



## MARKET RECAP REPORT 5/3/2021

### Sector Leaders

Oil Services

Metals

Retail

### Stock Gainers

OCGN 15.5%

NTP 13.5%

ZEUS 12%

SBLK 12%

VSEC 10%

DAC 10%

### Volatility Gainers

- SB
- CLVS
- TGTX
- WRAP
- PAVM
- ADVN

### High Call Volume

- SEAS
- FTAI
- TD
- LSCC
- SNY
- SB

### Bullish Options

- UBER
- CNK
- TSM
- LSCC
- BA
- COIN
- REAL
- IQ
- TPX
- SCCO
- GM
- FB

**Market Review:** Stocks opened the month of May in positive territory taking back some of Friday's slide with earnings season remaining in focus in an otherwise quiet Macro environment. In morning data the US PMI came in strong above 60 and in-line with expectations while ISM missed expectations sharply for April. Tech faded hard early while strength was seen in Transports, Energy, Metals, Retail and Financials. It was a clear growth to value rotation to start the month. It was a bifurcated tape with breadth strong at the NYSE yet momentum/growth names were down 3% or more with the Nasdaq breaking under its 21-MA and an 8/21 bear cross nearing. We have a light schedule tomorrow but earnings remain in focus this week before we shift back to the Macro focus.

### S&P Chart:



| Resistance | Support |
|------------|---------|
| 4,220      | 4,050   |
| 4,385      | 4,000   |
| 4,400      | 3,880   |

**Options Action Trends:** In morning action we saw bullish activity in Transport leaders like DAL, GM, BA. We saw May OTM put sellers in Software high growth names while action overall favored put sales across a number of names today.

**What's On Tap:** Imports/Exports, ISM NY, Factory Orders. Earnings from PFE, CVS, ATVI, COP, RACE, ETN, MTCH, CMI, PZD, Z, AME and more.

### Trade Tracker Portfolio Changes:

- 1) No Changes

### Sector Laggards

Software

Internet

Solar

### Stock Losers

EH -14.2%

AVRO -13.5%

NVAX -13%

MVIS -11%

SLCA -10.3%

NCTY -10%

### Volatility Losers

- MOMO
- PETS
- MVIS
- SI
- EL
- STLA

### High Put Volume

- TPR
- CARR
- INFN
- EL
- BKR
- EAT

### Bearish Options

- BAC
- FVRR
- SPT
- URI
- SMG
- WFC
- BBD
- SHOP
- CFX
- PPC
- CACC
- APP



## FEATURED OPTIONS RADAR REPORT



### CommScope Bulls Position for Strong 2021 with Strategic Review Catalysts

**Ticker/Price:** COMM (\$16.50)

#### Analysis:

**CommScope (COMM)** with an interesting large trade on 4/30 that sold 10,000 November \$14 puts to buy the January \$22 calls at zero cost. COMM has also seeing 10,000 May \$17 short puts open and will report on 5-6 with shares currently below that \$17 strike. In late March COMM saw similar trades with August \$13 short puts in open interest 13,500X and January \$22 calls bought 15,000X. COMM shares jumped in early April after announcing plans to spin-off their Home Networks business and have since consolidated above the rising 21-day moving average. Shares have worked out of a multi-year downtrend and have a lot of room to move back to the high \$20's. COMM is a global provider of infrastructure solutions for communication and entertainment networks. Its solutions for wired and wireless networks enable service providers including cable, telephone and digital broadcast satellite operators and media programmers to deliver media, voice, IP data services and Wi-Fi to their subscribers and allow enterprises to experience constant wireless and wired connectivity across complex and varied networking environments. COMM acquired ARRIS for \$7.7B in 2019 to drive profitable growth in new markets, shape the future of wired and wireless communications, and be in a position to benefit from key industry trends, including network convergence, fiber and mobility everywhere, 5G, Internet of Things (IoT) and rapidly changing network and technology architectures. The \$3.4B company trades 7.55X Earnings, 10.2X EBITDA and 10.8X FCF with a lot of debt. Forecasts call for revenues to grow just 1.5% in 2021 after 1.1% growth in 2020. COMM remains in the early stages of its strategic review and also announced plans for cost reductions and there could be more asset divestitures and restructuring ahead. Analysts have an average target of \$19 and short interest low at 3.5% of the float. Deutsche Bank upgraded shares to Buy with a \$21 target after the news seeing the remaining company with a meaningfully stronger growth and profitability profile. Wolfe raised its target to \$23 noting the spin of its troubled Home unit is a positive step and sees a path to upper \$20's for shares. Rosenblatt raised shares to Buy with a \$21 target also citing industry catalysts such as Verizon's acceleration of its C-Band 5G and capex spending, the RDOF awards to Charter and rural operators, and increased AT&T and Federal subsidized fiber builds.

