



MARKET RECAP REPORT 5/5/2021

Sector Leaders

Oil Services

Metals

Semi's

Stock Gainers

- BGFV 24%
- HAYW 24%
- NM 18%
- KAR 17%
- OII 16%
- CSTE 16%

Volatility Gainers

- IBIO
- VERU
- ATOS
- CLVS
- PTON
- RIG

High Call Volume

- MTG
- IBIO
- HLF
- SBH
- ABC
- CERN

Bullish Options

- MU
- FDX
- GMS
- ZM
- WW
- RIO
- TGT
- UPS
- NRG
- TECK
- ADI
- SUM

Market Review: Stocks were modestly higher overnight after Yellen backed off her "rate rise" comments and Europe traded well after several strong earnings reports. The early strength faded early after April ISM Services came in well under expected levels. Energy and Metals were the leading performers while Semiconductors outperformed in Tech and Biotech bounced. It was a bit of a risk-on tape with the risk-off groups lagging. Breadth was strong through the morning but Nasdaq breadth deteriorated midday after some Fed speak on inflation expectations. We are seeing upward momentum in markets stall with the Nasdaq having a bearish 8/21 moving average cross and the S&P nearing the same. We have more Fed Speakers tomorrow as well as jobless claims, and the active earnings schedule continues.

S&P Chart:



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

Options Action Trends: We continue to see a lot of bull flow in Energy/Metals names looking for the 2021 momentum to continue.

What's On Tap: Jobless Claims and Fed Speakers. Earnings from **SQ, ZTS, BDX, MRNA, REGN, MNST, CVNA, ROKU, AIG, APTV, BLL, MCK, PTON** and more.

Trade Tracker Portfolio Changes:

- 1) Closed **SLB** Calls \$1.55 (Opened \$1.50)
- 2) Closed **DOW** Calls \$4 (Opened \$2)

Sector Laggards

Utility

REITS

Consumer Goods

Stock Losers

- ESPR -26%
- RYAM -22%
- MRCY -18%
- EPAY -16.5%
- CDLX -15%
- LL -14.5%

Volatility Losers

- ADMP
- UPWK
- TUP
- XME
- SKLZ
- Z

High Put Volume

- ZNGA
- SCCO
- FTV
- GES
- PZZA
- LL

Bearish Options

- JAMF
- BHC
- CAT
- LOGI
- STX
- ZNGA
- VNET
- MDRX
- BOX
- NTR
- PSX
- LOW



FEATURED OPTIONS RADAR REPORT



Bulls Position for Strong 2021 for Honeywell, Potential Cash Deployment Catalyst

Ticker/Price: HON (\$224.60)

Analysis:

Honeywell (HON) on 5/4 with bullish longer-term positioning as 1000 January \$230 calls bought to open and 1000 of the \$220 puts were sold to open. HON has not seen a ton of positioning but has 3,475 June \$240 calls bought in open interest, 2,250 June \$220 short puts, and 1000 January 2023 \$200 long-calls. HON also on 4/22 with an adjustment trade that opened 1900 December \$200 calls for \$6.7M. HON shares broke out of consolidation to start April and have since pulled back to its rising 8-week moving average, a strong trend intact. Honeywell invents and commercializes technologies that address some of the world's most critical challenges around energy, safety, security, air travel, productivity and global urbanization. HON has operations through four segments: Aerospace, Honeywell Building Technologies, Performance Materials and Technologies, and Safety and Productivity Solutions. HON is coming off a solid beat and raise quarter and commented on the call that it is exploring potential M&A opportunities. HON's businesses should see solid improvement through 2021 on the reopening of travel and offices/schools. HON will also see stronger performance from longer-cycle end markets like Aerospace & Oil and Gas. The \$155B Industrial trades 24.6X Earnings, 4.78X Sales and 58.5X FCF with a 1.67% dividend yield. HON revenues are seen to grow 7%+ in 2020 and 2021 with double digit EPS growth, and it has been positioning itself more as a software industrial. Analysts have an average target of \$237 and short interest is low at 1% of the float. Goldman raised its target to \$246 after results noting it has the best balance sheet optionality in the space. CSFB upped its target to \$235 expecting beat and raises through the year with balance sheet deployment a key potential upside driver in 2021. Barclays with a \$245 raised target notes an attractive story into 2022. Baird with a \$247 target notes the margin expansion story and several growth initiatives at play. Hedge Fund ownership dipped 5.8% in the latest quarter.

