



## MARKET RECAP REPORT 5/18/2021

### Sector Leaders

Solar

Biotech

Software

### Stock Gainers

ATER 24.75%

ULBI 23.75%

RIDE 21.4%

AMTX 15%

CRC 14%

EOSE 13%

### Volatility Gainers

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

### High Call Volume

- DEO
- VG
- SAIL
- CERN
- AVL
- SM

### Bullish Options

- DEO
- U
- CHWY
- CRSR
- SLQT
- GBT
- TTWO
- SPR
- DDD
- SLCA
- CVS
- BP

**Market Review:** Stocks were higher overnight and into the open with Tech leading the way, some positive earnings out of Retailers pre-market like Wal-Mart, Home Depot, and Macy's. Housing data for April came in below expected. A lot of low quality highly shorted growth names ripped higher on the day. It was a rebound day for growth with Solar, Biotech and Software outperforming while Industrials, Metals, Energy and Housing retraced some recent gains. Indices remain in the middle of recent ranges having lost some upward momentum but showing resiliency. Tomorrow we get the FOMC Minutes which is the only real catalyst for this week, also a bunch more retailers will report quarterly results. S&P futures are building a lot of value in the 4110/4185 range, a move outside will determine that next 75 point trend move. The S&P again failed at its 21-day moving average today.

### S&P Chart:



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

**Options Action Trends:** It was a slower day for flows yet again without a lot of activity positioning and more a focus on the upcoming expiration and adjustments. We did see some bearish put flow in super-high valuation names **AI**, **PATH**, **LSPD**.

**What's On Tap:** FOMC Minutes and EIA Data. Earnings from **CSCO**, **LOW**, **JD**, **TGT**, **TJX**, **BEKE**, **ADI**, **SNPS**, **CPRT**, **KEYS**, **ZTO**, **LB**, **FUTU**, **VIPS**.

### Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **PXD** June \$165/\$175 Call Spreads at \$2.80

### Sector Laggards

Telecom

Metals

Housing

### Stock Losers

TPGY -12.9%

LUNA -12%

SEEL -10%

TLS -10%

GAN -8.5%

VOD -8.6%

### Volatility Losers

- OPK
- NAK
- M
- ATOS
- HUYA
- TELL

### High Put Volume

- YALA
- BGS
- BTU
- VOD
- ATER
- APPH

### Bearish Options

- KO
- KBH
- NLS
- CLOV
- AAL
- BCEI
- BGS
- VOD
- CREE
- LMND
- AI
- LSPD



## FEATURED OPTIONS RADAR REPORT



### Bulls See Builder FirstSource Benefiting from Housing, Commodity Strength

Ticker/Price: BLDR (\$47.95)

#### Analysis:

**Builders FirstSource (BLDR)** August \$50 calls active with buyers on 5/17 as 3400X traded up to \$3.50 offer and follows 4000 accumulating in open interest from buyers since action on 4/15. BLDR also has 2000 June \$50 calls, 1280 July \$45 calls, and 1760 July \$50 calls bought in open interest. BLDR shares have pulled back off highs recently and working on a hammer reversal at the rising 55-day moving average, a name in a strong trend and back above \$50 can target a move to \$55 or higher. BLDR is a leading supplier and manufacturer of building materials, manufactured components and construction services to professional homebuilders, sub-contractors, remodelers and consumers. It completed a key merger with BMC Stock Holding to start 2021 and operates approximately 550 locations in 40 states across the United States. Its manufactured products include our factory-built roof and floor trusses, wall panels and stairs, vinyl windows, custom millwork and trim, as well as engineered wood. BLDR also supplies building products it does not manufacture and offers a full range of construction-related services. The \$9.9B company trades cheap at 13.1X Earnings, 0.9X Sales and 2X Book with revenue seen rising 97.8% in 2021 and EBITDA up 162% due to the merger as well as strong tailwinds from the residential market strength. BLDR's integration with BMC is running ahead of schedule and expects strong cost synergies. BLDR continues to have interest in more acquisitions with a strong balance sheet and a fragmented industry ripe for further consolidation. According to Freddie Mac, the U.S. housing market is 3.8 million single-family homes short of what is needed to meet the country's demand. Representing a 52% increase in the nation's home shortage compared with 2018. The gap has widened significantly over the past 2 years, as builders have struggled to keep up with demand in part due to labor and material supply constraints. Analysts have an average target of \$65 and short interest is at 9.5% of the float, down 30% Q/Q. BTIG raised its target to \$67 on 5/7 on strong volume growth and attractive valuation for this housing environment. Truist raised its target to \$60 as a beneficiary of lumber inflation but also sees a strong long-term story. Barclays raised its target to \$68 after the strong Q1 report with strong margins due to the commodity tailwinds.

