



## MARKET RECAP REPORT 5/17/2021

### Sector Leaders

Gold Miners

Oil & Gas

Retail

### Stock Gainers

APLS 20%

BTU 19%

GATO 15%

PLCE 12.4%

PLRX 11.2%

CRIS 10%

### Volatility Gainers

- FAIL
- RIDE
- YALA
- WDC
- MSTR
- STX

### High Call Volume

- IGV
- AON
- BTU
- KSU
- DUK
- HOG

### Bullish Options

- SOS
- EDU
- SNOW
- HOG
- DUK
- TCOM
- AON
- AZN
- BSX
- LB
- WDC
- MTN

**Market Review:** Stocks kicked off the week a bit lower with volatility in the cryptocurrency markets and some disappointing Chinese economic data. In morning data the May Empire Manufacturing came in a bit weaker than expected. The open was choppy and some early strength was unable to sustain, the Energy and Metals markets led upside moves yet again. Tech continued to lag dragged lower by Semiconductors. We are seeing the 21-day moving average act as resistance for the S&P and the 55-day moving average for the Nasdaq. Breadth did improve into the late afternoon with Cumulative TICK moving positive. The schedule remains quiet tomorrow and we get a bunch of Retail earnings this week while the Fed will be in focus on Wednesday with the Meeting Minutes.

### S&P Chart:



Resistance	Support
4,220	4,110
4,385	4,030
4,400	3,980

**Options Action Trends:** There were not a lot of high impact size trades on the day, pretty quiet session for flows and no real new sector trends seen. We did seem to see a good amount of profit taking in call options for commodity names.

**What's On Tap:** Housing Starts and Building Permits. Earnings from **WMT, HD, SE, NTES, BIDU, TCOM, TTWO, STE, IQ.**

### Trade Tracker Portfolio Changes:

- 1) No Changes

### Sector Laggards

Solar

Semi's

Housing

### Stock Losers

SEEL -19%

SSSS -12%

NOVA -11.5%

RENN -11%

RIOT -10.5%

WISH -10%

### Volatility Losers

- TEVA
- TELL
- ATOS
- FCEL
- GOTU
- MPC

### High Put Volume

- SAGE
- NOVA
- HZNP
- NDAQ
- BGFV
- PFSI

### Bearish Options

- BAC
- FAIL
- MLHR
- RIOT
- RRC
- ENTG
- LLY
- ROKU
- RTX
- DQ
- GM
- HIMX



## FEATURED OPTIONS RADAR REPORT



### Silicon Motion Put Sales See Value into Earnings Selloff

**Ticker/Price:** SIMO (\$65.45)

#### Analysis:

**Silicon Motion (SIMO)** a relative strength name through late April has sold off a bit the last two weeks but on 5/12 saw the September \$55 puts sell to open 7000X at \$2.65 into the weakness that added to some put sales on 5/10, a name otherwise lacking any notable open interest. SIMO shares remain in a strong uptrend above the rising 21-week moving average and retesting a key flag breakout from early April and shares broke out of a multi-year sideways range.

SIMO is a global leader in developing NAND flash controllers for SSDs and other solid state storage devices. More NAND flash components, including current and up-coming generations of 3D flash produced by Intel, Kioxia, Micron, Samsung, SK Hynix, Western Digital and YMTC, are supported by Silicon Motion controllers than any other company.

Its customers include NAND flash makers, module makers, hyperscalers and OEMs. SIMO has a market cap of \$2.13B and trades 11.7X Earnings, 3.6X Sales and 34.45X FCF with a 2.2% dividend yield and debt-free balance sheet with plenty of cash. SIMO will be presenting at several conferences starting May 18<sup>th</sup> at Needham through June 8<sup>th</sup> at Baird. SIMO recently beat estimates and also raised its outlook sharply, seeing very strong demand for its SSD and eMMC+UFS controllers. On the call SIMO noted it is gaining market share in SSD controllers and expects to gain another 5 to 10 percentage points of market share. Its eMMC+UFS controllers are gaining share as well with smartphone embedded storage technology continuing to rapidly transition from legacy eMMC to UFS. SIMO expects to reach its stated \$1B sales goal in 2023 sooner than expected, and in 2H next year will start sampling its enterprise-grade PCIe Gen5 SSD controller to hyperscalers in both the U.S. and China. Analysts have an average target of \$85 and short interest is minimal at 1.1% of the float. Needham raised its target to \$100 after the quarter citing a stellar quarter and “peak cycle” concerns are overblown. Roth Capital has a \$90 target seeing SIMO as a differentiated investment opportunity in flash embedded and storage drive controllers. Hedge Fund ownership jumped 4% last quarter, no major concentrated holders outside of Cardinal Capital with a 3.4% weighting.