#### Hawk Vision:



**Hawk's Perspective:** COMM looks to have plenty of value-creating catalysts and the options market sees clear upside/downside favorability.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Fortress Bull Spreads Position for Further Upside Ahead of Potential JV Approval

**Ticker/Price:** FTAI (\$27.50)

#### Analysis:

**Fortress Transportation (FTAI)** spread today is selling the January \$17 puts to buy the \$30/\$40 call spread for a net \$1.60 on 2500 contracts. FTAI has seen a lot of bullish flow recently including buyers of the July \$27 calls and June \$28 calls as well as 2,000 July \$26 puts sold to open. FTAI has 10,000 May \$28 calls in open interest as well from earlier this year and 5,000 January 2023 \$25 calls from 2020. Shares are consolidating in a nice weekly bull flag under \$32 and recent highs with the rising 21-week MA just below. A move higher targets \$37. The \$2.56B company trades 12.5X earnings, 7.75X sales, and 21X cash with a 4.67% yield. FTAI owns high-quality infrastructure assets for transportation industry across aviation, energy, intermodal transport and rail. FTAI is coming off of a mixed quarter but optimism into the 2H as they see a big rebound for 737NG and A320 aircraft demand. The two models comprise about 75% of their fleet and benefit both from short-haul markets in the US but also cargo which continues to see record demand. The company has a catalyst in July/August around their PMA initiative with Lockheed Martin, "The Module Factory," which they expect to be formally submitted to the FAA this Summer after making some modest changes. The first JV was approved in February. The move would allow for commercialization of engine modules around the CFM56 and open up their market to airlines, operators, owners and MROs. FTAI expects a big windfall from approval with market share gains and roughly \$50M in annual EBITDA. Analysts have an average target for shares of \$28 with a Street High \$37. B Riley raising estimates in March citing recent approval around their PMA products while also seeing upside from their pipeline project with Exxon at Jefferson Terminal. JMP in February noting that early 2021 has been difficult for the company but they've managed it well and likely positioned to be more aggressive in the 2H with their businesses. Short interest is 4.35%. Hedge fund ownership fell 2% in Q4, Soros Fund and Hood River Capital two notable buyers. Insiders active buying stock as well with a director adding \$20M in shares at \$25 in March during the recent offering.

#### Hawk Vision:



**Hawk's Perspective:** FTAI is an under-followed name we profiled back in November and still see plenty of upside in 2021 with this FAA catalyst the key thing to watch over the next 2-3 months

**Confidence Ranking:** \$\$





## FEATURED OPTIONS RADAR REPORT



### Bulls Pile into Schrodinger into Earnings

**Ticker/Price:** SDGR (\$74.50)

#### Analysis:

**Schrödinger (SDGR)** buyer of the May \$80 calls for \$2.25, 1320X, and also near 1000 June \$70 calls bought for \$8.20. SDGR still has 1000 June \$70 short puts in OI from January, short puts at the June \$145 ITM strike, and bullish call buying in the January \$50 ITM calls. Shares are forming a nine-week triangle with ranges contracting lately and set for a big move. Above \$80 shares have a gap to fill back to \$100 from earlier this year. The \$5.37B company trades 49.5X sales and 8.35X cash with mid-20% revenue growth in FY21 and up to 57% in FY22. SDGR is a leading drug discovery and development platform used by biopharmaceuticals, academics, and government labs globally. SDGR fell earlier this year with guidance a bit conservative but optimism around the 2H of 2021 as more lab projects accelerate and focus for institutions shifts back to non-COVID programs. They also expect to advance three drugs from their internal development collaborations and shared a look into two, MALT1 (a potential therapeutic target for non-Hodgkin's B-cell lymphoma) and WEE1 (targeting cancer through replication stress and DNA repair), last month at AACR which should continue to have updates in 2021 and early 2022. Analysts have an average target for shares of \$85.50 with a Street High \$104. Jefferies positive on 3/15 noting that shares should recover through the 2H citing a combination of quarterly beats, progress on the internal drug discovery side and potential deals. Short interest is 6.6%. Hedge fund ownership jumped 21.5% in Q4, ARK a big buyer of stock while Artal Group remains a top holder.

