



MARKET RECAP REPORT 4/7/2021

Sector Leaders

Payments

Internet

Energy

Stock Gainers

FREQ 21%

BHVN 11%

HIMX 8.5%

GOEV 8.3%

POWW 7.8%

ADTN 6.7%

Volatility Gainers

- RMO
- TEVA
- UAA
- RIDE
- CARA
- DDOG

High Call Volume

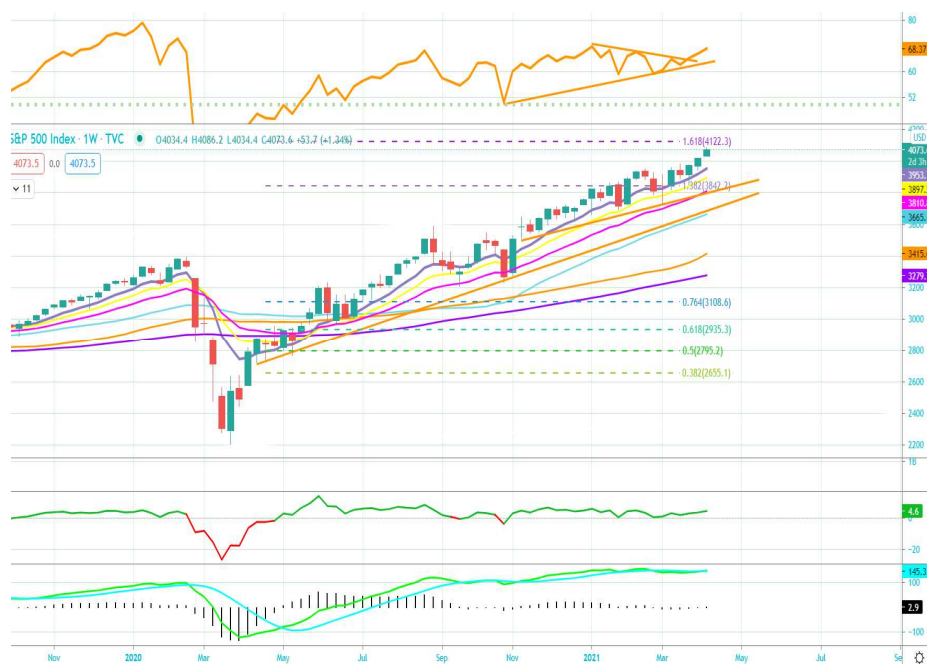
- PLBY
- FGEN
- TROX
- OUST
- VIAC
- CS

Bullish Options

- SQ
- SNAP
- AAL
- MGM
- LVS
- WDAY
- BABA
- WDC
- JPM
- AMT
- DELL
- DBX

Market Review: Stocks remained in a holding pattern overnight with a bit of buyer exhaustion kicking in and awaiting the FOMC Minutes and Powell speech over the next two sessions. JP Morgan's Dimon was out very positive on the US economy through 2023 in his annual letter. It was a very quiet opening few hours of trading with large cap Tech showing some notable strength. There was plenty of weakness across Solar, Housing, Materials, Retail and Biotech as breadth rolled over late morning. The pause in the rally is not unexpected, markets have become quite extended above short-term moving averages and many names need to set back up after recent runs. The schedule remains quiet into tomorrow with Jobless Claims and the Powell follow-up speech.

S&P Chart:



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

Options Action Trends: It was a real quiet day for option flows with a bit of a bullish bias to the reopening names in the Travel and Gaming space, but no major trends seen today in the action.

What's On Tap: Jobless Claims and Fed's Powell Speaks.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Solar

Housing

Biotech

Stock Losers

FGEN -38%

GEO -20%

CXW -17%

PLBY -13.8%

MAXN -13%

NCTY -12%

Volatility Losers

- HL
- VTRS
- ODT
- SOS
- FGEN
- GEO

High Put Volume

- QSR
- WSM
- GEO
- PZZA
- UPST
- PRCH

Bearish Options

- AKAM
- CFX
- PTCT
- FGEN
- LAZR
- WHR
- TRIP
- VXX
- CPNG
- OKTA
- APD



FEATURED OPTIONS RADAR REPORT



Datadog Calls Jump as Growth Comes Back into Favor

Ticker/Price: DDOG (\$88.90)