#### Hawk Vision:



**Hawk's Perspective:** SIMO looks attractive and seems like more of an \$80-\$100 stock, not the most liquid options but like owning shares.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Ciena Put Seller Sees Value with Shares Back at the 200-Day

**Ticker/Price:** CIEN (\$51.75)

#### Analysis:

**Ciena (CIEN)** on 5/14 with a large opening sale of 2500 January \$45 puts for \$3.55, a name lacking much notable open interest, the January \$45 calls have 1450X in OI from a buyer, but no near-term positioning. CIEN shares have recently been finding some support at its 200-day moving average, a \$49/\$56 trading range through 2021. CIEN will next report on 6/3. The \$7.85B networking equipment company trades 16.65X Earnings, 2.27X Sales and 21.2X FCF. CIEN forecasts see just 1.7% revenue growth in 2021 and EBITDA down 8.5% but 2022 growth seen at 8.7% and 9.7% respectively. CIEN has seen strong results behind data center growth which is helping offset service provider demand that has lagged. CIEN provides hardware, software and services that enable the transport, routing, switching, aggregation, service delivery and management of video, data and voice traffic on communications networks. Its solutions are used by communications service providers, cable and multiservice operators, Web-scale providers, submarine network operators, governments, enterprises, research and education institutions and emerging network operators. CIEN has exposure to growth trends like 5G, Fiber and Edge Computing and increased adoption of these services and applications and their performance requirements will further increase network traffic and place additional service challenges on network infrastructures, requiring network operator investment in both core infrastructure networks and metro, access and aggregation networks. Analysts have an average target of \$60 and short interest is low at 2.6% of the float. BAML upgraded to Buy back in January focusing on the long-term opportunity with spending by Tier 1 North American Service Providers to bounce back in 2H21/FY22 after 15% YoY declines in 2020 and a weak expected 1H21. Its sees robust global bandwidth demand, share gain opportunities in EMEA IP access networks, a significant internet build-out in India and aggressive Huawei displacement, BluePlanet growth, and 800G leadership as growth drivers. CIEN is seen as a key beneficiary of the April announcement by Verizon that it will spend an additional \$10B capex over the next three years to deploy C-Band as quickly as possible which will be in addition to the current capex guidance of \$17.5B-\$18.5B for 2021. CIEN also recently discussed its next-generation pluggable strategy, an interesting opportunity over the next several years. CIEN has not seen a lot of recent coverage, Citi upped its target to \$65 in February on higher comp valuations.

#### Hawk Vision:



**Hawk's Perspective:** CIEN valuation remains attractive and has positive capex spending tailwinds, a name where operating margins are always in focus. We have not seen call buying yet but a name I can see getting up to \$65.

**Confidence Ranking:** \$\$





## FEATURED OPTIONS RADAR REPORT



### Bulls Position in Boston Scientific As Surgical Volumes Normalize

**Ticker/Price:** BSX (\$41.50)

#### Analysis:

**Boston Scientific (BSX)** buyers active today for 5,500 November \$44 calls up to \$2.15 in stock replacements and then another block of 4,000 bought at \$2.09 and volume now over 9,650. Today's action follows buyers in the August \$43 calls on 5/6 over 2000X while the January \$50 ITM puts sold to open for \$7.80 on 5/4. Shares have pulled back to VWAP from the March lows and just above the midpoint of the recent run to \$44.50 as it looks to regain some momentum and work out of a broader range that stretches back to mid-2020. The longer-term measured move is out to \$53. The \$59.12B company trades 22.5X earnings, 5.85X sales, and 29.3X cash with mid-teens growth. BSX has struggled with guidance given all of the uncertainties around COVID but more optimistic last month and prepared to enter the 2H in a position of strength given their pipeline growth, procedure volumes returning to normal, and expansion into new markets. They continue to see strength in endoscopy, up double-digits due to new product launches, while cardiac will benefit from a bigger replacement cycle into 2022. They also could see expansion of indications for WATCHMEN as they continue to enroll in key studies. Analysts have an average target for shares of \$46.50 with a Street High \$52. Truist with a \$50 target and positive in April noting that the investment story is just heating up and the company is well-positioned to execute against its guidance as the elective procedure environment normalizes. Short interest is 1.2%. Hedge fund ownership rose 12.5% in Q4, Viking Global a buyer of 11.1M shares and now with 29M. BSX will be at the UBS Healthcare conference on 5/24.

