



MARKET RECAP REPORT 4/29/2021

Sector Leaders

Housing

Banks

Consumer Goods

Stock Gainers

FLWS 19%

ATOS 15%

OCUL 15%

RLGY 14%

CCS 11.5%

ATRC 11.5%

Volatility Gainers

- ATOS
- APTO
- RADA
- OCGN
- EXTR
- WRAP

High Call Volume

- EXTR
- ESI
- FLWS
- WDAY
- MBI
- AON

Bullish Options

- SCHW
- ATOS
- PYPL
- BIDU
- DKNB
- CRSP
- WBA
- NOW
- IQ
- TCOM
- DPZ
- WY

Market Review: Stocks continued higher overnight to record highs after Biden's strongly delivered speech as well as strong reports from Apple, Facebook, and many other companies as earnings beats continue at a record rate. Stocks faded after the strong open with growth names coming under pressure as Yields started to jump once again. Strength was seen in Housing, Banks, Industrials and Consumer Banks as we saw a bit of a rotation back to cyclical/Macro. Biotech and Solar remained weak while Software also dipped. The S&P found some support intraday at the rising 8-day moving average keeping bullish momentum intact though the highs came right at channel resistance. We have a packed Friday morning of economic data and a bunch of Tech reports tonight to see how this weekly candle closes as we head into a new month next week.

S&P Chart:



Resistance	Support
4,220	4,050
4,385	4,000
4,400	3,880

Options Action Trends: We saw some large call buys into earnings-selloff names of quality like **NOW**, **DPZ**. We also saw a lot of adjustment trades from profitable large call buys in large cap leaders like **GOOGL**, **MA**. We definitely saw more put buying than we have seen in a long time.

What's On Tap: Income & Spending, Inflation Data, Chicago PMI, Consumer Sentiment. Earnings from **XOM**, **CVX**, **ABBV**, **AZN**, **CHTR**, **CL**, **AON**, **JCI**, **LYB**, **WY**, **PSX**, **CLX**, **QSR**, **NWL**, **CBOE**, **HUN**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **SNOW** June \$250/\$270 Call Spreads at \$5.20
- 2) Closed **CMCSA** Calls \$2.15 (Opened \$1.35)

Sector Laggards

Solar

Metals

Software

Stock Losers

CARA -45%

ADVM -60%

ATOM -22.5%

FORM -18%

PI -17.5%

AZPN -12%

Volatility Losers

- CARA
- AMRN
- ALGN
- INOV
- RLGY
- OSTK

High Put Volume

- PLBY
- STLA
- CTXS
- DISCA
- EBAY
- F

Bearish Options

- TRIT
- EBAY
- PENN
- DB
- CLF
- NUVA
- HYFM
- FCX
- SWKS
- BTU
- RPD
- OKE



FEATURED OPTIONS RADAR REPORT



Bulls Position in Edgewell Care with Valuation Cheap, Growth Inflecting

Ticker/Price: EPC (\$38)

Analysis:

Edgewell Personal Care (EPC) with its first notable trade in a long time as 5000 August \$40 calls bought to open for \$2.30 on 4/28 ahead of earnings 5-6. EPC shares are forming a small flag on the daily while the weekly consolidating after working out of a long base that measures to a target of \$50. Edgewell is one of the world's largest manufacturers and marketers of personal care products in the wet shave, sun and skin care, and feminine care categories. EPC has a small market cap of just \$2.08B and trades 12.9X Earnings, 1.07X Sales and 14.15X FCF with a 1.58% yield. Forecasts see revenues rising 5.4% in 2021 with EBITDA rising 4.1%. EPC has made some interesting acquisitions the last few years with Harry's and CREMO, the latter a premier men's grooming company it paid \$325M cash for in August. Analysts have an average target of \$40 with short interest at 8.8% of the float and rising 43.8% Q/Q. EPC's organic sales growth is expected to inflect positively in 2021 and improve through FY23 driven by abating share declines in Wet Shave and steady performance in Sun/Skin Care. EPC also has the balance sheet and capacity to continue to make bolt-on acquisitions and is also undergoing productivity cost savings with plans to return excess cash through share repurchases. EPC's categories were negatively impacted by COVID-19 as consumers remained at home, reducing shaving incidences and using less sunscreen. Deutsche Bank raised its target to \$40 in November highlighting the turnaround strategy after the Investor Day with margin expansion, stabilizing core categories and accelerating growth.