Analysis:

Datadog (DDOG) traded 4X daily calls on 4/6 with IV30 rising sharply, up 21.25% on the day, a focus on May \$90 calls with morning buyers up to \$4.90 for 5000X and ended the session trading 17,500X up above \$6.50. DDOG has seen fairly mixed flows lately with October \$110 calls sold to open 1500X on 3/22, and July \$130 short calls in OI for 3,945X, but has seen put sellers in April and January \$70 strikes as a floor level. DDOG put in a strong weekly reversal candle last week right at a 50% retracement level and also key volume support going back to the Summer of 2020 while VWAP from the March 2020 low is near \$84. DDOG shares have some work to do with the 8/21 week moving average bear cross overhead and above \$93 key to working back to the upper end of the range near \$110. DDOG is the monitoring and analytics platform for developers, IT operations teams and business users in the cloud age. The platform integrates and automates infrastructure monitoring, application performance monitoring, log management and security monitoring to provide unified, real-time observability of customers' entire technology stack. According to Gartner, the IT Operations Management market represents a \$44 billion opportunity in 2024. DDOG has been expanding its offerings and building out its platform while having key partnerships with Azure and Google Cloud. The \$24.4B company trades rich at 31X FY21 EV/Sales with revenues seen rising 38% in 2021 and 32.7% in 2022 after posting 96.6%, 83.2%, and 66.3% growth the last three years. Analysts have an average target of \$122 with short interest at 8.2% of the float. On 4/1 Moness Crespi & Hardt raised to Buy with a \$100 target, seeing it as a long-term winner with strong revenue growth, early entry into an emerging software category tied to a powerful secular trend, the development of software that disrupts legacy solutions, an enthusiastic customer base and a large market opportunity. Hedge Fund ownership fell modestly in Q4 filings, Lone Pine added to a large position, D1 Capital and Jackson Square started a new position, and Whale Rock, Tiger Global, and Durable Capital top holders.

Hawk Vision:



Hawk's Perspective: DDOG is a favorite hyper-growth name and has a great opportunity ahead but at 30X Sales and below the 200-MA an uncomfortable name to own unless with a tight stop.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Marriott Bulls Position for Strong 2021 as Travel Returns

Ticker/Price: MAR (\$151.60)

Analysis:

Marriott International (MAR) seeing notable bullish activity this week with 3000 January \$170 OTM calls being bought \$11.75 to \$12 on 4/6 and the day prior the January \$130 puts sold to open 1000X at \$8.50. MAR has been a name with consistent opening put sales and this the first notable call purchase. MAR shares are currently forming a long bull flag since the late February high with \$156 a breakout level that would target a move to \$185, and \$195 is the 138.2% extension of the COVID-correction. MAR has a new CEO after its long-time CEO passed away in February. MAR is a worldwide operator, franchisor, and licensor of hotel, residential, and timeshare properties under numerous brand names at different price and service points. At year-end 2020, MAR had 2,149 company-operated properties and 5,493 franchised and licensed properties. The \$49B lodging leader trades 32.8X Earnings, 4.6X Sales, 36.2X FCF and 18.5X FY22 EBITDA. MAR was obviously hit hard from the stoppage of travel with revenues down 50% and EBITDA down 68% in 2020 but sees a return to record numbers by 2023 that surpass its 2019 numbers. MAR's business model of low single-digit RevPAR growth, mid-single unit growth, fee upside and buyback should drive a ~15% EPS CAGR through 2021. Analysts have an average target of \$140 and short interest low at 3% of the float. Evercore ISI upgraded shares to Outperform on 2/22 with a \$158 target. Deutsche Bank raised its target to \$135 on 2/19 though worried about valuation and the long road back to business travel returning.