#### Hawk Vision:



**Hawk's Perspective:** BLDR put in a nice trade against hammer and is a clear value while also fits the current environment well, a name that can easily get up to \$60.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Blackstone Bulls Position for Upside with Fundraising Momentum

Ticker/Price: BX (\$87.78)

#### Analysis:

**Blackstone (BX)** afternoon bull spread bought 2000 January \$87.50 calls at \$6.90 and sold 4000 of the \$75 puts for \$3.10. BX has also seen September \$80 puts sold to open 1750X, and smaller buys in September \$80, January \$105, and June \$90 calls. BX shares have been on a strong run since November and recently reached new highs, pulling back last week to the 21-day moving average and starting to form a small flag. The \$102.5B asset management firm trades 22X Earnings, 7.95X Book and yields a 3% dividend. Blackstone is one of the world's leading investment firms, with Total Assets Under Management of \$618.6 billion as of December 31, 2020. Its asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. BX was featured in the WSJ back in March with Jonathan Gray shifting the firm's focus towards growth and away from value as it nears \$1 trillion in assets.

Among the themes that have guided recent Blackstone investments are the ongoing shift to e-commerce and the technology-fueled advancement of the life-sciences industry. BX believes we are in the early stages of an inexorable shift of capital flows towards alternatives, as global limited partners continue to increase their allocations in pursuit of better returns. There is an estimated \$6.5 trillion of private markets AUM today compared to nearly \$250 trillion of public equity and debt markets globally. Blackstone is a branded asset-light manager with a compelling recurring revenue model. Analysts have an average target of \$95 and short interest is low at 1% of the float. Goldman raised its target to \$92 in April noting "a higher FRE multiple is warranted given accelerating growth and consistency in the firm's perpetual capital base, increasing confidence in recurring nature of fee-related performance fees and strong FRE margin expansion trends." Argus raised its target to \$100 on 4/27.

#### Hawk Vision:



**Hawk's Perspective:** BX is fundamentally sound and always been a preferred Alternative play. Shares have made a large move already but would eye a dip to \$77 to get back involved.

Confidence Ranking: \$\$





## FEATURED OPTIONS RADAR REPORT



### Bullish Flows Accumulate in Chewy Ahead of Q2 Earnings

**Ticker/Price:** CHWY (\$71.5)

#### Analysis:

**Chewy (CHWY)** continuing to see bullish flows into the recent pullback with buyers today of 1,750 June 4<sup>th</sup> (W) \$70 calls for \$4.00 to \$4.50 and follows size put sales last week in the January 2023 \$70 and \$65 strikes. The June \$75 calls also saw buyers on 5/11 while the October \$85 calls also seeing buyer flow in late April. CHWY pulled back to VWAP from the March lows and starting to turn higher this week with the 50- and 200-day above around \$78. A move higher has room back to \$85 and then \$105. The \$28.26B company trades 245X earnings, 4X sales, and 50X cash. CHWY is coming off another strong quarter with customer activations up 40% and retention improving by over 200 bps and the company is now on pace to top pre-IPO estimates for profitability by almost two years. They remain the dominant online platform for pet care and expanding their moat with new products and services like their Connect with a Vet launched in 2020. CHWY also launched another health initiative last year, Compounding, and sees 2021 as a big opportunity to build up the services side as customer awareness expands. They also expect to continue building scale in 2021 with expanded fulfillment capabilities in both Q2 and Q3 while automation will be a tailwind to 2H margins. Long-term, CHWY sees a lot of opportunity to grow with the US pet market set to grow 20% through 2024 to \$120B. Online remains in the middle-innings of growth as well with just 53% of all sales expected on the channel by 2025, up from 7% in 2015. Analysts have an average target for shares of \$92.50 with a Street High \$133. Guggenheim starting at Buy in early May noting that despite being the largest pureplay pet e-tailer in the U.S., Chewy only participates in about 70% of the combined pet products and services market and has significant room for expansion. Evercore starting at Outperform in April, a high-quality platform play on the \$200B pet market. Short interest is 3.25%. Hedge fund ownership fell 1.2% in Q1.

