



MARKET RECAP REPORT 5/19/2021

Sector Leaders

Solar

Semiconductors

Software

Stock Gainers

RETA 20%

ZIM 12%

PCT 7.5%

ONCS 7.2%

NMRD 6.6%

DQ 5.5%

Volatility Gainers

- MARA
- MSTR
- RETA
- COIN
- CAN
- BHR

High Call Volume

- SSRM
- CLMT
- TPX
- JEF
- AON
- PARR

Bullish Options

- X
- OXY
- NEM
- M
- JD
- AAL
- V
- GS
- MA
- BIDU
- CAT
- XOM

Market Review: Stocks were very weak overnight with Tech selling off sharply and cryptocurrencies also came under heavy selling pressure. There was a clear move to risk-off after major indices failed at key downward sloping moving averages in the prior session. After the sell-off accelerated early we saw bounces in Tech led by Semiconductors, Solar, and Software. The 2021 cyclical winners got sold off hard with Energy, Metals, Housing, Banks and Retail sharply red ahead of the FOMC Minutes. The Nasdaq low bounce came once again at YTD VPOC and trend support from September 2020. Stocks rallied into the early afternoon but the breadth of up/down volume ratio remained concerning. The FOMC Minutes came out reiterating what the speakers have been saying though some mentions of talks of tapering at future meetings sent stocks lower and breadth to fresh lows but then snapped back as the S&P held its rising 55-MA. Philly Fed and Jobless Claims on the schedule tomorrow as well as some more Tech & Retail large cap reports.

S&P Chart:



Resistance	Support
4,170	4,110
4,220	4,055
4,385	4,030

Options Action Trends: In early action we saw more buying of calls in gold miners like **GOLD, NEM**. After the opening hour we also saw large July call buyers in **V, MA**. Chinese internet leaders **BIDU, JD** saw size call buys which followed the large January 2022 **KWEB** buyer yesterday. Put buyers targeted travel names like **LVS, RCL, UAL**.

What's On Tap: Philly Fed and Jobless Claims. Earnings from **AMAT, ROST, PANW, HRL, KSS, DECK, WMS, LSPD, WOOF, BJ**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Metals

Energy

Retail

Stock Losers

IOVA -19%

SPT -11.4%

TCS -11.4%

AMC -10%

PRTY -10%

PASG -9.5%

Volatility Losers

- VOD
- IOVA
- CLMT
- TTWO
- TGT
- TCOM

High Put Volume

- FTV
- EOSE
- GOL
- LFMD
- YALA
- PRPL

Bearish Options

- MARA
- LVS
- RCL
- TSCO
- EOSE
- FCX
- BABA
- UAL
- SEDG
- HD
- TDOC
- BOX



FEATURED OPTIONS RADAR REPORT



Bill.com Draws Bullish Activity into 200-Day Moving Average Test

Ticker/Price: BILL (\$138.15)

Analysis:

Bill.com (BILL) seeing bullish positioning since the start of May and following some overall weakness across the Software sector. BILL has seen 3000 May \$145 calls bought to open, 14,250 May \$120 puts sold to open, and more recently a focus in August expiration with 2000 of the \$150/\$180 call spreads bought and 1500 of the \$155 calls bought.

BILL shares are basing just above YTD lower value which aligns with its rising 200-day moving average so the risk/reward setting up favorably. BILL remains in a longer-term uptrend and above \$153.50 can make a run to \$165 or higher. BILL is a disruptive name for small businesses as their platform replaces paper invoices and checks for things like billing to vendors and getting paid for services. BILL has been rapidly expanding their network integrating with Quickbooks for greater SMB adoption and expanding partnerships with larger institutions like Chase. BILL sees massive opportunity in B2B payment flows and has launched a wide range of functionality in the last couple years including cross-border payments, virtual card payments, same-day ACH, and now testing real-time payments through The Clearing House. The \$11B software company now trades 33.6X FY22 EV/Sales with revenues rising 45.5% in 2020, 40.5% in 2021 and seen rising 32.6% in 2022, a hyper-growth name but valuation remains very rich. BILL recently announces a \$2.5B deal to acquire Divvy, a leader in spend management that modernizes finance for business by combining expense management software and smart corporate cards into a single platform. BILL is coming off a strong quarter with acceleration in TPV growth to 45% and a rise in its take rate. The take rate expansion was driven by continued mix shift towards variable priced payment options – cross-border and virtual card – due to BILL's supplier-enablement efforts. The real time payments product is still in beta, but an integration with Stripe will be generally available this quarter, which should allow BILL to expand the reach of the instant transfer product to all 2.5mn of its network members. BILL added 6,400 net new customers during the quarter compared to 5,600 in the prior quarter. Analysts have an average target of \$175 on shares and short interest at 9% of the float has risen 35% Q/Q. Piper raised its target to \$180 after the strong quarter, while SIG and Berenberg each initiated last quarter at Neutral on valuation.