Hawk Vision:



Hawk's Perspective: MAR has a great looking chart and can likely take another leg higher before being a bti ahead of itself, so ample opportunity to catch a move higher in a quality name.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Simon Put Sales See Limited Downside as Reopening Gains Momentum

Ticker/Price: SPG (\$115.50)

Analysis:

Simon Property (SPG) with 1000 May \$115 puts sold to open \$5.80 this morning and follows sellers in the January \$115 and October \$105 puts recently as well as a buyer of the April \$125/\$100 bull risk reversal last week. SPG has some large open interest in the May \$115 calls, over 3000X, a well as the April \$110 calls, over 2000X. SPG has been trading in a narrow range above its rising 50-day MA and a break higher has room out to \$135-\$140. MACD is nearing a bull crossover and RSI remains in a bullish trend but not yet oversold. The \$37.8B company trades 25.85X earnings, 8X sales, and 37X cash with a 4.45% yield. SPG is positioned well for a snapback year as retailers gradually reopen stores and vaccinations drive more confidence in in-person shopping experiences. They also took advantage of the macro environment in 2020 to add real estate at attractive valuations and they partnered with Authentic Brands to buy distressed names in bankruptcy like Brooks Brothers. SPG expects cash flows and rents to stabilize in 2021 even if occupancy isn't back to normal levels for another year or two as they sport a better long-term balance as healthier retailers take a more prominent spot in their portfolio. Analysts have an average target for shares of \$91.50 with a Street High \$130. Piper raising estimates on 3/5 as they think the company will emerge in almost a stronger position after the pandemic. Deutsche Bank positive in February as they think SPG is near a major inflection point for the remainder of the year and management's 5.7% funds from operations growth guidance midpoint for 2021 increases confidence that the worst is behind them. Short interest is down to 5% from around 9.5% in October. Hedge fund ownership rose 14.5% in Q4, Zimmer Partners a new buyer of stock. Insiders active all year in 2021 with ten different directors adding stock around \$71.90 in March.

Hawk Vision:



Hawk's Perspective: SPG is the most attractive of the mall REITs and thematically should continue to have tailwinds throughout the year, setting an alert for a move above \$118

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Western Digital Bulls See Further Upside

Ticker/Price: WDC (\$72)

Analysis:

Western Digital (WDC) with 5,000 May \$85/\$95 OTM call spreads bought for \$1.18 as some April spreads adjust higher into strength. WDC has seen some sizable bull flow recently including buyers in the July \$67.50 calls over 14,500X on 3/31 and the May \$70 calls with over 13,000 bought recently. WDC has also seen accumulation in size for the July \$70 and \$72.50 calls. Shares have run strong November and now flagging in a weekly range under \$72.65 with a breakout targeting \$87-\$88.

The rising 50-day was supportive recently on a pullback and trending well now above its 8-day around \$70. The \$20.85B company trades 10.8X earnings and 1.3X sales with mid-teens growth. WDC expects to earn over \$4.50/share by FY23. WDC should benefit from a stabilizing NAND market with commentary from Micron last week pointing to supply/demand imbalances that should continue into the 2H. WDC is now in year two under their new CEO who has taken some bold moves so far to bring value into the name. In October, he announced an internal separation of their HDD and Flash businesses which many think could lead to a formal spin off. And now recently there was news as well that the company is pursuing Kioxia, the former Toshiba memory business, in a sizable deal that would make WDC far and away the leader in the space. The two companies have had a 20-year relationship prior. Analysts have an average target for shares of \$72 with a Street High \$100. Evercore has the high mark for the name and noted in March that they see five drivers higher for the name: a NAND market recovery and selling price uplift, NAND mix improving in the 2H, the nearline business recapturing market share, HDD gross margins moving back to 30% and a more favorable tax rate that could add \$1 to EPS. Benchmark positive last week after Micron's commentary around demand. MSCO positive on 3/22 as they think the company has strong positioning in the NAND space and their technology continues to be very strong on a relative basis. In addition, WDC has an underappreciated low capital intensity versus peers in NAND. Short interest is 1.9%. Hedge fund ownership rose 4.85% in Q4, Maple Rock Capital and MaplePlane buyers of calls and stock.

Hawk Vision:



Hawk's Perspective: WDC flows have been massive lately and looks poised to continue its leadership out of this range; shares are a bit extended near-term but watching for a reversal back around that 8-EMA at \$70

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Energy (XLE) with 6750 September \$49 puts sold to open \$4.10 into morning lows

Volatility (VXX) buyer 10,000 January 2023 \$3 puts \$0.53 as January 2022 \$8 puts adjust

High Yield (HYG) with 15,000 September \$85/\$81 put spreads bought

Gold (GLD) opening seller of 6000 July \$163 puts for \$5

MSCI EAFE (EFA) with 7200 December \$70 puts bought \$2.20 and the May 7th (W) \$76 sold against

