



Sector Leaders

Tech

Healthcare

Utilities

Stock Gainers

WBT 22%

DFH 11.8%

CRON 11.5%

VEEV 10.5%

IFS 8%

BCRX 8%

Volatility Gainers

- SMSI
- CRON
- PLBY
- ACB
- SPCE
- LUMN

High Call Volume

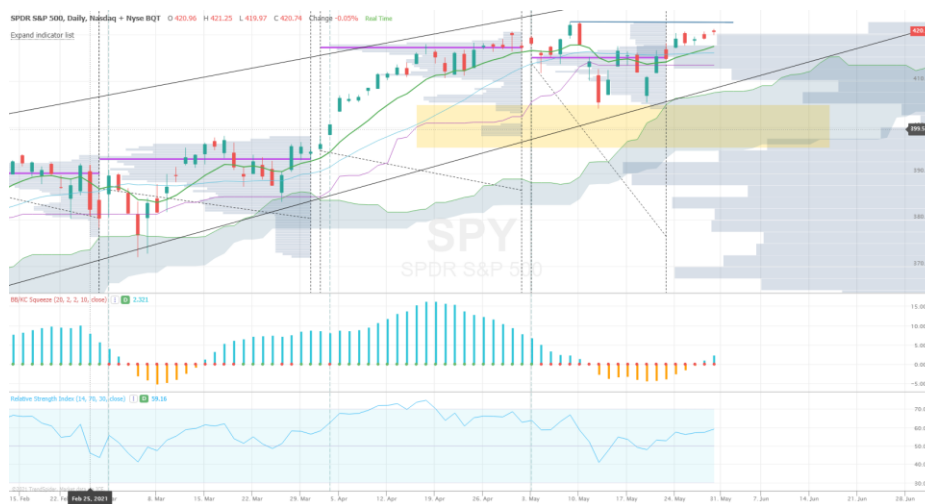
- CNI
- GES
- PETS
- SMSI
- BBW
- LPL

Bullish Options

- RKT
- PBR
- FANG
- NUE
- NVDA
- LLY
- PDD
- SNAP
- HUM
- QSR
- ROKU
- AAP

**Market Review:** Stocks rose overnight to the highs for the week ahead of an active morning of economic data. Personal Spending came in strong and Income beat expectations while inflation data was in-line with consensus. Chicago PMI came in strong above expected levels. Stocks started out the morning mixed with speculative, high-short names in focus and ripping higher again. But, they faded quickly and the S&P overall settled into a range. Tech outperformed on the day with Salesforce earnings helping lift sentiment in the group. S&P briefly traded above Thursday's range at 4215.50 in the morning and largely stayed above the close from the prior day. Ranges overall have tightened up into the holiday weekend and we remain above the 8-EMA, the short-term area of interest.

**S&P Chart:**



Resistance	Support
4,220	4,170
4,385	4,110
4,450	4,055

**Options Action Trends:** We saw bullish flow into retail apparel names like **RL**, **GES**, **CROX** and **SIG**. Brazilian payments names **STNE**, **PAGS** both saw call buyers. **CNC** and **HUM** both saw call buying in managed care.

**What's On Tap:** Markets will be closed on Monday. Next week on the macro side the focus will be China PMI, US ISM manufacturing, and the jobs report on Friday. G7 Ministers also meet on 6/4 in London. Earnings slow down but notables from HPE, ZM, NTAP, PVH, SPLK, AVGO, COST, DOCU, and LULU. Conferences continue with Cowen TMT, Jefferies HC, KeyBanc Industrials, RBC Consumer, and William Blair Growth in focus.