#### Hawk Vision:



**Hawk's Perspective:** CHWY fits the profile of high-valuation names that have been out-of-favor and need to see more constructive action back above its 200-day again to get interested but overall a bright long-term future and I think they've made some smart moves to position well to dominate the growing pet services market

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bull Spread Sees More Upside for Dicks Sporting Goods into Summer Sports Season

**Ticker/Price:** DKS (\$87.75)

#### Analysis:

**Dicks Sporting Goods (DKS)** spread is buying the June \$90 calls for \$4.30 and selling the May 28th (W) \$81.50 puts for \$1.50, over 3300X, and follows buyers of the May 28<sup>th</sup> (W) \$95/\$100 call spread last week. The January \$55 puts were sold to open 4/12 as well for more than \$1M and 1,500 September \$90 calls remain in OI from January. DKS has been a relative strength name since last March and forming a small flag now under recent highs at \$90. A breakout has room to \$100. The \$7.65B company trades 15.88X earnings, 0.80X sales, and 5.28X FCF with a 1.65% yield. DKS has benefitted over the last year from the massive thematic shift into more outdoor activities and something they said is likely to continue in 2021 within big ticket categories like fitness, golf, and bikes. They also have tailwinds into the Summer from an earlier resumption of youth team sports due to better weather which should be a boost to both their apparel and footwear businesses. DKS was at the BAML Conference in early March and optimistic about growth in private label this year with VRST gaining some momentum early and “a lot of whitespace we can go after.” Analysts have an average target for shares of \$74 with a Street High \$100. Wedbush raising estimates yesterday into Q1 as the analyst believes sales trends accelerated since the company's 4Q20 earnings report, driven by fiscal stimulus, increasing consumer confidence, and reemerging team sports. Goldman raising estimates last week citing easier comps in Q1, especially as team sports resume. Short interest is 12.5% and down from around 17% in December. Hedge fund ownership fell 12% in Q1, Samlyn Capital continuing to add to their stake. DKS reports on 5-26 and shares higher six of the last seven with an average closing move of 5%.

#### Hawk Vision:



**Hawk's Perspective:** DKS should post a big number next week and the outlook should be favorable as well despite some tougher comps on the outdoor goods as they'll get a better mix of in-store shopping and ecommerce as well as apparel/footwear sales

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Airlines (JETS)** unusual buy of 1000 September \$24 ITM calls up to \$3.95

**Volatility (VXX)** opening sale 4500 September \$65 calls for \$4.08

**Nasdaq (QQQ)** buyer 4000 June 11th (W) \$332 calls today for \$4.11 with June 4<sup>th</sup> (W) \$332 calls spread against and June 4th (W) \$329 calls bought 5000X at \$4.13 vs. the \$335 calls

**Software (IGV)** opening sale of 5000 June \$320 puts for \$3.50

**Regional Banks (KRE)** afternoon buyers of 2875 Dec. \$64 puts \$3.35 offer

**China Internet (KWEB)** with 7500 January \$80 calls bought \$3.60 to \$3.65 in offer sweeps this afternoon with Biden delaying a decision on China blacklist investments

### **Consumer Goods**

**Diageo (DEO)** early unusual buying of 1000 July \$190 calls with many spread versus the \$200 strike

**Coca Cola (KO)** rolling over early with 1800 August \$55 puts bought \$2.55 offer

**B&G Foods (BGS)** buyer of 5400 November \$30 puts \$4.20 as May adjust

**Corsair (CRSR)** IV picking up early with another 3,000 June \$35 calls bought for \$1.18 to \$1.25

**Garmin (GRMN)** with 1,445 June \$135 puts sold to open today for \$1.60, steady name that is flagging near recent highs

**Casper Sleep (CSPR)** jumping with September \$7.50 calls seeing more activity

### **Consumer/Business Services**

**Nielsen (NLSN)** buy-write sells 1500 January \$31 calls \$2.15

**Uber (UBER)** with 5000 July \$50/\$60 call spreads bought today

**Gartner (IT)** continues to flag and seeing 4000 September \$230 calls bought \$15.80 to \$16.10 as June adjust out

**AppHarvest (APPH)** opening sales of 5,000 January \$10 puts for \$1.20 into recent weakness

**Take-Two (TTWO)** earnings tonight and 500 January \$130 puts sold in stock replacements for \$5.10

**RCI Hospitality (RICK)** with 350 December \$85 calls sold to open this morning for \$15 into new highs

**Signet (SIG)** seeing 800 June \$35 calls bought for \$29.85 as the May ITM calls roll

**Bloomin' Brands (BLMN)** with near 800 January 2023 \$25 puts sold to open for \$4.70

**Wyndham Hotel (WH)** spread selling 2500 June \$70 puts \$0.70 and buying \$77.5/\$82.5 call spreads for \$1.45

**Expedia (EXPE)** with 600 August \$170 puts sold to open today for \$13.75

**Charter (CHTR)** stock replacement opens 1000 June \$730 calls \$6.50

**Guess (GES)** with 7500 June \$29/\$24 bull risk reversals opening as \$27/\$22 and \$28/\$23 adjust, also sells the \$35 calls 7500X

