$85 calls bought for \$0.50/\$0.60, bullish flow all week in the name

**Arcelor Mittal (MT)** buyer of 5,000 June \$31 calls for \$1.59 to open, spread with the \$35 calls that may be adjusting back

**Univar (UNVR)** buyer of 1500 December \$25/\$30 call spreads in the relative strength name

**Constellium (CSTM)** buyer of 2,000 November \$20/\$30 call spreads for \$1.05 and also seeing 4,500 August \$18 calls open for \$1.10 spread with the \$20 calls. **CSTM** also with 2000 August \$17 calls bought this afternoon for \$1.45

**Freeport (FCX)** buyer of 3,000 November \$36 calls for \$5.15 in a stock replacement

**Vale SA (VALE)** with 10,000 September \$17 puts sold to open today for \$0.90

**Dow Chemical (DOW)** with 1000 September \$60 puts sold to open today for \$4.20 and also 1000 January \$60 puts sold for \$6.15 to \$6

**Resolute Forest (RFP)** with 2000 November \$17.50 calls sold to open for \$2.80

### **Tech and Telecom**

**Sea Ltd (SE)** buyers of 1,250 January \$270 calls for \$35.80 to \$36.50 as the \$200 calls adjust higher

**ASML** with 500 May \$620 puts bought \$6.90 to \$7.15

**Oracle (ORCL)** buyer 1000 December \$80 calls \$3.80 offer with shares pulling back this week

**C3.AI (AI)** trading 1250 December \$95 puts for \$4.5M, Dec. IV coming down and looks closing, potential bullish signal with a nice base forming

**Snap (SNAP)** buyer 5000 next week \$61/\$66 call spreads

**Qualtrics (XM)** opening sales 1700 November \$30 puts \$1.65 to \$1.55

**Pinduoduo (PDD)** buyer of 1,550 June \$145 calls for \$8.35 this afternoon

**Datadog (DDOG)** afternoon buyer of 1000 May \$85 puts for \$4, earnings in early May and lower the last three

**Yandex (YNDX)** off the mid-day lows with over 4000 May \$65/\$75 call spreads bought for \$1

**Twitter (TWTR)** buyers of 1,750 May \$66 puts today for \$4.65 into earnings next week. **TWTR** also with a buyer of the May \$67/\$50 put spread 2,300X4,600

**Seagate (STX)** buyers of 1000 January \$105 calls today for \$3.70/\$3.80 after earnings, shares higher by 5%

**VMWare (VMW)** with 1,500 July \$180 calls sold for \$5.30 to open today, tied to stock in a buy-write. **VMW** also with 3,000 May 7th (W) \$185 calls sold for \$1.15 to open

**Intuit (INTU)** with 1000 June \$360 puts sold to open for \$2.85, stock replacement

**Advanced Micro (AMD)** with over 7000 May 7th (W) \$90 calls bought for \$1.14 to \$1.17 today. **AMD** also buyers of 1350 May \$85.50 calls for \$3.10 into the highs

**Baidu (BIDU)** with 400 June 2022 \$290 calls bought for \$18.10 today, stock replacements

**Ambarella (AMBA)** buyer of 2,500 May \$117 OTM calls for \$1.85, narrow base forming under its 50-MA. **AMBA** also with 700 June \$105 calls bought today \$8.90 to \$9.20



**Cree (CREE)** with 2,725 May \$135 OTM calls bought for \$1.35 to \$1.55, wide spread. **CREE** also with 700 June \$120 calls bought for \$6.40

**Splunk (SPLK)** buyer of 1000 January \$125/\$110 bull risk reversals for \$17.05

**Taiwan Semi (TSM)** with over 4000 May 7th (W) \$124 calls being bought today for \$0.65/\$0.70

**Nvidia (NVDA)** buyer of 1000 July \$650 calls this morning from \$27 to \$27.30

**New Relic (NEWR)** stock replacement bought 1850 September \$80 calls today for \$4 to open this morning

**EventBrite (EB)** with 1000 May \$17.50 calls bought this afternoon for \$4.70 to \$5

**Teradata (TDC)** with 2000 May \$50 puts sold to open today for \$3.10 after their strong guidance this week

### Utility

#### **Disclaimer:**

#### **Not Investment Advice or Recommendation**

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