Hawk Vision:



Hawk's Perspective: EPC is a small cap value name of interest, nice flag set-up, cheap name, and sneaky reopening winner, so it looks good for a run higher.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Target Retail Trading Leader Schwab at Recent Highs

Ticker/Price: SCHW (\$71)

Analysis:

Charles Schwab (SCHW) with 6,500 September \$70 calls bought this morning up to \$5.65, sizable trade in the name hitting new highs this week. SCHW has seen over 18,500 June \$70 calls accumulate recently as well including buyers on 4/23. Shares broke out of a multi-week range this week above \$69 after pulling back to the 50-MA and has a measured target of \$75. The \$127B company trades 20.75X earnings, 9X sales and 3.15X cash with a 1% yield. SCHW has been focusing on integrating their deal for Ameritrade so far in 2021 and gave an update last week noting they remain on track to hit early synergy goals. The deal positions them as a leader in retail trading at a time when smaller trading is surging in popularity and activity is robust. They're coming off a strong quarter with 3.2M new accounts opened, higher than all of 2020 ex-M&A, while trading activity has been strong too amidst the zero-fee environment. SCHW is set to be a big beneficiary of the rising rate environment with client assets climbing above \$7T last quarter, up 6% in the last three months. Analysts have an average target for shares of \$75 with a Street High \$93 from Citi. The firm was out on 4/23 positive on the long-term outlook. CSFB upgrading to Outperform on 4/27 as the company will benefit given that it's one of the most interest rate sensitive U.S. large cap companies. They see \$4/share in earnings power by 2023 and \$5 by 2024 as the Fed raises rates. Hedge fund ownership rose 14% in Q4, SouthPoint Capital a buyer of 4M shares. Short interest is 0.70%.

Hawk Vision:



Hawk's Perspective: SCHW is extended short-term but I like it on a pullback to that \$68 level as it should continue to benefit from not only the better trading environment but also rate expectations and potentially expansion into areas like crypto this year

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Call Buyer Steps into Earnings Weakness in Service Now

Ticker/Price: NOW (\$510)

Analysis:

Service Now (NOW) size buyer stepping in this morning to weakness after earnings for 4,500 August \$530 calls from \$31.20 to \$34.50. NOW has seen a lot smaller, high-dollar buys in the May, August, January, and June 2022 calls recently. Shares pulled back right to the 200-day MA and just above March value at \$500. The long-term bull trend remains intact and potential to form a higher low on the weekly vs the March levels before continuing higher with a longer-term measured move out to \$750. The \$108.5B company trades 16.5X EV/sales with steady revenue growth expected around 25% annually in both FY22 and FY23. NOW posted 30% subscription growth in Q1 and some concern as new deals over \$1M slowed but they still posted 23% growth Y/Y in ACV over \$1M and 50% growth in those over 50%. Demand around financial services, healthcare, and government remains strong, the latter highlighted by new contracts with DHS and the Dept. of Ag, while there's optimism around growing areas like HR as well which will expand their addressable market opportunity throughout 2021. NOW continues to have a significant long-term opportunity with digital investments rising and expected to continue growing, the company noting earlier this year that IDC sees digital transformation spending totaling more than \$7.4T by 2044. Analysts have an average target for shares of \$608 with a Street High \$680. BMO this morning with a \$575 PT noting that the company should be able to sustain growth in its core ITSM market and leverage its installed base for upsell opportunities. Wolfe with a Buy rating on 4-22 as its revenue run rate is poised to double over the next three years and the company has industry-leading free cash flow margins. Hedge fund ownership fell marginally in Q4, Polen Capital and Sands Capital both remain top holders. Short interest is 1.45% and near the lowest levels since it IPO'd in 2012.