#### Hawk Vision:



**Hawk's Perspective:** BSX looks like it has room back to that \$40.50 level and the 50-MA which would be a nice spot to lean against in a high-quality name with plenty of tailwinds into the 2H and 2022

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### AstraZeneca Bulls Positive on Recent Trend Shift Back Above 200-MA, Key 2H Readouts

**Ticker/Price:** AZN (\$55.75)

#### Analysis:

**AstraZeneca (AZN)** with 2,000 January 2023 \$60/\$47.5 bull risk reversals opening \$1.20 debit and follows 10,000 September \$60 calls bought last week for \$1.15, spot where it appears another 5,000 are adding today. AZN has a lot of May call open interest expiring this week and does have 10,000 September \$55 short calls in OI but potentially an over-write on stock. Shares are working out of a large multi-month rounded base and back above the 200-day since earnings in late April. AZN has room up to \$60 in the near-term and longer-term the strong bull trend has a measured move above \$70. The \$145B company trades 17.3X earnings, 5.25X sales, and 18.65X cash with a 2.5% yield. AZN's COVID vaccine has been in focus for much of the last half of the year but their core business continues to execute well including 16% growth in oncology in Q1. They also continue to make progress on closing their deal for Alexion which greatly expands their reach in rare diseases. AZN expects acceleration in 2021 for majors like Targrisso, Imfinzi, and Lynparza as the macro environment starts to normalize and they also have key data readouts across breast cancer, asthma, and heart failure in the 2H which can boost their pipeline. Argus cut shares to hold recently citing manufacturing errors that led to AstraZeneca discarding millions of doses of COVID vaccine and the impact on public confidence in AZD1222 and, in turn, on potential revenue and earnings from the vaccine. Jefferies has shares at Buy as the growth profile is compelling, especially compared to EU peers, and shares are trading at a discount based on accretion from the Alexion deal. Hedge fund ownership fell 1.35% in Q4. Point72 adding 3.75M shares and now a top 10 position for the firm.

#### Hawk Vision:



**Hawk's Perspective:** AZN is a slow mover but like the relative strength recently and can continue to grind higher towards \$60+; shares are a bit extended near-term but on watch for a ret-test of the 8-day around \$54.50

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Dow Jones (DIA)** buyer of 1000 January 2023 \$320 puts for \$13.60

**Consumer Staples (XLP)** buyers of nearly 3000 September \$71 calls this morning up to \$2.30

**Chile (ECH)** down 10.6% today with 3000 each of June \$28 and \$27 puts bought, follows the recent vote with the center-right ruling coalition suffered a shock loss

**Tech (XLK)** spread sold 2000 January 2023 \$160 puts \$32.65 to buy 2000 of the \$170 calls \$4.85 for a large net credit in a bull risk reversal

**Silver Miner ETF (SIL)** buyers of 3350 January \$55 calls this afternoon aggressive \$4.30 offer

### **Consumer Goods**

**Harley (HOG)** buyers of 5500 May \$49 calls up to \$1.15 early after the target raise pre-market, size buyer last week as well

**RLX Technologies (RLX)** buyers of 7650 June \$17.50 calls for \$0.40 to \$0.50, shares working out of a rounded base and back above the 50-day

**Boston Beer (SAM)** strong chart and rising this afternoon with 430 June \$1100 puts opening, stock-tied with buyer of 14,748 shares for over \$17.6M

### **Consumer/Business Services**

**New Oriental Education (EDU)** with 6500 July \$13 calls being bought for \$0.70 today, seeing some June \$15 calls adjust from 5/10. **EDU** calls to 12,500X with a block of 5700 bought \$0.75

**DoorDash (DASH)** with 15,450 June \$100 puts sold to open down to \$1.38

**Manchester United (MANU)** with 1000 December \$15 puts sold to open for \$1.15, follows put sales last week in the name with recent reports it could be sold

**Trip.com (TCOM)** buyer 4000 May \$38/\$42 call spreads into earnings for \$1.09

**L Brands (LB)** another 4500 August \$80/\$55 bull risk reversals being bought today for \$1.95, spot where 4800 opened last week. **LB** the November \$75 calls now also bought 725X for \$7.50