#### Hawk Vision:



**Hawk's Perspective:** SDGR was a top pick in the 2021 outlook and remains one of my favorite long-term names in the healthcare/pharma space, earnings are on 5-11 and one to consider a flier given their commentary around 2H21 should be incrementally more positive

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Semiconductors (SMH)** buyer of 10,974 August \$235 calls for \$19.15, adjusting the May \$225 calls again from 3/4

**Gold Mining Bull (NUGT)** bullish flow this morning with 4500 May \$60 calls bought \$6.50 to \$6.65

**Ark Innovation (ARKK)** with 11,110 July 2022 \$120 puts bought for \$22.50 and sold 16,665 of the \$80 puts for \$5.75

### **Consumer Goods**

**Pilgrim Pride (PPC)** buyer 2500 September \$20 puts \$0.50 to \$0.55

**Sysco (SYY)** with 600 January \$80 puts sold to open today \$6.20 to \$6.10

**Altria (MO)** buyers 1500 December \$50 calls \$2.19 to \$2.22

**Herbalife (HLF)** buyer earlier 2000 next week \$45 puts \$1.45, reports tomorrow night

**P&G (PG)** large buy 7000 August \$140 calls \$2.87

### **Consumer/Business Services**

**Uber (UBER)** spreads into earnings selling 4000 weekly \$50 puts to buy \$55.5/\$60.5 call spreads

**Brinker (EAT)** with 1650 June \$60 puts sold to open \$1.55/\$1.60

**Gap (GPS)** with 1800 June \$38 calls bought \$1.52 offer. **GPS** now with 6000 weekly \$35 puts bought \$0.71 to \$0.74

**Cinemark (CNK)** with 6 000 May \$22.5/\$20 bull risk reversals opening in early trade, earnings 5-7

**Ulta Salon (ULTA)** with 1000 May 14th (W) \$335 calls seeing buyers at \$6.50, broke out early but fading a bit with the market now. **ULTA** also with 425 May \$335 calls bought today for \$6.70

**RealReal (REAL)** buyer 1000 June \$25 calls \$2.68 to \$2.85, recent May calls bought in size

**ActiVision (ATVI)** with 2000 January 2023 \$85 puts sold to open for \$10.85

**Tempur Sealy (TPX)** buyer of 1500 September \$42.50 calls for \$2.15, stock replacement

**SeaWorld (SEAS)** spreads into earnings selling weekly \$48.50 puts 2500X to buy the \$54/\$59 call spreads

**AutoZone (AZO)** working higher today with the June 11th (W) \$1580/\$1680 call spread opening 475X1,425 with earnings in late May

**Petco (WOOF)** with 2,500 May \$22.50 calls bought for \$1.20/\$1.25, adjusting back some \$25 calls

**RH (RH)** with 1275 May \$600 puts sold to open today \$1.80 to \$1.70

**Camping World (CWH)** with 1000 September \$36 puts sold to open for \$3.20 ahead of earnings tomorrow, positive note last week on dealer checks from Northland

**Best Buy (BBY)** sweep buyers active for 1500 June \$115 puts \$4.35 to \$4.60, earnings 5-27

**Lowe's (LOW)** buyer 2000 May 28th (W) 4195/\$180 put spreads with May 14th (W) \$200 puts adjusting. **LOW** also seeing 500 January 2023 \$195 calls sold to open for \$31.30

**Kohls (KSS)** protective spread this afternoon sells 1000 May 28th (W) \$66 calls and buys the \$58 puts for no cost into 5-22 earnings

**Match (MTCH)** weekly \$150/\$160 call ratio trades 1000X2000 for \$1.50. **MTCH** another weekly spread sells 1500 of the \$141 puts to buy 1500 of the \$150 calls into earnings tomorrow

**Uber (UBER)** opening seller 3000 August \$52.50 puts \$4.05

**Airbnb (ABNB)** spread sells 2000 January 2023 \$105 puts \$9.64 and buys 1000 of the \$190 calls at \$33.28

**Take-Two (TTWO)** with 1250 May \$175/\$167.50 bull put spreads opening for \$3.60 this afternoon into weakness, earnings 5-18

**Dominos (DPZ)** buyer of 1000 January \$310 puts for \$4.20 into the big three-session run after earnings

### Energy

**Shell (RDS.A)** with 4500 May \$39 calls bought \$0.65 to \$0.69 to open

**Baker Hughes (BKR)** with 2500 October \$18 puts sold to open \$0.80

**SM Energy (SM)** opening seller of 1570 Jan. 2023 \$35 calls \$4

**Renewable Energy (REGI)** with 3,000 July \$55 puts opening today for \$7.93 as the May \$65 short puts adjust down from 3/23