Hawk Vision:



Hawk's Perspective: NOW has long been a favorite name in the software space and think the sell-off is a bit of an overreaction relative to the larger opportunity in 2021 and beyond that exists for a company with a history of executing well; as with any gap down like this, I want to see it hold up over the next couple days but the 200-MA should be a nice backstop

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) with 40,000 May 14th (W) \$421 calls bought \$3.72 as Apr. 30th (W) \$415 calls adjust

Small Cap Bear 3X (TZA) buyers of 3000 June \$31 calls \$3.55/\$3.60

Emerging Markets (EEM) buyer of 15,000 July \$54 puts this morning \$1.78

Oil Services (OIH) this morning with 9000 June \$215 calls bought \$4.09 to open, top holdings **SLB, HAL, BKR, TS, FTI, CHX, NOV**

Consumer Goods

Hydrofarm (HYFM) buyer 1000 June \$60 puts \$5.40 into strength

Beyond-Meat (BYND) stock buyer collars with 5000 May 28th (W) \$140 calls and \$115 puts

Consumer/Business Services

Penn National (PENN) with 2,000 of next week's \$91/\$80 put spreads bought for \$3 ahead of 5-6 earnings

Bally's (BALY) buyer of 500 November \$65/\$90 call spreads for \$5.75 to open, small-cap casino name profiled last week

DraftKings (DKNG) buyer of 4000 August \$60 calls \$7 to \$7.08, already size in OI and will confirm change tomorrow

Lyft (LYFT) with 1275 January 2023 \$57.50 puts sold to open \$11.95 to \$12.40. **LYFT** 2500 June \$47.50 puts sold \$1.18/\$1.17 to open

Trip.com (TCOM) with 2,000 July \$43 calls bought here for \$1.68 to \$1.70

Domino's Pizza (DPZ) into post-earnings low with 3000 June \$400 calls bought \$12 to \$13.20 to open

Uber (UBER) buyer of 3,000 August \$55 puts this morning for \$4.45 ahead of earnings next week

Nike (NKE) spread sells 3000 August \$120 puts to buy the \$140/\$155 call spreads, recent 200-MA defended

Doordash (DASH) lows as 3000 weekly \$150 puts open, could be tied to **UBER/LYFT** news

Caesars (CZR) with 1000 September \$90 puts bought today \$7.20 to \$7.45, earnings next week

Floor & Decor (FND) spread sells 1,000 July \$120 calls and buys the October \$100 puts today for a \$0.40 net debit, likely collaring stock in the strong name with earnings next week

Groupon (GRPN) buyer of 2000 December \$65/\$90 call spreads for \$4.20

Electronic Arts (EA) with 2,000 May \$140 puts bought for \$2.64 and spread with 3,000 May \$130 puts sold for \$0.77 ahead of 5-11 earnings

Starbucks (SBUX) with 900 June 2022 \$105 calls opening today for \$17.35 as the January calls adjust out

Wayfair (W) with 300 January 2023 \$320 puts sold to open today between \$91 and \$89.80

Comcast (CMCSA) with 3,000 June \$57.50 puts sold to open for \$2.32 today in a stock replacement

Energy

ONEOK (OKE) with 2,000 October \$45 puts bought for \$1.90 to \$1.95 today

Exxon (XOM) with 2000 June 2022 \$52.50/\$47.50 bull risk reversals opening today for \$5.35

Enphase (ENPH) with 975 August \$140 calls opening for \$21.50 as the May \$125 calls adjust higher

Financials

PayPal (PYPL) with 3300 May 7th (W) \$290 calls hot with buyers near \$3 early, earnings on 5-5

MBIA (MBI) jumping with 1000 November \$9 calls bought for \$2.35 to open

Deutsche Bank (DB) buyer 1100 January \$17 ITM puts for \$3.75

Tanger Outlet (SKT) stock replacement sold 2000 June \$19 puts for \$1.75 this morning. **SKT** 2850 May \$18 short puts at \$0.75 also active after the **VER** M&A deal

