



## MARKET RECAP REPORT 5/6/2021

### Sector Leaders

Silver/Gold

Steel

Packaged Foods

### Stock Gainers

HOME 17.8%

SBH 16.75%

HL 15.5%

SSRM 10.6%

ABEV 10.5%

RUN 10%

### Volatility Gainers

- PCT
- STON
- STIC
- COTY
- ANF
- AFRM

### High Call Volume

- PPG
- GPN
- TPR
- ANF
- AHCO
- HOME

### Bullish Options

- ANF
- RUN
- AMTX
- UBER
- YETI
- NVAX
- OZON
- TXN
- AJG
- AMAT
- W
- DDOG

**Market Review:** Stocks were modestly higher overnight and into the open as we continue to get some mixed messages from Fed speakers and the market has spent the week rotating back to cyclical value and out of growth as inflation fears mount. In politics, the Tax and Infrastructure plans remain in focus. Earnings continue to come in at historic beat rates though a lot of sell the news reactions. Jobless claims fell to 498k versus the consensus of 530k, the lowest level since March 2020. Non-Farm productivity rose 5.4%, slightly above estimates, while labor costs were down modestly. Stocks were under pressure early but bounced early and trading back above their 21-day MA in the afternoon. The Dow continued to outperform hitting new highs this morning. Breadth was a bit weak with cumulative TICK declining for much of the session. Gold and silver both made strong moves higher today. Overall, quiet day and narrative remains the same with the Nasdaq and S&P both facing technical headwinds and the Dow outperforming.

### S&P Chart:



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

**Options Action Trends:** It was a quiet day, overall. We saw some large January call positions in large-cap tech names **ORCL** and **CSCO**.

**What's On Tap:** Jobs Report and Consumer Credit. Earnings from **CI**, **EOG**, **DKNG**, **ELAN**, **LEA**, **ITT** and others.

### Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **JNJ** July \$170 Calls at \$3

### Sector Laggards

Casinos

Software

Autos

### Stock Losers

FSLY -26%

FOUR -18.5%

RDFN -17%

ETSY -15%

RKT -14.5%

NET -14%

### Volatility Losers

- HOME
- NMRD
- ZNGA
- RKT
- AVID
- SBH

### High Put Volume

- RSI
- K
- TRIT
- TAL
- TGTX
- AVYA

### Bearish Options

- FSLY
- GPPE
- ABNB
- CZR
- DT
- RSI
- AXP
- TGTX
- CPE
- SWKS
- CYBR
- APPN



## FEATURED OPTIONS RADAR REPORT



### Gartner Bulls See More Upside After Earnings Surge

**Ticker/Price:** IT (\$230.90)

#### Analysis:

**Gartner (IT)** traded 7000 calls on 5/5 which is a record and 240X daily average, two large purchases with 3000 June \$230 calls up to \$5.50 and 3000 September \$230 calls up to \$12.50. The action comes after a massive run in shares to new highs and hitting the 1.618 Fibonacci extension of the COVID-correction. Shares could likely use some near-term weakness for better entry but these are large positions expecting more upside in shares. IT is a leader in research and insights for a variety of industries with a vast library of proprietary data and expert networks giving it a wide moat as data becomes more integral to day-to-day operations in nearly every sector. IT estimates they have a massive TAM and largely underserved across tech, finance, sales, and other areas as they target new enterprises and verticals. IT has been built largely through deals and its been nearly three years since their last large acquisition (CEB in 2017), so potential for them to go back on offense into 2021 to bolster areas like consulting and research while conferences inevitably rebounds in mid-2021. IT now has a market cap just under \$20B and trades 43X Earnings, 4.85X Sales and 24.2X FCF with revenues seen rising 8.8% in 2021 and 13% in 2022. Gartner is positioned to benefit from the exponential growth in information and rapid technology refresh cycles with its proprietary IT research and insights. The recent quarter showed meaningfully improved EBITDA margins and outlook due to structural cost savings. Analysts have an average target of \$220 and short interest is minimal at 1% of the float. Wells Fargo out positive in February noting 2021 will face easy compass and new growth initiatives will take hold. BAML recently added to the US1 List and reiterated a Top Pick and raised its target to \$268 citing the 20% discount to Information Services peers and positioned for expanding margins, revenue acceleration and meaningful buybacks. Hedge Fund ownership jumped 8% last quarter, Polen Capital has a \$1B position while BAMCO, Generation Investment, Atlanta Capital, Bares Capital and Melvin all concentrated positions as well.