**Porch.com (PRCH)** buyer of 4,850 June \$15 calls for \$2.20, adjusting higher the \$12.50 calls bought on Friday

### Energy

**Bonanza Creek (BCEI)** with nearly 1300 June \$45 puts bought \$4.50 to \$4.60

**Conoco (COP)** trade puts on 2000 August \$65/\$47 bull risk reversals for \$0.82

**BP PLC (BP)** into day lows with 15,000 July \$29/\$23 bull risk reversals opening at \$0.40 debits. **BP** spreads up over 34,000X

**EOG Resources (EOG)** with 500 January 2023 \$70 calls opening today for over \$1.2M as January \$60 adjust

**Marathon Oil (MRO)** with 1000 April 2022 \$12 puts sold to open for \$2.28, stock replacement

**Conoco (COP)** buyers active 5000 August \$65 calls with many spread versus \$75, bull flow yesterday as well, name that can buy back a lot of its shares. **COP** spreads up over 11K now

**Bloom Energy (BE)** with 1,500 January 2023 \$17 puts sold to open for \$4.60

**Valero (VLO)** with 500 January 2023 \$65 puts sold to open for \$8.55, stock replacements. **Valero (VLO)** also with 1825 December \$70 puts bought to open today \$4.95 to \$5.05

**SunPower (SPWR)** IV rising with 3000 June \$23 calls bought up to \$1.74

**Marathon (MRO)** nearly 4000 June 11th (W) \$12.50 calls bought for \$0.47 this afternoon, similar timing and low-delta calls as we've seen in other energy names this week

### Financials

**Select-Quote (SLQT)** into recent weakness with 3500 June \$25 low Delta calls being bought \$0.25/\$0.30

**Zillow (Z)** opening sale 300 November \$85 puts \$6.20

**Lemonade (LMND)** buyer 400 December \$70 put \$14.75

**Gladstone (LAND)** buyer of the June \$22.50 calls 3000X for \$2.80, adjusting higher the May \$20 calls opened in mid-April

**Aon Plc (AON)** with 450 October \$260 calls bought for \$13.65 as the \$240 calls start to adjust higher, new Berkshire position in Q1

**Wells Fargo (WFC)** buyer of 1000 July 2nd (W) \$48.50 puts for \$2.61

**American Express (AXP)** with 500 January \$160 puts sold to open for \$16, stock replacement

**Starwood Properties (STWD)** with 5400 December \$27 calls opening earlier today \$0.75 to \$0.80

**Stone (STNE)** with 1200 June \$55 puts bought today \$1.95 to \$2

**Coinbase (COIN)** hitting lows but is seeing 400 August \$240 puts sell to open \$29.30 to \$28.60 this afternoon

**PagSeguro (PAGS)** spread sells 2000 August \$35 puts \$1.35 and buys the \$45/\$52.5 call spreads at \$2

## Healthcare

**Clover Health (CLOV)** buyer 5000 June \$9 puts \$2.45 into rally

**J&J (JNJ)** with 6000 July \$175 calls sold to open \$2.07 to \$2.05

**Esperion (ESPR)** into weakness with a sale of 1250 September \$17.50 puts to open \$2.42

**Curis (CRIS)** with 3000 May \$15 short puts closing and opening June \$17.5/\$22.5 call spread 3000X

**Novavax (NVAX)** with 650 June 25th (W) \$120 ITM calls bought for \$34.50

**Sarepta (SRPT)** with 500 January \$120 calls opening for \$6.20 today with shares working out of a multi-month base

**Cerner (CERN)** another 2,500 June \$80 calls bought today up to \$1.45

**CVS Health (CVS)** stock replacement sells 2,500 June 2022 \$85 puts for \$7.70

**Gilead (GILD)** with 5000 August \$75 calls sold to open today \$1.20 to \$1.17 in a buy-write with stock

**RAPT Therapeutics (RAPT)** jumps with 5000 July \$25/\$40 call spreads bought \$3.20

**Centene (CNC)** with 1000 September \$75 calls being bought up to \$3.39, strong name. **CNC** calls to 2250X with buyers up to \$3.50 now

## Industrials

**Raytheon (RTX)** opening sale of 1250 October \$85 puts for \$5.55

**Tesla (TSLA)** with 10,000 March 2022 \$1000 calls being bought today as June \$1000 adjust. **TSLA** June 4th (W) \$600 calls with big buyer flow earlier today \$17.70 to \$20 and trading 7500X