**Valero (VLO)** the January 2023 \$75 calls bought today for \$12.35, 800X, as the January \$60 calls close and adjust higher

**Enphase (ENPH)** IV rising this afternoon with 2000 May \$145 calls being bought \$3.75 offers

**Solar Edge (SEDG)** buyer 500 May \$280 calls \$9.90 to \$10.50 into earnings tonight, also saw the **ENPH** calls bought

### Financials

**Berkshire Hathaway (BRK.B)** with 2500 December \$255 puts selling to open around \$7.80 this morning

**Coinbase (COIN)** buyer 1000 May 14th (W) \$300/\$320 call spreads for \$8, earnings 5-13. **COIN** also seeing buyers of 840 January \$250 puts \$28.90 to 29.10

**Zillow (Z)** with 500 May 14th (W) \$115 ITM calls bought up to \$17.80 ahead of earnings. **Z** now with 2250 September \$125 puts sold to open \$17.30 in a stock replacement

**Wells Fargo (WFC)** buyer 4000 July \$45 puts \$2.38, adjusts June puts

**UBS (UBS)** with 5000 January \$15 puts sold to open \$1.10

**Credit Acceptance Corp (CACC)** buyer of 150 October \$400 puts today for \$39 to \$40

**Banco Bradesco (BBD)** buyer of 7500 January \$4.50 puts for \$0.69

**Radian (RDN)** with 2000 November \$29/\$35 call spreads bought today for \$0.80

**NMI Holdings (NMIH)** buyers of 1000 December \$30/\$35 call spreads today for \$0.80, another mortgage insurer like **RDN**

**American Express (AXP)** with 2000 July \$160 calls opening \$4.85 mid-market

**Thomson Reuters (TRI)** with 1000 July \$95 calls opening for \$2.70 to \$2.80 as the May \$90 calls adjust out into earnings tomorrow

**HSBC (HSBC)** with 1800 September \$32 calls bought \$1.01/\$1.02

**Citi (C)** opening sale 18,000 July \$80 calls for \$1.05

### Healthcare

**TG Therapeutics (TGTX)** with 1500 OTM June \$50 calls active with buyers early \$2.50+

**HCA Health (HCA)** with 500 January \$210 puts sold to open \$24.30 to \$24.20

**CryoLife (CRY)** with 1000 June \$30 puts sold to open for \$3.10 after Friday's big move higher post-earnings

**Dentsply (XRAY)** with 3000 October \$80 calls sold \$1.10 to open

**AbbVie (ABBV)** with 5000 September \$125 calls sold \$2.39 into strength

**Iovance (IOVA)** buyer 1300 May \$35 calls \$1.40, upgraded this morning. **IOVA** now a size buyer 4250 June \$40 calls \$2.50

**Humanigen (HGEN)** with 1000 August \$17.50 puts sold to open today for \$5 into weakness

**Rubius Therapeutics (RUBY)** with 2000 June \$30 calls bought today for \$2.80 to \$2.85, a very coiled \$2.2B biotech that focuses on red cell therapies

### Industrials

**Boeing (BA)** weekly calls hot early but shares pulling back after the ISM, seeing 1000 July \$260/\$275 call spreads bought as well

**United Rental (URI)** with 830 September \$300/\$270 put spreads opening

**General Motors (GM)** buyer of 5000 September \$62.50 calls \$3.30 into earnings 5-5

**Delta (DAL)** opening sale of 5000 August \$45 puts for \$2.90

**Colfax (CFX)** with 1000 September \$47.50 calls sold to open today from \$3.10 to \$3. **CFX** also with 6500 June \$42.50 puts opening as May adjust

**Raytheon (RTX)** opening sale of 3,000 August \$80 puts for \$3.10 in a stock replacement

**Virgin Galactic (SPCE)** buyer of 2,000 June \$23/\$32 call spreads today for \$1.36

**XPO (XPO)** buyer of 1650 May \$140 puts bought for \$4.40 to \$4.46 today, adjusting back the \$130 puts from mid-April