Consumer Goods

Mattel (MAT) the May \$21 calls bought 1000X for \$1.20 to \$1.30, basing just below new highs after pulling back to the 50-day

Tyson Foods (TSN) opening sale of 1250 May 14th (W) \$71 puts for \$1.01 today, nice bull flag building under \$77

Thor Industries (THO) seeing 2,000 June \$165 calls sold to open for \$2.35 as the \$160 calls adjust higher from 3/16

Consumer/Business Services

Las Vegas Sands (LVS) with 3,500 June \$70 puts sold to open today for \$8.60 as the May \$60 short puts adjust from 3/3. **LVS** now also with 1000 January 2023 \$80 calls sold for \$6.50 in a buy-write

MGM with 3000 April 23rd (W) \$42 calls opening \$1.15

Skechers (SKX) breaking out with 500 May \$40 calls bought ITM \$4.50 to \$4.60

Chewy (CHWY) with 770 January \$135 far OTM calls bought \$4.20 offer

Norwegian Cruise (NCLH) with 2,000 January 2023 \$17.50 puts sold to open today \$2.78 to \$2.70 with positive cruise headlines this week

Viacom (VIAC) with 1100 September \$35 calls bought for \$11.60 to \$11.80 this morning

Denny's (DENN) with 1800 January 2022 \$22.50 calls sold to open today for \$1.65/\$1.70

Discovery (DISCA) stock replacement sold 800 October \$42.50 puts today for \$6.25

TripAdvisor (TRIP) with 1000 September \$47 puts bought today from \$4.65 to \$4.95

Grub Hub (GRUB) the May \$75/\$80 call spread bought 5000X today for \$0.85, Company being acquired in an all-stock deal by Just Eat Takeaway

Tapestry (TPR) the May \$45/\$52.50 call spread bought 1000X this morning with shares just below new highs

Fox (FOXA) aggressive buyer 6100 May \$40 calls \$1.05 to \$1.15

Darden (DRI) with 550 October \$130 puts bought \$8.10 to \$8.30

FarFetch (FTCH) with 950 January \$60 calls bought for \$8.45 to \$8.50

Shake Shack (SHAK) with 225 January 2023 \$95 puts sold to open this afternoon for \$20, nice weekly flag setting up under \$125

Energy

Occidental (OXY) with 1150 August \$23 puts sold to open today for \$2.34

Cabot Oil (COG) stock and IV jumpy with 4500 July \$20 calls bought up to \$0.80

Matador (MTDR) opening sale 1500 January \$37./5 calls \$3.10

Clean Energy Fuels (CLNE) with 700 September \$16 puts sold to open for \$4.80

Centennial Development (CDEV) with 3,000 January \$3 puts sold to open today for \$0.55, still has 11,000 Oct. \$6 short puts in OI

Financials

HSBC with 240 January 2023 \$45 puts sold to open today \$17.40 to \$17.35, nice narrow consolidation above its 50-day

JP Morgan (JPM) buyer 1300 July \$155 calls \$7.50 offer

CME Group (CME) opening seller 500 August \$200 calls \$12.90

Healthcare

Catalent (CTLT) with 1000 May \$95 puts sold to open today \$1.70 to \$1.65

BioNTech (BNTX) with 200 March 2022 \$105 puts sold to open this morning for \$17.25 in a stock replacement

TelaDoc (TDOC) with 465 July \$155 puts sold to open today for \$6.95, continues to see put selling into recent weakness

Bausch Health (BHC) with 1250 October \$35 calls bought for \$2.54 to \$2.55 today, recent Icahn stake and he may seek board seats according to reports

AbbVie (ABBV) stock replacement buys 1000 January 2023 \$115 calls for \$7.05

Kura (KURA) with 2000 May \$30/\$35 call spreads opening as April adjust

Immunovant (IMVT) with 3,500 July \$25/\$40 call spreads bought this afternoon for \$0.95

Sage Therapeutics (SAGE) buyer of the June \$80/\$130 call ratio spread 250X500

BioMarin (BMRN) buyer of 1000 January 2023 \$90/\$80 strangles for \$27.35

Editas (EDIT) with 400 January 2023 \$30 puts sold to open for \$10.30 in a stock replacement