#### Hawk Vision:



**Hawk's Perspective:** IT has run hard after earnings and remains undervalued but worth looking for a strategic entry allowing it to pull back and base.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Upside Calls Bought in Avantor after Pullback

Ticker/Price: AVTR (\$31.40)

#### Analysis:

**Avantor (AVTR)** jumped into the close with 6000 June \$32.50 calls bought to open \$0.90 to \$1, a name with 14,000 May \$35 short calls sitting in open interest. AVTR has been a strong performer and pulling back the past week to retest the breakout from early April above the February highs as well as the topside of YTD value. Avantor is a trusted global partner to customers in the biopharma, healthcare, education & government, and advanced technologies & applied materials industries. AVTR sells materials & consumables, equipment & instrumentation and services & specialty procurement to customers. AVTR sales are 85% recurring. In April AVTR announced a EUR890M deal for Ritter GmbH, the fastest growing manufacturer of high-quality robotic and liquid handling consumables, including conductive tips engineered to exacting standards. The \$18.4B company trades 22.5X Earnings, 17.7X EBITDA, 2.76X Sales and 24.9X FCF. AVTR forecasts see sales growing 10.8% in 2021 with EBITDA +17%. AVTR is a margin expansion story seeking growth and accretive deals via M&A. It does have a leveraged balance sheet. Analysts have an average target of \$37 and short interest is 3.2% of the float. JPM raised its target to \$40 after a solid quarter and sees room for more beats. Stifel raised to Buy with a \$40 target after the quarter and sees improving organic growth with shares attractively valued. Barclays started shares Overweight in March citing accelerating growth, margin expansion, FCF and EPS inflection. Hedge Fund ownership fell 11.4% last quarter, Viking Global and Third Point notable top holders.

#### Hawk Vision:



**Hawk's Perspective:** AVTR is a name that caught my eye a few weeks ago with the breakout and returning to those levels is looking attractive, these upside calls feel cheap.

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### Antero Bullish Open Interest Positions for Weekly Breakout

**Ticker/Price:** AR (\$10.40)

#### Analysis:

**Antero Resources (AR)** with bullish flow this week in the January \$10 calls, January \$11 calls, and November \$12 calls. The May \$11 calls have over 21,000 in OI from buyers on 4/26 as well while the August \$12 calls with buyers on 4/5. Shares are near a range breakout above \$11 that measures out to \$13 and has a wider low-volume gap back to \$16.50 from 2019. The \$3.22B company trades 27.8X earnings, 0.95X sales, and 3X FCF. AR is a leading natural gas producer in the US with a large acreage position in the Marcellus and Utica shale. The company has been benefitting from higher NGL prices while propane inventories sit at record low days of supply. Analysts have an average target for shares of \$7.65 with a Street High \$12. MSCO upgrading shares in March citing the more constructive commodity backdrop and what he sees as a change in the company's leverage profile. Raymond James with an Outperform in February noting that Antero has addressed upcoming maturities through a combination of asset sales, debt refinancing, equity offerings, and projected free cash flow, and its firm transport has allowed it to escape the worst effects of Appalachian differentials while its heavier NGL barrel gives it exposure to surging propane and butane prices. Short interest is 9.75% but down from around 20%+ in late 2020. Hedge fund ownership rose 3% in Q4, Victory Capital buying 2M shares.

#### Hawk Vision:



**Hawk's Perspective:** AR looks good to clear this multi-week range above \$11 begin another leg higher as the fundamental backdrop remains favorable

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Analog Devices Bulls Adjust into Support Bounce