Hawk Vision:



Hawk's Perspective: HON is a top Industrial name and looks attractive here into this small pullback as a name that should continue to see end-markets improve all year.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Mattel Bulls Position for Continuing Momentum in 2021

Ticker/Price: MAT (\$21.75)

Analysis:

Mattel (MAT) on 5/4 with 3000 October \$19 ITM calls bought to open in the \$3.50 to \$3.90 range, the first real notable positioning in the name outside of July \$22 calls that have over 4,250 in OI. MAT shares have been in a strong trend since the 2020 lows and starting to work out of a weekly flag, and also a downtrend inflection to an uptrend in November of last year that had run for seven years. MAT shares are also sitting right near VWAP off the 2013 highs. MAT is a leading global children's entertainment company that specializes in the design and production of quality toys and consumer products. Mattel is the owner of a portfolio of global brands with vast IP potential including Barbie, American Girl, Polly Pocket, Fisher-Price, Power Wheels, Hot Wheels, Matchbox, and more. MAT is coming off a record quarter as the turnaround continues and it has seen growing market share and improving profitability. MAT is becoming an IP-driven toy company with live-action film development with major studios, animated programming on Netflix, and expanding agreements with Disney and Pixar for future film products. MAT has also boosted ecommerce sales as it shifts from the Toys 'R Us bankruptcy headwind. MAT raised 2021 cost savings and continues to target \$250M in total cost savings by 2023. MAT currently has a market cap of \$7.7B and trades 18.65X Earnings, 1.6X Sales and 21.2X FCF with revenues seen rising 8.8% in 2021 and 4.8% in 2022 and EBITDA 13% each year. In 2017 the WSJ reported that Hasbro made a takeover offer for Mattel but the offer was rejected. Analysts have an average target of \$24 and short interest is low at 2.4% of the float. BMO raised its target to \$30 following earnings after strong results and market share gains, raising estimates. Berenberg upgraded to Buy on 4/21 with a \$25 target and sees strength in 2021 despite tough comps. Monness Crespi sees meaningful EBITDA growth the next three years and multiple expansion with the launch of its branded television and film projects, upside seen to \$36/share. Citi upgraded to Buy in February on the improving margins and deleveraging of the balance sheet. Hedge Fund ownership fell 13% last quarter, Edgpoint a concentrated holder with an \$865M position.

Hawk Vision:



Hawk's Perspective: MAT is an attractive value story transforming and the momentum looks legit, a name that should see \$30 over the next year.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Russell (IWM) June \$236/\$244 call ratio opens 5750X11,500 at \$0.55

Energy (XLE) leading strength and 6000 August \$57 calls active with buyers all morning

Software (IGV) spreads selling 2500 June \$365 calls to buy the \$325 puts

Solar (TAN) with 2750 October \$90/\$70 strangles sold to open for \$10.30

Consumer Goods

WW (WW) buyer of 1000 January \$37.5/\$45 call spreads into earnings tonight

Peloton (PTON) into weakness with stock buyers also buying 1600 September \$90 puts. **Peloton (PTON)** down sharply on the recall news into earnings tomorrow night, large buyer of 5,650 September \$95 calls here for \$9.25 adjusting the \$120 calls

Turtle Beach (HEAR) IV rising with 3000 May \$30 calls hot being bought up to \$1.35 into earnings tonight

Campbell Soup (CPB) buyer 5000 weekly \$48.50 calls \$0.15 for 1/2 and now 1/2 at \$0.43

Consumer/Business Services

Target (TGT) strength continues an seeing 1500 May \$212.50 calls open near \$6.39 in spreads selling the \$195 puts and \$230 calls

ADT Inc. (ADT) opening sales 1380 January 2023 \$10 ITM puts \$2.90 to \$2.85, earnings tonight

Etsy (ETSY) seeing May \$190/\$210 call ratio spreads trade 1000X2000 into earnings