Hedge Fund ownership fell 11% in the latest quarter filings, Whale Rock, Temasek, Abdiel and Lone Pine notable concentrated holders and Melvin with a new position may be the buyer of these call options.

Hawk Vision:



Hawk's Perspective: BILL is a great growth story but at this valuation in this environment need to keep a short leash near recent lows or the 200-MA, but a name that will thrive if growth comes back into favor.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Call Spreads Position for Positive Proof of Concept Data in RAPT

Ticker/Price: RAPT (\$22.70)

Analysis:

RAPT Therapeutics (RAPT) on 5/18 with a large buy of 5000 July \$25/\$40 call spreads at \$3.20 to open, while later 2500 each of the June \$20 and July \$15 puts were bought to open. RAPT has previously seen nearly 7000 June \$25/\$40 call spreads open. RAPT debuted in 2019 and shares in a sideways range basing November 2020 through the current period in the \$15.5/\$24 zone while shares hit a high near \$48 in early 2020. RAPT is a clinical-stage immunology-based biopharmaceutical company focused on discovering, developing and commercializing oral small molecule therapies for patients with significant unmet needs in oncology and inflammatory diseases. Its two lead drug candidates each target C-C motif chemokine receptor 4 (“CCR4”), a drug target that potentially has broad applicability in oncology and inflammatory diseases. Its lead oncology drug candidate, FLX475, reached the clinic in just two and a half years and its lead inflammation drug candidate, RPT193, entered the clinic in August 2019. FLX475 is designed to selectively inhibit the migration of immunosuppressive regulatory T cells in tumors, and currently conducting a Phase 1/2 clinical trial investigating FLX475 as a monotherapy and in combination with KEYTRUDA. RPT193 is designed to selectively inhibit the migration of type 2 T helper cells into inflamed tissues. Th2 cells are known to be drivers of inflammatory diseases along the “atopic march” including atopic dermatitis (“AD”), asthma, chronic urticaria (skin rash), allergic conjunctivitis, chronic rhinosinusitis and eosinophilic esophagitis (inflammation of the esophagus). RAPT will give a Phase 2 update for FLX475 in 2H21 and Phase 1b PoC for RPT 193 in 1H21 for atopic dermatitis. RAPT has a market cap of \$535M with no revenues and has \$115M in cash. Analysts have an average target of \$35 and short interest is low for a small cap Biotech at 5.7% of the float. BMO lowered its target to \$45 in November seeing shares reflecting little value for FLX475 and a discounted price for RPT193 into 1H21 data. Roth rates RAPT a Buy seeing broad potential in oncology. RAPT has the potential to improve upon standard therapy in charged tumors with FLX475. Perceptive Advisors has a \$55M position.

Hawk Vision:



Hawk's Perspective: RAPT is clearly speculative and event-driven and we can see positioning reflect upside potential to around \$40 on data, while downside likely limited to \$12.50, so a positive reward/risk here.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Goldman Bulls Position into Dip for Return to New Highs

Ticker/Price: GS (\$355.50)

Analysis:

Goldman Sachs (GS) with 500 September \$355 calls bought today for \$24.70 with shares not far off recent highs and also later seeing 300 October \$340 puts selling to open \$21.45. GS has seen sellers recently in size for the July \$350 puts and October \$355 puts while the October \$370 calls with buyers. The June \$350/\$380 call spread from 4/12 remains in OI too, 2000X4000. Shares are finding support at the rising 21-day MA as well as the recent range breakout this morning and flagging in a multi-week range under recent highs at \$375. A breakout has room up to \$400. The \$120.5B financial trades 10.3X earnings, 2X sales, and 1.5X book with strong FCF and a 1.4% yield. GS is coming off of a blow-out quarter with record ROE and earnings while strength in trading and investment banking was evident as market conditions continue to be supportive. GS continues to expand their strategic investments as well across digital and consumer verticals with Marcus gaining share last quarter and they see double-digit growth for their wealth management business as well with a focus on expanding offerings and scale this year. GS also has a potential catalyst this year with M&A in the financials picking up. In April, they noted that if they were to target a deal it would likely be within asset management. Analysts have an average target for shares of \$358 with a Street High \$497. Citi positive in April citing continued market share gains across key segments which should lead to positive earnings revisions in out years. BMO raising estimates in April as its investment bank backlog at an all-time high. Short interest is 1.25%. Hedge fund ownership fell 4% in Q1.