**Vail (MTN)** buyer of 850 June \$350 calls for \$5 today as shares flag just below recent highs

**VIP-Shop (VIPS)** weak here with 1000 June \$27 puts bought \$4. **VIPS** the June \$20 puts also being bought over 7350X up to \$0.70

**Carvana (CVNA)** the November \$250/\$270 call ratio spread opened 5000X10,000 and the May \$240 short puts closing 10,000X

**Lowe's (LOW)** weak today and the June \$190/\$170 put spread being bought 2,000X for \$4.80 into earnings on 5-19. **LOW** 2000 May 28th (W) \$192.5/\$177.5 put spreads opening as the \$200/\$185 adjust. **LOW** now with 3,000 May \$192.50 puts bought for \$4.70 with the \$180 puts sold 2,500X for \$1

**Starbucks (SBUX)** with 775 November \$105 ITM calls bought \$10.80 to \$10.95

**Ralph Lauren (RL)** the July \$145/\$115 bull risk reversal being bought another 1,000X today as well for \$4.24, adding to the buyers from last week. **RL** highs of the day and also seeing 250 January \$140 calls bought for \$15.90

**Disney (DIS)** with 1500 January 2023 \$135/\$130 bull put spreads opening for \$6.30 credit

**AutoHome (ATHM)** into earnings 5-27 seeing June \$95 calls open 4500X at \$2.75 as May \$95 are sold

**Children's Place (PLCE)** buyer of 1,898 December \$65 OTM puts for \$7.50

**Macys (M)** the June \$19 puts bought 2200X today for \$1.44, tied to stock

**Expedia (EXPE)** another 1,500 August \$175 calls bought here for \$11.60 to \$11.95 with shares moving to the highs

**Angie's (ANGI)** drops with 1500 August \$15 puts opening \$3.22 as May adjust

### Energy

**Halliburton (HAL)** over 1000 September \$23 puts sold to open from \$2.43 down to \$2.40

**Energy Recovery (ERII)** buyer 500 June \$15 ITM calls \$3.10

**Range Resources (RRC)** buyer 1000 September \$15 puts \$3.10

**Chesapeake Energy (CHK)** buyer 3000 June \$55 calls \$0.75

**Sun Run (RUN)** with 5000 August \$45/\$60 call spreads opening this afternoon as the \$55/\$75 call spreads adjust back in strikes

**Conoco (COP)** nearing a breakout and seeing June \$60 calls heat up with 4000X trading offer

**Apache (APA)** with 3000 June 11th (W) \$24 calls bought for \$0.75 with shares coiled under recent highs

**SunPower (SPWR)** IV falls as the September \$24 calls being sold to open this afternoon between \$2.40 and \$2.50, 2000X

**Occidental (OXY)** buyer of 2000 June 11th (W) \$28 calls for \$0.85, similar to other energy names this afternoon

### Financials

**Riot Blockchain (RIOT)** early lows with 3,000 June \$22 puts bought up to \$3.80 with the bitcoin pullback this weekend

**Aon (AON)** buyers today of 1000 June \$260 calls for \$4 to \$4.40 as they offer more concessions to get deal approval in the EU

**Bank America (BAC)** buyers this morning for 8000 August \$42 puts \$2.32

**Metlife (MET)** with 3,000 September \$55 puts sold to open for \$1.15, stock replacement

**UpStart (UPST)** with 470 June \$105 puts bought for \$15.60

**PayPal (PYPL)** rolling to day lows seeing 1875 August \$220 puts bought today \$8.15 to \$8.55

**Citi (C)** with 2,000 June 2022 \$77.50 calls bought for \$8.40 to \$8.55, near session highs

**Square (SQ)** with 740 December \$190 puts sold to open today for \$24.40

**Apollo (APO)** nearly 1000 January 2023 \$47 puts bought \$5.70 offer to open

### Healthcare

**LifeMd (LFMD)** with 2,500 June \$12.50 calls bought for \$0.65 with the \$7.50 puts sold for \$0.80 with shares moving back above the 200-day today

**Eli Lilly (LLY)** buyers of 600 October \$185 puts \$7.10 into strength

**Vertex (VRTX)** spread bought 400 June \$240 calls \$4.90 and sold the \$210 puts at \$2.70

**Horizon (HZNP)** with 1000 November \$75 puts sold to open for \$4.81 as the May \$70 short puts adjust out

**Bridge Bio (BIO)** into bounce with 1500 November \$25 puts bought \$1.18

**McKesson (MCK)** buyer of 2,500 June \$210 calls for \$2.90 into strength, shares flagging above the 50-day and just under recent highs