**Ticker/Price:** ADI (\$155)

#### Analysis:

**Analog Devices (ADI)** working on a bullish weekly reversal candle and on 5/5 buyers of 4650 September \$155 calls around \$8.50 as the September \$165 calls rolled back. ADI had 10,000 May \$145 puts sold to open on 4/19 and has also seen accumulation in the June \$165 calls over 3,500X. Shares pulled back to support at \$150 that stretches back to January and the current range has room back up to \$165. The \$59B company trades 23X earnings, 10X sales, and 59X FCF. ADI recently had their \$21B deal for Maxim approved by the EU without conditions. The deal expands ADI into a position of strength in automotive and data center markets which adds to their existing industrial leadership. ADI was at the Raymond James conference in March and noted that they're seeing demand across every end-market but nothing yet near peak levels as leaner inventories are creating a strong supply/demand backdrop. Analysts have an average target for shares of \$157 and a Street High \$200 from Credit Suisse. The firm thinks demand is well ahead of supply and revenue growth should accelerate as ADI ramps internal Fabs and alleviates testing bottlenecks in the 2H. Argus raising estimates on 2/19 noting that ADI is profitably aligning its production with sustainable goals and following a longer-term period of underperformance, Analog Devices appears attractive relative to its technology peers. Short interest is around 10% but largely due to the Maxim (MXIM) deal. Hedge fund ownership rose 4%.

#### Hawk Vision:



**Hawk's Perspective:** ADI is a favorite semi with their Maxim deal expanding their end-market exposure nicely and should continue to post strong results in mid-May

**Confidence Ranking:** \$\$



## **Additional Options Flow**

### **Market/ETFs**

**Russell Growth (IWO)** buyer 3000 August \$280 puts \$12.70 to \$12.80

**Biotech (XBI)** options active this morning, the May 28th (W) \$140/\$127 strangles sold to open 20,000X, May \$122 puts bought 10,000X at \$2.59

### **Consumer Goods**

**Yeti (YETI)** buyers of 525 August \$90 calls this morning for \$8.35 to \$8.50, narrow flag forming into earnings next week

**B&G Foods (BGS)** buyer of 3,000 August \$25 puts for \$0.90, tied to stock into earnings next week

**I Robot (IRBT)** opening sale of 400 January \$90 puts for \$10.90 to \$10.70, follows the large bull spreads on Tuesday into earnings weakness

**Go Pro (GPRO)** jumps this afternoon with 5000 June 4th (W) \$11 calls bought for \$0.65 to \$0.70 into earnings tonight

**Callaway (ELY)** with 1200 November \$33/\$26 bull risk reversals bought this afternoon for \$1.27

### **Consumer/Business Services**

**Abercrombie (ANF)** buyers of 1000 June \$40 calls for \$3.00 to \$3.10, the May calls rolling. **ANF** also seeing bull spreads sell the May 28th (W) 435 puts to buy the \$40 calls 4000X

**Tapestry (TPR)** the June \$47.5/\$52.5 call spread bought 1,500X3,000 for \$0.70

**Caesars (CZR)** with 1000 June \$110 ITM puts sold to open for \$11.90 to \$11.80

**Uber (UBER)** bouncing off that support early with 2000 August \$55 calls bought up to \$2.61. **UBER** August \$55 calls now up over 20,000X with a big block bought \$2.78. **UBER** now 10,000 June \$50 calls bought \$1.97. **UBER** buyer 2900 September \$47.5 calls now \$5.10 offer

**Capri (CPRI)** with 1000 May \$57.50 calls bought for \$1.97 today, spread with 2000 of the \$60 calls adjusting back

**Best Buy (BBY)** with 500 January 2023 \$110 puts sold to open this morning for \$17.30

**Kohls (KSS)** with 950 January \$65 calls bought today for \$7.30

**Penn National (PENN)** weak today after earnings but 1000 January \$85/\$115 call spreads being bought for \$8.25. **PENN** call spreads also with 1000 January \$65 puts sold to open for \$7.79

**Activision (ATVI)** with 3000 August \$95 calls bought for \$5 as some positions adjust

**Liberty (LBTYA)** buyer this afternoon of 2000 January \$30 calls for \$2.20, stock replacement

**PLBY (PLBY)** protective spread today is selling 1000 June \$60 calls to buy the \$50 puts for a net \$1 debit

**Wayfair (W)** with 1000 August \$300 calls bought this morning for \$27 after earnings, shares trying to close back above the 8-EMA

**Las Vegas Sands (LVS)** afternoon buyers of 4000 May 28th (W) \$61 calls for \$0.80

**Shake Shack (SHAK)** with 1000 January \$80 puts bought today \$6.40/\$6.45, tied to stock

**TAL Education (TAL)** sellers of more than 9000 August \$45 puts for \$1.30 this afternoon

**AirBnb (ABNB)** with 1,175 January 2023 \$100 puts sold to open for \$9.50

### Energy

**Green Plains (GPRE)** buyers of 1225 June \$30 puts for \$1.65 to \$1.80 into strength

**Sun-Run (RUN)** buyers of 1600 November \$50/\$75 call spreads while selling 800 of the \$45 puts. **RUN** November spreads up to 2400X1200 now. **RUN** also seeing 1000 Nov. \$50/\$80 call spreads bought today for \$5