**Trade Tracker Portfolio Changes:**

- 1) **Spotlight:** Long **GE** September \$13 Calls \$1.25 – No Fill

Sector Laggards

Financials

Industrials

Materials

Stock Losers

CTRM -14%

YY -8.5%

HPQ -8%

UPST -7.5%

GME -7%

FINV -7%

Volatility Losers

- IVR
- ENDP
- CLVS
- YEXT
- YY
- HOG

High Put Volume

- CP
- STNE
- HPE
- OZON
- HPQ
- AAP

Bearish Options

- VXX
- AFRM
- BBBY
- CP
- MRNA
- NKLA
- FIVE
- ALXN
- MTN
- AMC
- STNE
- XPEV



## FEATURED OPTIONS RADAR REPORT



### Bullish Trade in Scotts Miracle-Gro into Seasonally Strong Window

**Ticker/Price:** SMG (\$215.5)

#### Analysis:

**Scotts Miracle-Gro (SMG)** with 1250 June \$220/\$200 bull risk reversals opening for \$3.81 debit on 5/27 and becomes the most notable open interest in the name, though on 3/16 the November \$200 puts opened 500X at \$15.50 and remain in OI. SMG is entering a seasonally strong window with shares up 8% on average in July the last five years. SMG has put in a low just above its rising 144-day moving average in October, March and May and currently shares basing in a narrow range while the longer-term trend remains strongly bullish. SMG shares can ultimately target a move to \$300 on a breakout above \$250. SMG is the leading manufacturer and marketer of branded consumer lawn and garden products in North America with brands like Scotts, Miracle-Gro, Ortho, Home Defense, and Tomcat while also marketing/distributing Roundup for Bayer AG / Monsanto. SMG's Hawthorne segment is the leading manufacturer, marketer and distributor of lighting, nutrients, growing media, growing environments and hardware products for indoor and hydroponic gardening. SMG currently has a \$12B market cap and trades 22.85X Earnings, 2.43X Sales and 16.5X EBITDA with revenues seen rising 15% in 2021 and growth slowing to 2% in 2022. SMG has consistently been beating and raising estimates. SMG will present at the Blair Growth Stock Conference on 6-2 as a potential near-term catalyst. SMG was very optimistic on its earnings call in early May though noted the one uncontrollable concern being the inflation in commodities which will result in downward pressure to margins. SMG sees the Hawthorne unit continuing to grow rapidly as more markets open with cannabis legislation. SMG also noted a healthy M&A pipeline and a lot of financial flexibility. Analysts have an average target of \$290 with short interest low at 2.6% of the float. Truist raised its target to \$300 on 5/6. Hedge Fund ownership plunged 20% in Q1 filings.

#### Hawk Vision:



**Hawk's Perspective:** SMG with a nice reward/risk here versus the reversal low near \$212.50, though below that likely visits the 200-MA at \$199 so could be traded in either direction, but a high quality company and facing some cost pressures but if transient as the Fed expects, the business remains very strong and shares are attractively valued.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bullish Open Interest in Tyson Sees Further Upside as Consumer Demand Surges

**Ticker/Price:** TSN (\$79.50)

#### Analysis:

**Tyson Foods (TSN)** notable bullish activity this week with 1,500 January \$75 puts sold to open on 5/26, the October \$72.50 calls bought on 5/24, and the January \$80 puts sold to open 1000X on 5/24. TSN has 4800 June \$77.50 calls in OI from buyers in late April while the July \$85 calls also with 3,700 in OI from buyers in March. Shares are consolidating near recent highs with cloud support and the April VPOC down around \$77.50. A move above \$81 has room up to \$86.50. The \$29B company trades 12.4X earnings, 0.67X sales, and 33X cash with strong FCF and a 2.25% yield. TSN has seen a number of headwinds in 2021 including cost inflation and supply shortages but continues to execute well amid a strong consumer demand backdrop. The company was at the BMO Farm Forum on 5/19 noting that a return to foodservice will be a big tailwind for them as well as the step up in chicken sandwich promotions by QSR that have been taking over menus. Another catalyst for the year is the launch of their new meatless products, Range & Rooted, which hit shelves on 5/5. Analysts have an average target for shares of \$82.75 with a Street High \$92. Argus upgraded to Buy last week citing continued growth in demand for protein while investing in new products, e-commerce upgrades, and capacity expansion. Barclays positive on 5/13 as current strong beef industry dynamics support earnings results and management has identified the issues in the Chicken segment and can now focus on addressing them.