Far-Fetch (FTCH) sweep buyer here for 1700 July \$50 calls \$4.45 offer

Norwegian Cruise (NCLH) with 1375 December \$27.50 puts selling to open \$3.60 bids, nice set-up forming, reports tomorrow morning

Academy Sports (ASO) nice flag break-out today with 1500 June \$30 puts selling to open \$1.95, also buyers of 3000 July \$40 calls, name that reports late May

Airbnb (ABNB) opening sale 400 June 2022 \$150 puts \$21.35. **ABNB** opening sale 1000 October \$125 puts for \$4.95

Groupon (GRPN) buyers active for 1500 October \$55 calls today up to \$7.40, name that has seen a lot of bull call spreads open

Capri (CPRI) buyer of 750 November \$75 far OTM calls \$3.15 to \$3.25. **CPRI** November \$75 calls are up to 2000X

Las Vegas Sands (LVS) buyer 5900 August \$62.50 calls \$3.88 with May \$60 adjusting

Car-Guru (CARG) into earnings 5-6 seeing 2000 May \$20 deep ITM calls bought \$4.90 to \$5 as well as the May \$25 calls bought 2000X. **CARG** also with 1000 November \$20 calls bought today \$6.30. **CARG** also now 900 Nov \$30 OTM calls bought \$2.05 offer

Home Depot (HD) opening sale 1000 June \$330 puts \$10.15

Tapestry (TPR) into earnings with 4600 August \$52.5/\$40 bull risk reversals opening as the May \$37.5/\$30 adjust

DoorDash (DASH) buyer of 3780 June \$90 puts \$1.50

Uber (UBER) opening sale 2700 August \$50 puts for \$4.10 into earnings. **Uber (UBER)** buyer 10,000 May \$53 calls \$1.70, above offer into earnings

TI (TXN) buyers active for 2000 July \$185 calls this afternoon \$6.95 offer

Energy

Hess (HES) strong breakout today and seeing 1000 July \$77.50 puts sold to open \$4.40 to \$4.35

EQT Corp (EQT) buyer 2000 January 2023 \$25 calls up to \$3.80, bullish action continues in Natural Gas names, reports tonight. **EQT** calls quickly up to 5500X. **EQT** calls are up to 20,000X, seeing 10K Jan 2022 \$5 calls adjust now

Philips 66 (PSX) bear flow with 1500 November \$72.50 puts bought \$4 offer

Marathon Oil (MRO) size trades selling 2175 January 2023 \$12 at-the-money puts to open for \$3.45 bid

BP PLC (BP) buyer 2500 October \$26 calls \$2.20

Financials

Zillow (Z) post-earnings strength faded but a large opening sale of 5000 January \$120 puts for \$22 sees limited downside. **Z** also with 600 November \$110 puts selling to open near \$15 today

MGIC (MTG) buyers hot for 8500 May \$15 calls \$0.55 offer into earnings tonight, shares higher 9 of its last 11 reports

US Bancorp (USB) with opening sellers of 1200 July \$60 puts today

Capital One (COF) opening sale 1000 June \$150 puts for \$5

Alliance Data (ADS) a strong chart and 600 June \$130/\$150 call spreads are bought here for \$3.20

AON (AON) with 2500 July \$270 calls bought as the \$260 adjust up

Healthcare

Teva (TEVA) December \$11/\$15 call spreads bought 2400X this morning

Owen and Minor (OMI) with 500 January \$37.5 puts sold to open \$8.90 ITM

TelaDoc (TDOC) similar spreads as late yesterday seeing 1200 January 2023 \$160/\$120 put spreads sold and the \$130/\$240 call spreads bought. **TelaDoc (TDOC)** opening sale 1000 June \$155 puts for \$8

CVS Health (CVS) buy-write with 1000 June 2022 \$87.5 calls sold \$5.45

Cerner (CERN) buyers 2000 June \$75 calls \$1.75/\$1.80 into weakness

Allscripts (MDRX) buyers of 2500 September \$14 puts \$0.70 to \$0.75

Jazz (JAZZ) buyer 500 August \$175 calls \$12.80 sells the June \$175 in a calendar spread

Biogen (BIIB) stock replacement sells 300 January 2023 \$270 puts for \$50.50

Novavax (NVAX) June \$210/\$260 call spreads opening 800X

Bausch Health (BHC) spread sells 5000 July \$23/\$20 put spreads and buys 5000 of the \$31/\$36 call spreads