**Callon Petroleum (CPE)** with 1000 October \$30 puts bought for \$4.19 today and spread with 1,500 of the \$25 puts sold for \$2.29

**Apache (APA)** buyers today of 6,000 July \$25 calls for \$0.95

**Marathon (MPC)** with 9,000 July \$65 calls opening for \$1.66, the \$55 calls closing and adjusting higher

**Daqo New Energy (DQ)** buyer of 2000 May \$65 puts for \$1.75

### Financials

**American Express (AXP)** with 1175 September \$135 puts bought today \$3.05 to \$3.10

**Redfin (RDFN)** into earnings weakness with 1200 August \$60 calls trading \$4.20 and \$5.10 offer. Shares are nearly retesting a key volume node near \$48, and nearly back to VWAP off March 2020 lows

**Arthur Gallagher (AJG)** buyers of 965 June \$150 calls for \$3.20 to \$3.30 today into strength

**Citi (C)** with 800 January 2023 \$85 puts sold to open for \$19.05

**MasterCard (MA)** size buyer of 1750 July \$380 calls for \$12.10 to \$12.50 today

**S&P Global (SPGI)** with 1850 August \$330 ITM calls being sold to open today down to \$59

### Healthcare

**Elanco (ELAN)** with 3600 June \$28 puts sold to open today for \$0.55

**Novavax (NVAX)** early reversal off the 200-MA and 1000 June \$180/\$230 call spreads bought for \$10. **NVAX** also with 400 January \$160 puts sold to open down to \$45.50

**Alnylam (ALNY)** with 450 December \$15 puts sold to open for \$13.80 in a stock replacement

**TG Therapeutics (TGTX)** with 1000 January \$40 puts opening \$8.80 to \$9.10

**CRISPR (CRSP)** with 565 October \$95 puts bought today \$11.30 to \$11.50 with stock

**Inmode (INMD)** with 400 June \$80 calls bought for \$5 today into the 50-MA

**Teladoc (TDOC)** with 2000 October \$140 puts bought today around \$11.85/\$11.90, tied to stock

**Twist Bio (TWST)** with 300 May \$110 puts bought today for \$10.60 to \$12.50 into earnings

**Nevro (NVRO)** buyer of 200 November \$155 puts for \$17.50

**Acadia (ACAD)** buyer today of 1,100 September \$25 calls for \$2.55 to open, weak name in 2021 but they have an FDA meeting upcoming on a path forward for pimavanserin in DRP

**CVS Health (CVS)** with 1200 November \$72.50 puts sold to open for \$2.10 into strength

**Viatris (VTRS)** buyers of 4725 June \$14 calls for \$0.55 into 5-10 earnings

**Boston Scientific (BSX)** stock replacement buys 2000 August \$43 calls for \$2.32

### Industrials

**Colfax (CFX)** with 15,600 May \$40 puts sold to open \$0.55

**GM** buyer 5000 September \$50 calls \$9.70

**IAA (IAA)** buyer of 5000 October \$60 calls for \$5, adjusting back some of the \$65 calls

**JetBlue (JBLU)** IV rising earlier with 5000 June \$21 calls bought for \$0.52

**Boeing (BA)** buyer of 2000 July \$260/\$275 call spreads this morning for \$1.85

**Fortress Infrastructure (FTAI)** with 1200 November \$27 calls bought for \$3.90 to open, profiled earlier this week with a lot of bull flow lately

**Virgin Galactic (SPCE)** with 2000 March 2022 \$15 puts sold to open for \$3.60 today

**Xpeng (XPEV)** opening sale of 2000 January 2023 \$20 puts for \$4.09 today

**3M Co (MMM)** buyer of 1000 January 2023 \$220 calls for \$13.15 this afternoon

### Materials

**Aemetis (AMTX)** with 2000 July \$15 calls opening at \$4.40, name as some May bull OI

**US Concrete (USCR)** with 1000 November \$42.50 puts sold to open this morning from \$3.90 to \$3.50 with shares down 18.5% on earnings

**First Majestic (AG)** the January \$20/\$27 call spread being bought over 2800X for \$1.05, name with some large June call OI