Industrials

ABB buyers of 875 January \$27 calls for \$5.40, still has 1200 ITM January 2023 \$23 calls from buyers on 3/11

American Air (AAL) with 7000 May \$24 calls bought \$2.07 to \$2.20

Colfax (CFX) buyer of 5000 May \$42.5 puts for \$2.05 and sells the \$37.5 puts as April puts adjust

Norfolk Southern (NSC) with 500 September \$270 calls sold to open \$17.70

Spirit Aero (SPR) with 400 July \$44 calls bought for \$7.70 today, beneficiary of an improving aerospace market

Boeing (BA) size buyers active June 2022 \$350 calls \$16.80 to \$17 for 2000X

Li Auto (LI) opening seller 5000 May \$22 puts for \$1.75

Whirlpool (WHR) aggressive buyers of 1000 May \$220 puts \$7.20 to \$7.30, could suffer from slowing new home sales with rising rates

Mercury Systems (MRCY) unusual buyer 450 October \$75 calls \$7.60 to \$7.80, long-time favorite small cap in Defense

Virgin Galactic (SPCE) opening sale 1000 June \$29 puts \$5.55

3D Systems (DDD) with 2000 April 23rd (W) \$26.5 / May 7th (W) \$26.5 calendar call spreads opening \$1.20

Tesla (TSLA) looks like afternoon trades putting on September \$970/\$1200 call ratio spreads 2000X4000

Materials

Huntsman (HUN) buyers of 1000 August \$32 OTM calls for \$1.10

Alcoa (AA) the June \$30 puts sold 1000X to open for \$2.40 in a stock replacement

US Steel (X) similarly with 2,000 June \$20 puts sold for \$1.37 in a stock replacement

Luminar (LAZR) moving to lows with 4500 June \$25 puts being bought up to \$5

Louisiana Pacific (LPX) opening sale 2000 November \$60/\$50 strangles for \$11.85

Tech and Telecom

Alibaba (BABA) June \$255 calls opening 2000X early, looks like \$260 adjusting back. **Alibaba (BABA)** with 1000 May 7th (W) \$220 ITM calls opening \$12.10 to \$12.60 this morning, tight base forming under the 21-MA

Ring Central (RNG) buyer 500 April 30th (W) 4300/\$320 call spreads

Switch (SWCH) unusual 2370 April \$17 calls bought here \$0.45 to \$0.65

Workday (WDAY) coiled under upper value resistance with 300 May \$260 calls bought to open for \$10

Akamai (AKAM) sweep buys 700 June \$90 puts \$1.70

T-Mobile (TMUS) May \$120/\$135 bear call spreads opening 12,300X. **TMUS** also with 400 January 2023 \$175 calls bought for \$6 to \$6.25

Accenture (ACN) with 400 August \$270 pts bought for \$9.75, tied to stock

American Tower (AMT) with 2,200 June \$230 puts sold to open this morning for \$5.47 and follows some January put sales yesterday

Jumia (JMIA) opening seller 1500 September \$35 puts for \$7.30

Dell Tech (DELL) the May \$95 calls being bought 1,500X today for \$1.80 to \$1.95 and spread with the \$100 calls

Oracle (ORCL) with 4000 May \$72.5 puts sold to open \$1.54

Advanced Micro (AMD) buyer of 4275 January 2023 \$155 calls for \$5.25 as \$100 calls adjust

NXP Semi (NXPI) buyer of the May \$230/\$260 call spread 2000X for \$3.69

Ozon (OZON) buyers of 250 December \$55 calls for \$12 today, recent IPO profiled and forming a nice base under \$60

Calix Systems (CALX) with 450 January \$35 calls bought today for \$10 to \$10.30

Coupang (CPNG) buyers of 3250 November \$30 puts \$1.60 to \$1.80

Wix.com (WIX) with 2000 January \$300 puts being sold to open \$46.50 to \$45.50

Uber (UBER) with 7000 May \$47.5 puts being bought \$0.76 to \$0.80

Lyft (LYFT) seeing buyers 4000 April \$62.5 calls here spread with 6000 of the \$67.5 calls sold

Western Digital (WDC) also with buyers of 400 January 2023 \$75 calls for \$16.10 to \$16.25

JD.com (JD) opening sale of 1000 January 2023 \$75 puts \$12.35

Utility

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