Guardant (GH) into earnings tomorrow night seeing 800 May \$150/\$140 bear risk reversals open

CRISPR (CRSP) opening sale 400 October \$105 puts for \$13

10X Genomics (TXG) with 1800 June \$210 calls sold \$5.90 to \$5.10 to open

Sage Therapeutic (SAGE) spreads into key data selling 1500 June \$50/\$30 put spreads to buy 1,500 of the \$85/\$115 call spreads

ChemoCentryx (CCXI) buyer of 1000 August \$40 calls for \$4.20

Industrials

Fed-Ex (FDX) with 2000 weekly \$310 calls hot early with strength to new highs

United Parcel (UPS) with 1500 May \$215 calls bought \$3.40/\$3.50 offers this morning, name with recent impressive relative strength

Harley (HOG) jumping with 2375 next week \$48 ITM calls bought

Rekor (REKR) buyer 2000 June \$20/\$12.5 put spreads to open \$2.40

Fastenal (FAST) buyer of 2500 January \$49.60 puts for \$2.95 into new highs

Spirit Aero (SPR) buyer of 3000 December \$55/\$75 call spreads with October positions adjusting

JB Hunt (JBHT) with 2000 May \$180 calls being sold to buy the \$170 puts

Materials

Rio Tinto (RIO) breaking out and 1250 July \$96.57 calls are bought \$1.85 offer

Teck Resources (TECK) breaking out with 4000 June \$24 calls being bought \$1.05+ this morning

Cabot (CBT) unusual buys of 600 July \$60 calls \$2.85 to \$3.10

Summit (SUM) buyers coming in for 1500 August \$35 calls into 5-10 earnings and after strong read-throughs at **MLM/VMC**

Vale SA (VALE) with 6750 August \$20 short puts opening \$1.38 as September adjust back

Danimer (DNMR) with 1000 November \$17.50 puts sold to open \$3.20

Nutrien (NTR) with 500 September \$60 puts bought \$4.80

CF Industries (CF) buyer of 6000 June \$55/\$60 call spreads into earnings tonight, paying \$0.75

Tech and Telecom

Micron (MU) early buyer 5000 July \$87.50 calls \$5.20 to \$5.30

Zoom (ZM) with 3000 May 28th (W) \$300/\$320 call spreads opening as May adjust out a week

Analog Devices (ADI) with 1000 September \$155 calls opening \$8.60 to \$9.40 as the \$165 adjust back

Seagate Tech (STX) size buyer of 1200 September \$85 puts \$5.70/\$5.75 offers in sweeps

Gartner (IT) buyer 3000 June \$230 calls up to \$5.50. **IT** also 175 September \$230 calls bought \$11.60 offer. **IT** September \$230 calls jump to 3000X bought up to \$12.50

JD (JD) buyer 1000 May \$72 calls to open \$5.50, should report next week

Facebook (FB) buy-write sells 2000 January \$420 calls \$6.50

Ericsson (ERIC) with 1100 January 2023 \$15 ITM puts sold to open \$2.92

Splunk (SPLK) stock replacement bought 1750 January 2023 \$145 calls to open \$17.40

Oracle (ORCL) opening sale 1100 December \$70 puts \$2.86

Baidu (BIDU) seller of 850 January 2023 \$380 calls \$8.30 in a buy-write

Western Digital (WDC) buyer 4000 July \$70 calls \$4.34 as May positions adjust

DataDog (DDOG) positioning into 5-6 earnings with 1350 January 2022 / January 2023 \$105 call calendar spreads opening \$7.40

Netflix (NFLX) with 3500 June \$475 puts active trading against the \$450 puts

Workday (WDAY) with 1000 January \$185 puts being sold to open near \$8.90 this afternoon

Snowflake (SNOW) large afternoon opening sale 500 August \$215 puts or \$21.50

DocuSign (DOCU) with 400 December \$210 puts being sold to open ITM \$31.60

Utility

NRG Energy (NRG) buyers of 2300 June \$36 calls \$1.20 offer into lows

Disclaimer:

Not Investment Advice or Recommendation

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