**Vale SA (VALE)** with over 15,000 January 2023 \$30 calls being bought today for \$1.20 to \$1.40. **VALE** buyer of 10,000 July \$27 calls for \$0.20

**Cameco (CCJ)** with 2500 September \$16 puts sold to open for \$1.22, stock replacement

**Calumet (CLMT)** buyer of 8500 June \$7 calls for \$0.50, some May calls adjusting

### Tech and Telecom

**AutoDesk (ADSK)** with 625 May 28th (W) \$270/\$240 put spreads bought for \$5.38 ahead of 5-27 earnings



**Ozon (OZON)** nice reversal early and now up 2% with 2,000 June \$60 calls bought up to \$3.70 and also seeing 1150 May \$60 calls bought

**Dynatrace (DT)** with 1500 May \$44 puts bought \$1.50/\$1.55 into earnings next week, 5-12. **DT** also with 2000 May \$48 calls sold now for \$1.70 to \$1.65

**Palantir (PLTR)** buyers here 2000 next week \$20.50 calls \$1.33, earnings 5-11

**Intel (INTC)** buy-write with 3400 August \$57.5 calls sold \$3.10

**TI (TXN)** seeing 1270 August \$185 calls bought \$8.70 to \$9.25 today after size July call adds yesterday

**Shopify (SHOP)** opening sale 550 October \$1080 puts \$122.50 to \$120.50

**Survey Monkey (SVMK)** with 1300 June \$17.50 puts sold to open \$1.65 to \$1.55, reports tonight

**IBM (IBM)** with 1000 June 2022 \$160 calls bought \$7 to \$7.10

**Juniper (JNPR)** IV surges higher with 5000 May \$27 calls bought up to \$0.50. **JNPR** IV continues to rise with those earlier calls and now also 1250 June \$27 calls bought

**Taiwan Semi (TSM)** buyer of 4000 May \$122 calls for \$0.65, follows 14,000 of the \$121 calls bought recently

**Cree (CREE)** the December \$80 puts sold to open 585X for \$7.60 to \$7.10

**CyberArk (CYBR)** buyer of 500 January \$110 puts for \$13.20 to \$13.50

**Facebook (FB)** stock replacement today bought 1250 January \$445 calls for \$4.27

**Oracle (ORCL)** seeing 8000 January \$95 calls bought today for \$1.95 to \$2, adjusting higher 4000 January \$75 calls bought back in October

**SkyWorks (SWKS)** afternoon buyers of 2000 May 28th (W) \$167.50 puts for \$2.10 to \$2.20

**Pinduoduo (PDD)** with 2000 May 28th (W) \$157.50 calls bought for \$2.33, basing around the 200-day and should have earnings around 5-21

**REKOR Systems (REKR)** buyer of 1,050 August \$17.50 calls today for \$4.90

**T-Mobile (TMUS)** running nicely today and 4350 May \$136 calls bought around \$3.45 as the \$135 calls roll up. **TMUS** now seeing spreads buy 5000 July \$140 calls for \$4.85 and sell 2500 July \$155 calls for \$0.90

**Flex (FLEX)** buyer of 1000 January 2023 \$12 ITM calls for \$7.50 to \$7.80 this morning

**Cisco (CSCO)** strong today and over 8,850 January \$35 ITM calls being bought from \$16.90 to \$17.10, over \$15.5M

**MongoDb (MDB)** weak today and a buyer here of 1250 January 2023 \$200 puts for \$37, tied to long stock

**Sea (SE)** buyer today of 3,000 May \$270 calls for \$3.10, shares pulling back to the 50-MA and prior range breakout

**Roku (ROKU)** with 1000 June \$230 puts sold to open today for \$5.05 to \$5 into the 200-day MA

**Applied Materials (AMAT)** with 1000 May \$131 calls bought today for \$4.15 to \$4.35, follows the size May \$138 calls earlier this week

**DocuSign (DOCU)** stock replacement buys 2,500 January 2023 \$340 calls for \$8.50

**Crowd-Strike (CRWD)** with 1000 May \$170 puts bought for \$2.20, tied to stock

**Zoom Video (ZM)** with 1750 May \$260 puts bought today for \$2.80

**Pinterest (PINS)** with 3000 January 2023 \$110 calls bought today \$4.75 to \$4.80

### Utility

#### **Disclaimer:**

#### **Not Investment Advice or Recommendation**

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