Hawk Vision:



Hawk's Perspective: GS is one of my preferred financial plays and would like to see it closer to that 50-MA at \$343 to set up a solid risk/reward setup

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Position in Booking Holdings As Summer Travel Season Kicks Off

Ticker/Price: BKNG (\$2244)

Analysis:

Booking Holdings (BKNG) with 400 September \$2,250 calls bought \$161 to \$174 today, over \$6.5M. Today's flow follows sellers in the January \$2,010 puts recently and buyers in the June \$2,450 calls, both around \$2M. BKNG has some size in the October short puts as well while the July \$2150 calls remain in OI over 2,750X from March, an \$85M position that is down around 50%. Shares are putting in a reversal day today off of the \$2,175 level, a key area of support going back to February. A move higher above the 8- EMA has a small volume gap back to \$2,350 and the 21-/50-MA. The \$88B company trades 23.88X earnings, 15X sales and 7X cash. BKNG is benefiting from pent-up demand for travel and seeing strong bookings versus 2019, especially in areas like China and Europe. BKNG sees a lot of opportunity this Summer for their hotel business to rebound strong as more people will shift away from alternative accommodations as vaccines and local restrictions ease. Longer-term, the company continues to build out their Connected Trip vision which expands their platform from not only travel and accommodation but also into experiences. Analysts have an average target for shares of \$2,422 with a Street High \$2,950. Deutsche Bank raising estimates on 5/6 after Q1 as Europe trends are starting to improve, cancellation rates are improving sequentially, and the company is seeing an increase in direct mix along with strong mobile app adoption. Short interest is 1.8%, lowest in three years. Hedge fund ownership fell 4%. Alkeon Capital adding call options.

Hawk Vision:



Hawk's Perspective: BKNG looks like it may have further room back to that 200-MA at \$2,065 which would be a solid risk/reward entry but overall have always preferred **EXPE** with their HomeAway/VRBO angles and relative strength

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Healthcare (XLV) with 2500 December \$120 puts sold to open \$5.85 into morning lows

Energy (XLE) buyer of 15,000 July \$55 calls \$1.46 into morning lows

ARK Innovation (ARKK) with 5000 August \$100 puts opening this morning \$9 to \$9.20. **ARKK** also with buyers to open 10,000 June \$87.96 puts today

Russell (IWM) with 35,000 June \$206 puts bought to open this morning as the \$210 puts adjust

S&P (SPY) with over 39,000 June 4th (W) \$401 puts bought for \$17M this morning with May puts adjusting

Semiconductors (SMH) with 3,500 June \$245/\$265 call spreads bought this afternoon for \$2.70, outperforming a bit today from the open

Treasury (TLT) buyer 8000 July \$133/\$128 put spreads

Consumer Goods

RLX Tech (RLX) with 1500 October \$10 puts sold to open for \$2.20

Anheuser Busch (BUD) buyers 1900 December \$70 puts this afternoon \$4.45 to \$4.50

Consumer/Business Services

Carvana (CVNA) with 750 June \$230 calls bought this morning from \$11.25 to \$13.75

Las Vegas Sands (LVS) with 1,400 August \$50 puts bought \$2.40 to \$2.48 this morning

VIP Shops (VIPS) with 3,500 June \$27/\$20 bull risk reversals opening for a \$0.05 net debit

Royal Caribbean (RCL) with 850 December \$75 puts bought this morning for \$7.80

Viacom (VIAC) buyer 10,000 September \$50 calls \$1.60 as the July 2nd (W) \$50 calls from yesterday adjust, also saw Sep. \$50 calls add yesterday. **VIAC** also seeing 8000 June 4th (W) \$40 calls open

Macy's (M) buyers 10,000 August \$20 calls \$1.63 to \$1.68 offers

Tractor Supply Co (TSCO) with 2200 June \$175 puts opening \$4.70 as 1000 of the \$195 adjust

Capri (CPRI) buyer of the June \$57.50/\$65 call spread 1250X2500 today as the May \$55 calls adjust out ahead of 5-26 earnings, some positive reads from peers recently. **CPRI** now with 2000 June \$60 calls bought for \$1.87 as the May \$50 calls adjust higher and out