Hedge fund ownership fell marginally in Q1.

#### Hawk Vision:



**Hawk's Perspective:** TSN has been a steady name since March but yesterday's candle showed some cautious price action and could return to test the 50-MA which would be a nice risk/reward spot

**Confidence Ranking:** \$\$



## Cliff's Calls Look for Metals Trade to Regain Momentum

**Ticker/Price:** CLF (\$20.20)

### Analysis:

**Cleveland Cliff's (CLF)** bullish flows accumulating this week including buyers of more than 4,000 August \$23 calls on 5/27. Additionally, the June 4<sup>th</sup> (W) and June 11<sup>th</sup> (W) calls seeing accumulation while the June \$18 ITM calls bought 15,000X on 5/12. Shares pulled back to the 50-day MA this week as well as trend support from the March lows. CLF jumped 3.75% on Thursday and continuation higher targets \$23.75 and the high-end of this channel. The \$10.3B company trades 10X earnings and 1.15X sales. CLF is poised to benefit from the surge in recovery projects and infrastructure spending as the US looks to move away from COVID over the next year. They've been benefitting from lower scrap use as prices rise and higher productivity from bringing HBI products in-house. CLF sees debt reduction as a major focus in 2021 as they target \$4B in EBITDA for the year. Analysts have an average target for shares of \$22 with a Street High \$25. BAML starting at Buy recently noting the company has transformed from an iron ore pure play to a vertically integrated auto-focused mill with the most flat-rolled capacity in the U.S. They also note that CLF offers raw material cost advantages over mini-mill peers along with less balance sheet risk than its integrated peer U.S. Steel. CSFB upgrading to Outperform in early May as its steel product portfolio is diversified across the entire flat rolled market including tin and plate and that its high degree of contract exposure provides further earnings stability through the cycle. Hedge fund ownership rose 4% in Q1 and insiders active buying stock recently at \$19.50.

### Hawk Vision:



**Hawk's Perspective:** CLF was a chart highlight earlier this week near the optimal entry price around that 50-day MA but it still has plenty of upside and one to watch near-term for a small consolidation back around the 8-EMA

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**MSCI EAFE (EFA)** with 25,000 Augusts \$79 puts opening \$1.66 to \$1.68 with adjustments from other months

**Semiconductors (SMH)** strong group breaking out of YTD value zone today and 5500 July \$260 calls opening near \$4.20 with buyers

### **Consumer Goods**

**National Beverages (FIZZ)** with 1000 July \$52.5 calls bought for \$4 to open today

**Advanced Auto (AAP)** spreads 1500X selling June \$170 puts to buy \$190/\$210 call spreads

**Dollar Tree (DLTR)** with 1000 November \$85 puts sold to open for \$2.50 into weakness today

**Cronos (CRON)** stock and IV rising mid-day with over 4000 June \$9 calls bought for \$0.40

**AB In Bev (BUD)** with 1000 December \$75 puts bought today for \$5.45

**Mondelez (MDLZ)** stock replacement sold 1950 June \$65 ITM puts for \$1.65

### **Consumer/Business Services**

**Five Below (FIVE)** buyer of 1000 June 4th (W) \$182.5/\$167.5 put spreads for \$3.95 ahead of 6-3 earnings

**Guess? (GES)** into weakness this morning a buyer of the July \$30/\$35 call spread 1,500X3,000 for \$0.70, back at the 21-day MA

**Signet (SIG)** buyer of the June 4th (W) \$62.5 calls 1000X for \$1.55 and 2,000 of the \$65 calls for \$0.80, earnings not until 6-10

**Vail Resorts (MTN)** trading one of those unusual diagonal put spreads at October \$320 / January \$330 for 1350X, a name that sees very little options action which makes me think a single firm is utilizing this strategy as protection in its holdings,