**American Air (AAL)** with 20,000 December \$20/\$15 put spreads opening for \$1.75

**KB Home (KBH)** with 650 October \$46 puts bought today for \$5.60 after some bearish flow into other homebuilders this week

**Ford Motor (F)** with 2,750 October \$12 puts sold to open for \$1.09 and follows over 3,500 of the October \$11 calls bought recently

**Spirit (SPR)** buyer of 1250 June \$45 calls for \$1.75 with Airbus looking to ramp up production in the 2H

**GM** buyer of 1000 July 2nd (W) \$56 calls for \$3.05 today

**Stratasys (SSYS)** with 500 December \$22.50/\$30 call spreads bought for \$1.82 today with the earlier bull flows in **DDD**. **SSYS** now also seeing 2000 December \$25/\$35 call spreads bought today with the \$17.50 puts sold 1000X

**Alaska Air (ALK)** buyer of 700 January \$67.50 puts for \$6.70

**3D Systems (DDD)** with over 4500 January \$22 calls bought up to \$8.10 with shares working out of a multi-week base off the 200-day

**Copart (CPRT)** with 1000 June \$125 calls bought earlier for \$3.60

## Materials

**Sherwin Williams (SHW)** with 600 January \$300/\$270 strangles sold to open for \$34.50



**Teck (TECK)** sweep buyer 1400 Aug \$23 puts for \$1.19 offer

**Calumet (CLMT)** with 5000 August \$7 calls opening \$0.50/\$0.55

**Freeport (FCX)** with 700 January \$38 calls bought for \$10.35 as the \$32 calls close and adjust higher into strength

**Newmont (NEM)** with 1000 July \$70 puts sold to open for \$2.35

**US Steel (X)** with 5,500 June 4th (W) \$29.50 calls bought around \$0.50/\$0.55

**US Silica (SLCA)** with 1,190 December \$11 and December \$12 calls bought today for \$3.45 and \$3.05 respectively

**Steel Dynamics (STLD)** with 1500 May 2022 \$75/\$60 bull risk reversals opening for a \$2.40 credit, always the preferred Steel name, and may be an adjustment of the January \$45 calls that closed earlier for a large profit

**Builder's First (BLDR)** with 1000 June \$46 calls opening for \$2.42/\$2.43 as 2,000 of the June \$50 calls look to be adjusting back

### **Tech and Telecom**

**Unity (U)** buyer 1000 August \$100 calls \$5.10 offer on wide bid-ask spreads. **U** also seeing buyers active June \$105 calls 2750X up to \$1.45 on wide bid-ask

**Cisco (CSCO)** into earnings tomorrow with 9900 October \$52.50 calls sold to open as the May \$50 short calls adjust

**Cree (CREE)** buyer 1000 December \$82.50 puts for \$8.40

**Palantir (PLTR)** with more than 10,000 August \$27/\$16 bull risk reversals opening near \$0.38 debit

**Magnite (MGNI)** the June \$30/\$40 call spread being bought 4000X today for \$1.19 with the \$20 puts sold 2000X for \$0.35

**Alpha Omega (AOSL)** with 500 September \$30 puts sold to open today for \$4.00 to \$3.90

**GDS (GDS)** with 650 September \$90 calls bought \$4.50 today, talk this morning of a potential M&A deal for a Chinese rival

**DocuSign (DOCU)** with 1200 June 4th (W) \$175 puts sold to open today down to \$3.50

**Western Digital (WDC)** with 1000 January 2023 \$70 puts sold to open for \$14.85

**Coupang (CPNG)** buyers in the November \$35 calls up to \$6.35, 1450X, and spread with the \$30 puts sold for \$2.20

**Gogo Wireless (GOGO)** with 1000 January 2023 \$12/\$20 call spreads bought for \$2.15

**C3.AI (AI)** with 1000 June \$100 ITM puts opening as May \$100 adjust

**LightSpeed (LSPD)** with 5000 May \$70 calls being sold to buy the \$55 puts at \$1.50

**New Relic (NEWR)** buyer 2000 January 2023 \$30 puts for \$3, also 500 of the \$120 calls sell to open \$3.50

**C3 AI (AI)** with 1000 June \$60 calls sold to open this afternoon for \$5.30

**UI Path (PATH)** with 1000 June \$70 puts bought this afternoon as IV climbs for \$6.20

### **Utility**

**Duke Energy (DUK)** with 2000 January \$92.50 puts sold to open \$4 with the recent activist battle

**Next-Era (NEE)** buyer 10,000 January 2023 \$100 calls \$1.90, best-in-class Utility hunting for M&A deals

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