Simon Property (SPG) with 500 June \$125 puts sold to open for \$6.65 this morning

MasterCard (MA) with 4,000 August \$390 calls bought for \$20.05, closing 2,000 October \$390 calls and adjusting back

Blackstone (BX) buyers of 1800 May \$88 puts today for \$2.02, fairly extended move higher

Triterras (TRIT) spread now sells 1,500 January 2023 \$7.50 calls for \$2.06 and buys 4,500 August \$5 puts for \$0.55

Zillow (Z) with 1250 May \$115 puts bought \$2.63 to \$3.10

Fiserv (FISV) with 2,500 January \$140 calls being bought today from \$4.50 to \$4.80, shares back at the 50-MA

JP Morgan (JPM) buy-write sells 1000 October \$160 calls \$7.20

Goldman Sachs (GS) the June 2022 \$300 puts being bought today 1000X for \$22 to \$22.30 tied to stock

Santander (SC) jumps with July \$35.78 calls bought 6000X \$0.85 to \$1

Goldman (GS) with 1000 June 2022 \$300 puts bought \$22.05, stock tied

Healthcare

Pacific Bio (PACB) with 500 May \$29 calls bought early for \$5.30, follows May risk reversals yesterday ahead of earnings tonight

CRISPR Therapeutics (CRSP) another 750 July \$130 calls being bought today between \$16.90 and \$17, looks to be adding to buyers from earlier this year

VBI Vaccines (VBIV) with 1125 January \$3.5 puts sold to open for \$1.30 today

Clover Health (CLOV) buyer 1000 November \$17.50 calls for \$1.75 offer

Atossa (ATOS) calls hot early again with July IV surging and action all the way to the \$9 strike

Walgreens (WBA) volume continuing and now over 1000 October \$47.50 ITM calls bought on the morning around \$6.40

Nuvasive (NUVA) with 1000 May \$65 puts bought for \$1.10 into earnings next week, 5-5

Esperion (ESPR) with 600 December \$25 puts sold to open for \$4.50 today

Novavax (NVAX) with 800 October \$300 calls being bought \$27.50 to \$39 this morning, also a seller 250 of the \$210 puts for \$38.15

Apellis (APLS) the October \$50 calls being bought 800X to open for \$13.60, basing nicely above its 200-day MA, Goldman note this morning positive into their May PDUFA. **APLS** also seeing 500 December \$75 OTM calls bought for \$6.75

Cardinal Health (CAH) the January 2023 \$57.50 calls bought today for \$8.90 to \$9.10, over 700X

Teladoc (TDOC) with 400 January 2023 \$150 puts sold to open today in stock replacements for \$28 to \$27.90

LabCorp (LH) with 2000 November \$280 calls bought up to \$17 to open here, undergoing a strategic review after activist Jana Partners took a stake

Fate Therapeutics (FATE) with 2000 May \$95 calls opening sales \$5.50 to \$5

BionTech (BNTX) trading 400 June 4th (W) \$195/\$215 call spreads

Align Tech (ALGN) with 1,500 October \$610 calls bought from \$60.20 to \$62, adjusting some May calls out today, ugly reversal after gapping higher on earnings

Industrials

Tesla (TSLA) early morning size buyer 2500 May 7th (W) \$710 calls \$15.95 to \$16.20

Ford Motor (F) with 1500 September \$8 ITM calls being bought for \$3.55 into weakness today as some June calls adjust

Zebra Tech (ZBRA) with 400 May \$490/\$470 put spreads bought for \$7.50 into earnings on 5-4

Fluor (FLR) intraday base with 1900 July \$22.50 calls bought \$2.60 to \$2.65 offers, earnings 5-7, daily chart coming out of consolidation

Rada Electronics (RADA) long-time favorite small cap with unusual 2375 July \$12.50 calls hot with buyers today, earnings 5-11