**Restaurant Brands (QSR)** buyers for 5000 June \$70 calls \$1.10 to \$1.20

**Macy's (M)** with 1,650 June \$21.50 puts sold to open this morning for \$3.35

**Ralph Lauren (RL)** buyer 1000 June \$125/\$135 call spreads for \$2.60

**Croc's (CROX)** the July \$105/\$115 call spread being bought for \$2.40 today, 1000X, and follows the July \$100 calls bought late day yesterday 1375X. **CROX** also 1965 July \$90 puts being sold to open \$2.60

**Gamestop (GME)** spread sells 2,000 August \$150 puts and buys the November \$150 puts for a net \$14.18 on the calendar spread

**The Gap (GPS)** spread today sells 2,000 September \$28 puts to buy the \$36/\$44 call spread for a net \$0.40

**AMC (AMC)** buyer 10,000 December \$12 puts \$3.53

**Activision (ATVI)** the June \$95 calls closing 10,000X and rolling up to buy the \$100 calls 20,000X for \$1.12 to \$1.13. **ATVI** also with 1,500 July \$100 calls bought for \$2.32

**Etsy (ETSY)** with 1,000 January 2023 \$125 puts sold to open for \$18.40 today, stock replacement

**Caleres (CAL)** weak today after earnings and seeing 2000 July \$25/\$30 call spreads bought to open for \$1.29

**IAA** buyer of 4,000 October \$60 calls for \$3.60 in a stock replacement, looks to be adding to sizable open interest

**Marriott Vacations (VAC)** stock pops with 2,000 October \$17 calls bought from \$13.10 up to \$14.14 to open

**Texas Roadhouse (TXRH)** shares pop with buyers in the September \$105 calls for \$5, over 3000X

**Dave & Busters (PLAY)** buyers of 3000 of next week's \$41.50 calls for \$1.16 earlier

### Energy

**Petrobras (PBR)** January \$11 calls hot early 9000X being bought up to \$0.87 after upgrade

**US Silica (SLCA)** with 1750 September \$10 puts sold to open \$1.65. **SLCA** 1100 Jan. \$9 puts sold \$1.80 to open as well

**Diamondback (FANG)** with 1000 January \$85 calls bought for \$10.22, spread with the \$100 calls as shares continue to consolidate near recent highs

### Financials

**Stone-Co (STNE)** stock replacement buys 2100 June \$70 calls \$2.40 offer. **STNE** also with the June \$63 puts bought now 5800X for \$2.90 and spread with the \$55 puts sold 7245X for \$0.75

**Coinbase (COIN)** bull risk reversal 1000X in June 25th (W) \$310/\$200 for a net credit

**Affirm (AFRM)** early buyers today of 4,000 June \$70 calls for \$1.10 to \$1.40

**Rocket (RKT)** with 4000 July \$21 calls actively bought early for \$1.24 to \$1.29

**Goldman (GS)** buyer 465 January 2023 \$310 puts \$28.50 to \$28.65

**PagSeguro (PAGS)** shares jumping with 5,000 September \$52.50 calls bought for \$3.80 to \$4.30

**BGC Partners (BGCP)** shares and IV pop with 10,000 July \$5.5 calls bought for \$0.60 to \$0.70

**Zillow (Z)** buyers earlier of 2,650 of next week's \$117 puts for \$2.26

### Healthcare

**Eli Lilly (LLY)** buyer 1000 June 11th (W) \$200 calls \$5.90 to \$6.80, likely targets **BIIB** Alzheimer's decision. **LLY** also with the June \$195/\$180 put spread opening 2,200X4,400 as the \$185/\$170 spread adjusts back