Etsy (ETSY) with 570 July 2nd (W) \$175 calls opening \$7.87 to \$7.99

Home Depot (HD) fading strong earnings seeing 1375 October \$260 puts bought \$5.80 to \$5.85

Uber (UBER) stock buyer collars with 3000 July \$52.5/\$47.5

TAL Education (TAL) with 1600 January \$70 calls sold for \$1.60 in a buy-write

Live Nation (LYV) with 1,500 October \$67.50 puts sold today for \$2.45 in a tock replacement

Trip Advisor (TRIP) opening sale 500 January 2023 \$38 puts \$8.25

Discovery (DISCA) with 1000 January 2023 \$30 puts sold to open today for \$5.00 to \$5.10

Vroom (VRM) jumps as 3400 August \$45 calls open \$3.60 as May \$45 adjust

Energy

Occidental (OXY) the November \$25 calls bought for \$4.00 to \$4.05 this morning, over 2000X, continues to draw bullish flow as it consolidates near recent highs. **OXY** also with 1000 June 25th (W) \$25 calls bought today for \$1.90. **OXY** also with another 3,500 September \$25 calls bought today around \$3.35

Devon Energy (DVN) buyer 1500 July \$29 calls bought \$0.95 into opening lows

Exxon (XOM) buyers of 5,000 of next week's \$58.50 calls between \$1.53 and \$1.66. **XOM** today also with 2500 June 2022 \$62.50 calls \$4.75 to \$4.80

EOS Energy (EOSE) another 2,000 May June \$15 puts opening for \$2.59, adjusting out of the May puts and still has 3,000 of the June \$12.50 puts in OI

Solar Edge (SEDG) buyer of 250 October \$230 puts \$34.40

Centennial Development (CDEV) buyers of nearly 1800 January \$6 calls for \$0.80/\$0.85, some large October ITM put sales in the name too

Halliburton (HAL) seller of 10,000 January \$25 calls \$2.24 in a buy-write

Maxeon (MAXN) spread buyers 1000 September \$20 calls for \$2.25/\$2.30 and sells the \$30 calls for \$0.70

Array Tech (ARRY) with 5,000 October \$15 puts sold to open for \$2.75 today into weakness

Financials

Square (SQ) buyers of 1000 June 11th (W) \$200 calls this morning for \$9.40. **SQ** also with 1000 of next week's \$200 calls bought between \$5.95 and \$6.25. **SQ** also had 2000 June 2022 \$170 puts sold \$23.15 this morning in a stock replacement. **SQ** opening seller 600 August \$195 puts for \$20.20

Coinbase (COIN) June \$250/\$280 call spreads active this morning, look to be 1X2 ratio spreads

Visa (V) big buyer 2500 July \$225 calls \$7.85 offer

MasterCard (MA) buyer of 1500 July \$360 calls \$15.20

KKR & Co (KKR) with 1000 January \$50 puts sold to open for \$3 today

Seritage Growth (SRG) with 3000 October \$20 calls opening as the \$25 adjust back that are spread against the \$35 calls (6000X)

UpStart (UPST) with buyers of 2,000 June \$120 puts for \$16.60 to \$16.96

Healthcare

TelaDoc (TDOC) buyer 2400 August \$115 puts \$5.45 to \$5.50. **TDOC** also with nearly 1000 July 2nd (W) \$128 puts sold to open today between \$6.25 and \$6.10

CVS Health (CVS) with 2,500 January \$85 puts sold to open for \$5.65, another strong day with their recent CFO announcement

Pfizer (PFE) buyer 2700 January \$39 puts \$2.69 offer earlier

Vertex (VRTX) jumps as 2000 June \$230 calls are bought \$6.20 to \$6.30

Mirati (MRTX) buyers today of over 500 January \$150 puts for \$25 to \$26

Industrials

American Air (AAL) buyer of 4000 July \$23 calls \$1.90

Caterpillar (CAT) buyer of 1000 September \$250 calls for \$9 into weakness

Deere (DE) with 685 September \$380/\$320 bull risk reversals bought this morning for \$4.05, similar to the Caterpillar flows

Skyline (SKY) stock and IV higher earlier with 700 August \$41 calls bought for \$3.90 to \$4, earnings on 5-25 and higher the last four and eight of the last ten