Union Pacific (UNP) with 400 January 2023 \$220 puts bought today between \$30 and \$30.40

GM with 4000 September \$52.50 puts sold to open \$3.22

Materials

Cliff Natural (CLF) with 1000 July \$20 puts bought \$3.15

Freeport (FCX) with 1800 November \$31 puts bought this morning for \$2.13. **FCX** 3000 June \$36 puts bought \$1.71

Weyerhaeuser (WY) buyer of 1098 January 2023 \$37 ITM calls to open \$7.70

Mosaic (MOS) jumps as another 39,500 June \$40 calls trade. **MOS** the September \$37 calls with over 5,000 bought today as well up to \$4.30

CF Industries (CF) with 1400 November \$52.5 calls sold to open \$3.80, earnings 5-5

Louisiana Pacific (LPX) the May 2022 \$55 puts sold to open 1600X for \$6 this afternoon in a stock replacement

Tech and Telecom

Harmonic (HLIT) stock and IV higher with 1400 May \$7.50 calls bought for \$1.05 ahead of earnings next week, 5-3, and shares higher two of the last three

Baidu (BIDU) buyer of 1000 July \$250 calls for \$5 and follows size put sales in the July \$220 strike yesterday. **BIDU** with 850 September \$175 puts selling to open \$5.85 to \$5.70

Five-9 (FIVN) with 620 June \$180 calls sold to open this morning \$10 to \$9.70

Extreme Networks (EXTR) weekly bull flag breakout today and 1,425 September \$12 calls bought \$1.55

AT&T (T) with 12,000 June \$31 puts being sold to open near \$0.50

Z-Scaler (ZS) buyer 250 July 2022 \$210 calls \$30

IQIYI (IQ) with 2,500 January 2023 \$22.50 calls bought for \$3.05 into weakness. **IQ** also with 13,000 September \$10 puts sold to open for \$0.50

Micron (MU) buyers of 1200 May 28th (W) \$87 puts for \$3.85

Twitter (TWTR) with 1500 May \$67.50 calls sold to open for \$3.25 today ahead of earnings

Rapid 7 (RPD) buyers of 800 May \$85 puts this morning from \$3.10 to \$4 into earnings on 5-6

Workday (WDAY) trading 10,000 May \$260/\$265 call spreads to open

Alphabet (GOOGL) seeing 1720 August \$2,200 calls bought for \$260.40, near \$45M position, as the June \$1,800 calls close and adjust higher post-earnings

Facebook (FB) with 2000 August \$360 calls opening \$9.92 with May \$305 adjustments

Ui Path (PATH) recent IPO today seeing 3,650 November \$50 puts sold to open for \$2.10, a \$32.5B company focused on robotic process automation

Apple (AAPL) with 2000 June 4th (W) \$140 ITM puts sold to open \$7.70. AAPL also seeing 10,000 May 28th (W) \$133 puts sell to open \$3.45

Fire-Eye (FEYE) with 5000 May \$19 calls bought here from \$0.97 to \$1

Dell (DELL) with 1200 June \$97.5/\$87.5 put spreads bought to open

Jumia (JMIA) the May \$24 puts bought 2,500X for \$1.05 to \$1.08 into mid-May earnings

VIP Shops (VIPS) buyers of 3,250 June \$28 puts for \$1.75

ChannelAdvisor (ECOM) seller of 1245 May \$25 puts for \$3.30 this afternoon to open, name that has 2500 May \$25 calls in open interest

Himax Tech (HIMX) with 1000 January \$17 puts sold to open for \$5.90

Skyworks (SWKS) with 670 August \$190 puts selling to open \$12.65 into earnings tonight

JD.com (JD) with 2000 July \$75 puts sold to open \$3.58

Zen-Desk (ZEN) now also seeing 2000 May \$160 calls bought up to \$3 into earnings tonight, higher the last two and four of the last six

Utility

Vistra (VST) buyer of 1650 January 2023 \$8 ITM calls for \$9.60

Disclaimer:

Not Investment Advice or Recommendation

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