**Endo (ENDP)** with 5000 January \$4 puts bought for \$0.55 to open this morning

**Edward Lifescience (EW)** rallying since a late morning buy of 800 November \$95 calls \$4.70 in a stock replacement

**TelaDoc (TDOC)** buyers of the January \$145 calls from \$18.20 to \$18.90 today, over 645X

**ATE Pharmaceutical (AVIR)** buyers of over 900 June \$22.50 calls today for \$5.20 to \$5.60

### Industrials

**Raytheon (RTX)** with 2000 October \$85 calls being sold to open down to \$5.54, adjusting June \$80 buy-writes

**UPS** with nearly 1000 October \$190 puts sold to open today \$5.30 to \$5.25

**Triton (TRTN)** shares and IV moving higher with the August \$55 calls being bought over 1700X for \$3.20 to \$3.50, shares looking to clear a narrow channel pullback from the March highs

**General Motors (GM)** with 5800 October \$50 puts being bought to open \$2.60

**DR Horton (DHI)** buyer of 1375 November \$87.50 puts \$6.35 offer

**Tesla (TSLA)** with 4500 September \$850 short calls opening as May adjust. **TSLA** also seeing large August \$800 short calls open as May adjust

**United (UAL)** May \$56 calls up to 8000X with some size lots trading as it works to day highs

### Materials

**Cliff's Natural (CLF)** with 2,500 June 4th (W) \$19 ITM calls bought up to \$2.10

**Nutrien (NTR)** with 3,500 of next week's \$60 puts sold to open for \$0.90

**Kirkland (KL)** a name levered to gold prices with 1200 October \$50 calls bought \$1.90 to \$2.10

**Sherwin Williams (SHW)** relative strength name and this afternoon seeing 850 June \$290 calls being bought up to \$5.30 to open, some being spread off with the \$300 calls

### Tech and Telecom



**SOS Limited (SOS)** sits near the 200-MA and 2000 January 2023 \$4.50 calls are bought for \$1.30 this morning

**Bilibili (BILI)** with 9700 June \$80 puts sold to open at \$1

**Pinterest (PINS)** with 1400 August \$67.50 calls being sold to open \$3.20 to \$3.10. **PINS** stock replacement buys 1500 January 2023 \$65 calls \$11.80

**Entegris (ENTG)** buyer 500 June \$105 puts for \$4.70

**Western Digital (WDC)** with the June \$90/\$110 call spread being bought now over 10,000X for \$0.85 as volume continues to come in on the morning. **WDC** the June \$90/\$105 call spread also bought 5000X now. **WDC** now with 4000 June \$95/\$110 call spreads bought for \$1

**Roku (ROKU)** over 1,950 July \$280 puts bought today from \$11.30 to \$11.45

**Seagate (STX)** into strength with buy-writes selling 1000 July \$130 calls near \$3. **STX** also with stock replacements opening July \$105 calls for around \$1.2M

**Akoustis (AKTS)** buyer of 1000 December \$10 calls for \$1.50, small-cap profiled in February that still has 2,900 June \$10 calls and 3,500 of the \$17.50 calls in OI

**Ncino (NCNO)** with 500 November \$50 puts sold to open this morning between \$7 and \$7.30

**DataDog (DDOG)** with 2,000 June \$75 puts bought for \$3.02 as the \$70 puts adjust back

**EPAM Systems (EPAM)** with 500 June \$430 puts bought from \$9 to \$9.20, strong name that recently broke under its 8-EMA

**Lumentum (LITE)** with 500 January 2023 \$62.5 puts sold to open today for \$9.50 in a stock replacement

**Fastly (FSLY)** opening sale of 1000 January 2023 \$35 puts for \$9.35 which would put the basis to own at \$25.65 and make shares very cheap at that level, so not a bad looking strategy

**Data-Dog (DDOG)** with 10,000 September \$90 calls opening \$5.87 as May \$90 adjust

### Utility

**Duke Energy (DUK)** buyers of 5900 June \$110 calls for \$0.60 with the recent Elliott stake and potential to push for a sale

**AES Corp (AES)** buyer 5000 June \$27 calls \$0.25

**Disclaimer:****Not Investment Advice or Recommendation**

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