### Materials

**Scott's Miracle Gro (SMG)** with 1250 May \$230/\$210 put spreads bought for \$5.50 ahead of earnings this week, 5-5

**Arconic (ARNC)** with 2000 May \$30 puts bought for \$1.60, tied to stock into earnings

**WestRock (WRK)** near session highs and 1450 May \$60 calls bought for \$1.15 ahead of earnings 5-5

**Builder's First (BLDR)** with 1200 June \$50 calls bought for \$3.10 as the July \$45 calls adjust into 5-6 earnings

### **Tech and Telecom**

**Taiwan Semi (TSM)** with 4000 August \$110 puts sold to open \$4.50

**Fiverr (FVRR)** with 1100 May \$200 puts opening this morning up to \$12 for over \$1M into earnings 5-6

**IQIYI (IQ)** 3500 July \$15 calls bought \$1.89 offer

**Facebook (FB)** buyer of 2,000 September 2022 \$540 calls for \$5.75 to \$5.80

**Dolby Labs (DLB)** buyers of 1400 May \$105 calls today from \$1.80 up to \$2.90 to open, shares in a small bull flag under recent highs and earnings 5-4, higher four of the last six

**Sprout Social (SPT)** another 1000 May \$65 puts being bought today up to 4.80 ahead of earnings

**Lattice Semi (LSCC)** with 950 June \$55 calls bought so far this morning from \$2.20 to \$2.30 as shares pull back from the recent gap up, earnings 5-4

**Lumen (LUMN)** buyers of 9000 June 4th (W) \$13 calls for \$0.50 ahead of 5-5 earnings

**Salesforce (CRM)** the June 2022 \$310/\$380 call spread being bought 500X1,000 today for \$3

**Atlassian (TEAM)** the May \$210 puts being sold to open here down to \$1.15, over 6000X. **Atlassian (TEAM)** buyers of 2100 September \$240 calls into afternoon lows \$17.40 offer looking to add to 3000 recently bought

**Coupa (COUP)** with 6000 May \$230 puts sold to open \$1.25

**ON Semi (ON)** into weakness with 1000 January \$35 puts sold to open \$3.90

**Stem (STEM)** into weakness with 1000 June \$25 calls bought \$2.90 to \$3, a \$1.3B provider of energy storage solutions and software for managing energy costs.

**Shopify (SHOP)** buyer 1400 May \$1000 puts \$3.90 as stock moves to day lows **SHOP** buyer 200 October \$1200 calls \$110.60, adjusts some June \$1200 calls

**Service Now (NOW)** with over 2600 May \$450 puts sold to open for \$1.85, similar to **TEAM**, **COUP** earlier

**American Tower (AMT)** with 2500 weekly \$255 calls closing and opens 2000 next week \$255 calls

**Micron (MU)** opening sale of 1800 October \$85 puts for \$9.50. **MU** 5000 July \$85 calls being bought up to \$5.76

**Nokia (NOK)** with 8250 September \$5.50 calls bought for \$0.30

**Fastly (FSLY)** with 850 December \$55 puts sold to open \$8.60

**Zoom (ZM)** buyer 200 November \$320 puts \$45.90

**AppLovin (APP)** buyer of 1,000 August \$50 puts for \$3.10, recent IPO with earnings next week

**Monolithic Power (MPWR)** buyers of 500 May \$340 puts today from \$8.70 to \$9.60 to open into earnings 5-4

**Microsoft (MSFT)** opening sale of 3,000 June 2022 \$250 puts for \$27.15

**Advanced Micro (AMD)** with 1,600 June 2022 \$67.50 puts sold to open for \$7 in a stock replacement



**Snap (SNAP)** buyer 5000 October \$50 puts \$4.20 as 10,000 May \$50 adjust

**Twitter (TWTR)** with 1000 January 2023 \$47 puts sold to open down to \$8.10 in a stock replacement this afternoon

**CrowdStrike (CRWD)** spread sells 1,571 July \$170 puts to buy the \$220/\$250 call spreads at \$2.70 debit

**Z-Scaler (ZS)** similar trade to **CRWD** as 1,791 June \$150 puts are sold to buy the \$190/\$210 call spreads, net \$3.05 debit

**Ring-Central (RNG)** seller of 499 July \$260 puts buys the \$340/\$390 call spreads

**Adobe Systems (ADBE)** the January \$540 ITM puts being sold to open today 600X between \$67.50 to \$70

**Dynatrace (DT)** sellers of 1000 November \$55 calls for \$5.70 near the afternoon lows

### Utility

**First Energy (FE)** buyer 2000 June \$38 calls up to \$1.10. **FE** also 3750 January \$40 calls bought \$1.88 as 4,285 of the \$35 calls adjust

### **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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