**Humana (HUM)** looking to work out of base with 1100 June \$450 calls with opening buys \$5.50

**Intercept (ICPT)** jumped with 1470 June \$17.50 calls bought \$1.25

**Moderna (MRNA)** the July \$190 ITM puts being bought 1000X for \$17.55 to \$17.70

**Alexion (ALXN)** buyer 1000 January \$165 puts \$5.50, ALXN price movement tied to **AZN** shares with the M&A deal

**Centene (CNC)** buyer of 1000 December \$80 calls for \$3.70

**Biogen (BIIB)** the July \$280/\$320 call spread being bought 450X today ahead of their PDUFA, paying \$12

**Iovance (IOVA)** buyers of the September \$17.50 calls for \$4.50 today, over 1200X on a wide bid-ask

**Gilead (GILD)** the January 2023 \$55 puts bought this afternoon 1200X for \$4.45

### Industrials

**Nikola (NKLA)** the July \$16 puts bought 3,000X today for \$2.86 to \$3.10 as shares fade off the highs

**Canadian Pacific (CP)** spread this morning sells 10,000 June \$75 puts for \$0.40 and buys the July \$75/\$70 put spread for \$0.87

**Delta (DAL)** into the highs a buyer of 6,000 June 11th (W) \$49 calls for \$0.70. **DAL** also 3,500 June 11th (W) \$46 calls bought \$2.25

**Xpeng (XPEV)** near the lows of the day and 3,000 June \$33.50 ITM puts bought for \$2.75

### Materials

**Fuller (FUL)** the August \$70 calls being bought 1,000X this morning for \$2.80 to \$3.10, narrow wedge forming near recent highs

**Cliff's Natural (CLF)** with 2,500 October \$17 puts sold to open today for \$1.75, continues to see bullish flow all week

**Freeport (FCX)** buyers of 500 January 2023 \$42 calls for \$9.95 to \$10 today, nice setup noted earlier

**US Steel (X)** with 1450 June 25th (W) \$23/\$30 call spreads bought today for \$2.86

### Tech and Telecom

**NVIDIA (NVDA)** buyers of 1000 June 25th (W) \$690 calls up to \$5.30

**Pinduoduo (PDD)** with two blocks of 3000 June \$138 calls bought this morning \$1.52 and \$1.87

**Roku (ROKU)** sweep buyer 300 September \$370 calls \$33.15

**DocuSign (DOCU)** stock replacement sells 300 November \$200 puts for \$20.15

**Twitter (TWTR)** the December \$70/\$85 call spread being bought 5,000X into the morning lows for \$2.28

**Smith Micro (SMSI)** speculative small cap name with IV30 up 35% as 2500 June \$5 calls are active with buyers. **SMSI** Analysts bullish, Benchmark at Buy on 4/27 seeing accelerating growth as a best-in-class provider of white-labeled mobile family safety applications for wireless carriers, B. Riley raising to \$9.50 target after its key deal for **Avast's** family safety mobile business seen as transformative.

**Akamai (AKAM)** opening sale 500 January \$115 puts \$9.25

**Palantir (PLTR)** with 11,500 June 2022 \$27 calls sold to open today

**Netflix (NFLX)** earlier with 500 October \$510 puts sold to open for \$37.80, around \$1.8M

**Criteo (CRTO)** with 1390 June \$37.50 puts sold to open for \$2 today, adjusting back some June \$35 short puts

**Weibo (WB)** the July \$55/\$65 call spread bought 3,500X today for \$1.20 into the morning lows, nice rounded base forming above its 200-day MA

**Datadog (DDOG)** the June \$95 calls being bought today \$2.80 to \$3, over 1200X

**Apple (AAPL)** with buyers of 5000 June 11th (W) \$126 puts today between \$2.25 and \$2.32

**Verra Mobility (VRRM)** the October \$12.50 puts bought today for \$0.80 to \$0.85, tied to stock

**NXP Semi (NXPI)** with 3000 June 25th (W) \$225 calls sold to open for \$2.44 to \$2.41

**RingCentral (RNG)** size buyer of 2,500 October \$230 calls for \$48.10, over \$12M

**Service Now (NOW)** with 750 July \$500 calls opening for \$11.50, adjusting some weekly \$485 calls

**Crowd-Strike (CRWD)** with 1000 June \$235 calls bought for \$6.50

### Utility

**Vistra (VST)** stock and IV higher earlier with 4,000 July \$17 calls bought for \$0.35/\$0.40

**American Electric (AEP)** with 1,500 January \$82.50 puts bought for \$3.90 to \$4, tied to stock

### **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.*

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