Meritor (MTOR) the November \$30 calls being bought 1200X for \$1.45/\$1.50. **MTOR** now also with 1000 June \$25 calls bought \$1.25/\$1.30

Southwest Air (LUV) with 3000 January \$55 puts sold to open \$4.25. **LUV** now 1000 July \$57.50 calls bought \$4.80 offer

Stanley Works (SWK) with 500 October \$185 puts bought for \$7.20 this afternoon

Materials

US Steel (X) buyers of 1775 June 4th (W) \$22 calls for \$3.05 to \$3.15, gap down today just above the rising 50-day MA. **X** opening seller 2062 January 2023 \$17 puts for \$3.45 and also July \$23 calls active with buyers 2000X

Barrick (GOLD) with 1450 June 11th (W) \$24.50 calls bought this morning \$1.25 to \$1.31 into weakness, green on the day now

Newmont (NEM) buyer 3000 July \$85 calls \$1.05 offer

Freeport (FCX) with 2,500 November \$34 puts bought \$3 to \$3.05 this morning. **FCX** buyers active for 13,000 July \$36 puts. **FCX** now also with 3,000 July \$37 puts bought for \$1.73

SSR Mining (SSRM) buyers of 16,000 June \$20 calls for \$0.45/\$0.55

Cliff's Natural (CLF) with 3,000 June 11th (W) \$21.50 calls bought for \$0.65

Trex (TREX) seeing June \$95/\$85 put spreads open 1000X as Lumber prices come back lower

Arcelor Mittal (MT) with 1000 December \$39 calls bought for \$2.28 to \$2.42

Calumet (CLMT) another 5,500 August \$7 calls being bought today for \$0.55, adding to the buyers from yesterday

Louisiana Pacific (LPX) with 700 August \$62.50 calls bought \$7.80 to \$7.90

Hecla Mining (HL) with 5,500 June \$8 puts sold to open for \$0.35

Teck (TECK) sweep buyers coming in for another 7000 August \$23 puts

Tech and Telecom

Adobe Systems (ADBE) with 265 August \$440 puts bought today \$14.85 to \$15 as shares work back under the 50- and 200-day

RingCentral (RNG) IV picking up here with 500 June \$250 calls bought up to \$10.50 to open, red-to-green name today

Baidu (BIDU) buyers of 1000 January \$230 OTM calls for \$11.50 to \$11.60 this morning. **BIDU** 500 June 2022 \$190 calls sold to open for \$30.05

JD.com (JD) turning green and July \$72.50 calls being bought 3500X \$3.15 to \$3.21. **JD** now a block of 8000 October \$67.5 calls is bought \$8.40

Roku (ROKU) with 1000 September \$220 puts sold to open for \$6.75

Apple (AAPL) block of 1350 November \$115 puts was sold for \$6.60

Ericsson (ERIC) with the July \$10 calls bought 1000X into the lows today for \$3.40 to \$3.45

Fastly (FSLY) stock replacement sold 800 December \$40 puts this morning for \$6.80

NVIDIA (NVDA) with 1400 October \$430 puts opening \$14.30 to \$14.50 this morning. **NVDA** also with 700 August \$550 puts sold to open for \$44.60 in a stock replacement today

Pinduoduo (PDD) with 1000 October \$140 calls bought for \$10.52 today, adjusting some weekly calls out. **PDD** buyers of 750 of next week's \$126 calls for \$6.65

Box (BOX) with 5000 June/July \$23 put calendar spreads opening \$0.42, earnings 5-27. **BOX** also with 1350 June / July \$24 put calendar spreads opening today

Atlassian (TEAM) with 4000 September \$230 calls opening for \$14.85, adjusting back the \$240 calls

Cisco (CSCO) seeing buyers of 2800 January \$52.50 puts \$4.90 to \$5.05 today into earnings

Facebook (FB) earlier this morning with 3500 September \$320 calls bought \$19.85 to \$20

Palo Alto (PANW) into 5-20 earnings with 1000 January \$350 puts opening \$42.87 as January 2023 adjust back a year

DataDog (DDOG) buyer of 1000 June \$85 puts for \$5.10 today, tied to stock

ASML Int'l (ASML) with 700 June \$560 puts bought this afternoon for \$6.60 to \$7, concerns over supply chain again today

Service Now (NOW) with 500 June \$460 calls bought for \$16.85, stock replacement

Service Now (NOW) with 500 June \$460 calls bought for \$16.85, stock replacement

Utility

Disclaimer:

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

Content is for informational and educational purposes only. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, we have not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors.