



# MARKET RECAP REPORT 5/7/2021

## Sector Leaders

Energy

Copper

Retail Apparel

## Stock Gainers

MD 20%

BILL 15%

IHRT 14.5%

TLRY 14.5%

CARG 11.5%

TWST 11%

## Volatility Gainers

- OPK
- CCXI
- EZPW
- CRIS
- AMTX
- DD

## High Call Volume

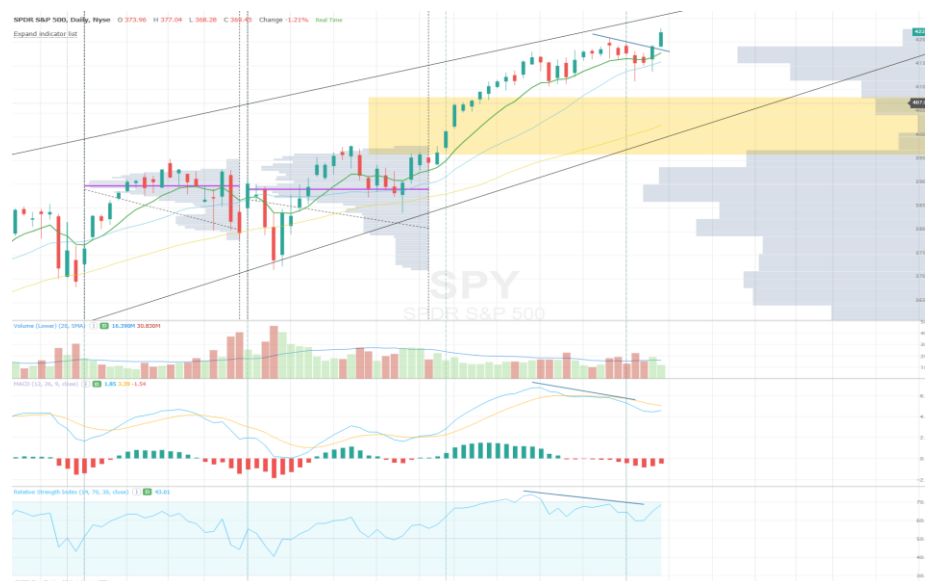
- CG
- JCI
- LESL
- SVMK
- WW
- VG

## Bullish Options

- WBA
- C
- UBER
- BIDU
- TWTR
- FCX
- TECK
- OSTK
- RUN
- SLB
- NVDA
- EQT

**Market Review:** Stocks were indicated for a higher open ahead of the Jobs Data, some rebounds across growth Tech after a flurry of reports last night. Global Macro came in very strong with China Services PMI and the China/Taiwan export numbers showing a robust growth environment. The Jobs Report sharply missed expectations though markets shrugged it off seeing it as a positive backdrop for Fed policy and now priced in the first hike mid-2023. Most of the major sectors were trading well in early action with outperformance from tech and energy while staples lagged. Copper with another strong day up 3% while the grains continue to run. The dollar broke down under the April lows. Cumulative TICK remained strong throughout the morning and into the early afternoon as we consolidated around 4220. We're above the 4/29 highs and out of April value, so some potential to trend higher here above the 8-EMA but concerns still about having enough momentum for a sustained move.

## S&P Chart:



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

**Options Action Trends:** We saw early bull flows into the banks with **C, BAC,** and **CS** in focus. Metals continued to draw upside calls across **FCX, NUE, VALE** and **MT.**

**What's On Tap:** We'll get inflation data and retail sales to watch in the US while earnings remain big, albeit slowing down. Notable reports include **MAR, SPG, EA, BABA, ABNB, DASH,** and **DIS**

## Trade Tracker Portfolio Changes:

- 1) No Changes

## Sector Laggards

Insurance

Autos

Paper/Packaging

## Stock Losers

TDC -17.5%

FROG -16%

APPN -11%

AL -8%

CLNE -7%

BYND -5.5%

## Volatility Losers

- CLVS
- TEVA
- VRTS
- CARG
- FLGT
- STMP

## High Put Volume

- TGTX
- JCI
- CSTM
- AVYA
- MGI
- SCCO

## Bearish Options

- LIN
- KAR
- FB
- CRSP
- TGTX
- LOW
- LLY
- BUD
- GRWG
- CEIX
- HOG
- BHVN



## FEATURED OPTIONS RADAR REPORT



### Barclays Call Buyers Position for Structural Turning Point

Ticker/Price: BCS (\$9.97)

#### Analysis:

**Barclays (BCS)** earlier this week with 10,000 June \$9 calls bought to open at \$0.75 which follows the 15,000 June \$8 calls bought on 1/28 that remain in open interest, unusual size for a name seeing minimal activity. BCS has a sloppy long-term chart but a move above \$11.50 would be key to gain momentum higher. On 4/13 the WSJ reported that Barclays won the credit-card issuer deal from The Gap, 11M accounts with a \$3.8B balance. Barclays is a leading international investment bank with a \$46.5B market cap trading 7.4X Earnings and 0.47X Book. Goldman upgraded BCS to Buy in March on an improved UK outlook seeing a snap-back in card balances in 2H21 and sees Barclays focused on regaining market share. The US payments and cards business is also set to rebound strongly from increased travel and economic activity. It notes key catalyst include a steepening of the UK yield curve, a rebound in UK consumer spending, and strength in investment banking as it grows its wallet share. AT 0.47X Book shares are cheap given a 2023 ROTE forecast above 8%. Barclays also has the #2 market share in the UK for payments with potential for 5-10% annual growth in that area. Barclays commented on its latest call it sees payments as a key growth area contributing meaningful EBITDA the next three years. Barclays could also be set-up to deliver a 5.2% dividend yield in 2022 and buy back significant shares the next few years. BCS remains committed to a ROTE above 10%, income ratio below 60% over time; and CET1 ratio in the range of 13-14%. CSFB upgraded shares to Outperform on 3/16 noting a cyclical and even structural turning point post lockdowns for UK banks.

#### Hawk Vision:



**Hawk's Perspective:** BCS is a cheap stock with all the fundamentals heading in a positive direction, a name that could easily deliver 30-50% upside this year.

**Confidence Ranking:** \$\$



## 3M Call Buyers See Further Upside from Restructure, Digital Efforts

**Ticker/Price:** MMM (\$202.40)

### Analysis:

**3M (MMM)** buyer of 1000 January 2023 \$220 calls on 5/6 for \$13.15 and follows buyers in the January 2023 \$170 calls recently as well for \$750k. MMM has over 4,700 January \$270 calls in open interest from buyers in mid-March, 750 January 2023 \$210 calls, 3000 July \$220 calls and 3,300 July \$210 calls as well. Shares have been in a strong trend to start the year and dipped back to the 50-MA recently where buyers stepped in and now on the verge of new 1-year highs. MMM is working out of a longer-term downtrend and above \$215 has room up to \$240. The \$118.5B company trades 19.2X earnings, 3.6X sales, and 23X cash with a 3% yield. MMM sees growth of 3-4% in FY22 and high-single digit EPS growth. MMM has been focused on their digital strategy with greater use of data and data analytics to improve their overall performance. The company has been implementing new cloud-based workflows to better monitor raw material purchases which has helped them in early 2021 as supply chain challenges pressure costs and margins. MMM sees opportunity for growth within healthcare, electronics, and home improvement, all areas where the trends accelerated in 2020. Analysts have an average target for shares of \$192 with a Street High \$210. Argus upgrading to Buy in February as the outlook following a restructuring is finally improving. 3M's lower valuation multiples now appear attractive as the company's earnings are poised to grow once again. Short interest is 1.8%. Hedge fund ownership fell 3.85%.

### Hawk Vision:



**Hawk's Perspective:** MMM has a lot of levers they can pull in 2021 to boost growth and will face easier comps but overall prefer to stick with best-of-breed names like **HON** in the industrial space, especially when shares are so extended

**Confidence Ranking:** \$\$



## Bull Spread Sees Return to New Highs for Global Payments

**Ticker/Price:** GPN (\$201)

### Analysis:

**Global Payments (GPN)** bullish spread on 5/6 sold 3,000 August \$185 puts to buy the \$210/\$230 call spread for a net credit of \$1.40, the first notable trade in the high-quality operator in some time. GPN still has 1,500 June \$210 calls in open interest from mid-year 2020. Shares put in a hammer reversal yesterday off of the 50% retracement of the rally from the February lows. GPN also held VWAP from the October lows. A move higher targets \$215 and VPOC from April. The \$60.55B company trades 21.8X earnings, 8.16X sales, and 31X cash with a small yield. GPN is coming off of a strong quarter with revenue, margin, and EPS growth despite difficult comps. The company has tailwinds in 2021 from small business spending accelerating and improving conditions in the International markets. GPN also expanded their footprint further this week with a \$925M deal for Zego which adds the real estate market to their portfolio, an ideal target for them as they note it is “sizable, global in scope, fragmented and ripe for further software, digital commerce and payments penetration.” Analysts have an average target for shares of \$217. CSFB raising estimates this week citing strength in their underlying core Merchant business results. Bernstein with a \$214 PT as they see upside from a tactical 2021 recovery trade for a double digit EPS grower at attractive valuation, and likes Global Payments' strong track record for M&A execution. Short interest is 1.3%. Hedge fund ownership fell 1.8% but Alkeon Capital a buyer of 950k shares and Egerton also adding 745k shares. In December, the WSJ reported that FIS and GPN had held late-stage merger talks but negotiations broke down at the last minute. Cowen said that week that a deal between the two makes sense eventually based on synergies, expanded global footprint, significant omni-channel strength, and further improved data and analytics.

### Hawk Vision:



**Hawk's Perspective:** GPN is a high-quality name and back at an attractive level around the 200-MA with plenty of upside into the 2H of the year

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### Market/ETFs

**Metals (XME)** buyer of 6,000 September \$50/\$55 call spreads for \$0.96

**Energy (XLE)** with 6000 March 2022 \$60 calls bought today for \$3.10

**S&P (SPY)** with 25,000 August \$440/\$380 bull risk reversals opening for a \$0.43 net credit. **SPY** also with over 15,000 September 2022 \$550 calls bought between \$1.94 and \$1.97

**Regional Banks (KRE)** with 2000 January 2023 \$65 puts sold to open for \$8

**Russell (IWM)** the July \$213/\$191 put spread opening 16,650X today for \$3.25

**Gold Miners (GDJ)** spread today sells the December \$33/\$28 put spread and buys the \$38/\$49 call spread, 26,000X

### Consumer Goods

**AB InBev (BUD)** buyers of 2000 September \$70 puts today for \$2.80

**Grow Generation (GRWG)** with 600 January \$45 puts bought for \$11.65 today

**JM Smucker (SJM)** over 950 June \$135 puts sold to open this afternoon for \$4.50 to \$4.40

### Consumer/Business Services

**Uber (UBER)** call buyers active again early for 5750 December \$55 calls \$3.75 offer. **UBER** 1200 July \$47.50 puts bought \$3.20, stock tied

**International Gaming (IGT)** buyer of 1000 October \$18 calls \$2.50

**Overstock (OSTK)** the December \$60 puts sold to open 1000X today from \$8.60 to \$7.90, nice flag forming above its 200-day MA

**Bed Bath & Beyond (BBBY)** buyers of the August \$28 calls for \$2.61, over 1150X

**PLBY (PLBY)** with 1000 June \$70 calls sold to open for \$3 to \$2.96

**ADT Corp (ADT)** with over 4000 May \$10 puts sold to open for \$0.50

**Lowe's (LOW)** the May 28th (W) \$200/\$185 put spread opening 2000X as the \$195/\$180 spreads adjust back. **LOW** now also with the June \$200 puts bought for \$4.80 as the \$195 puts adjust back

**Etsy (ETSY)** with 600 September \$160 calls bought today from \$22.20 to \$22.35. **ETSY** also with 200 Sept. \$185 calls bought for \$12.35

**Penn National (PENN)** spreads this afternoon are selling the January \$60 puts and buying the \$100/\$140 call spread 1375X for a net \$2.55

**Macy's (M)** with 1500 November \$17 puts sold to open today for \$2.44

**Leslie's (LESL)** with 5000 June \$30 calls sold to open for \$0.90

**Designer Brands (DBI)** with 3500 June \$20 calls bought for \$1.40, the May calls adjusting

**Camping World (CWH)** strong results this week and 1000 September \$38 puts sold to open for \$3 today

**Nike (NKE)** with 5000 July \$145/\$160 call spreads bought for \$2.97, some August spreads adjusting back

**Electronic Arts (EA)** with 1500 January 2023 \$125 puts bought today for \$12.67

**Chewy (CHWY)** large opening sale of 1000 January 2023 \$65 puts for \$14.20 this afternoon into weakness

**AirBnb (ABNB)** with 2000 May \$135/\$120 put spreads bought today for \$2.20

### Energy

**Sun Run (RUN)** more bull spreads today with the August \$55/\$75 call spread opening 5000X for \$3.35

**Schlumberger (SLB)** hot name this week with 1000 November \$30 puts selling to open \$3.30 bid

**EQT Corp (EQT)** buyer 5000 January 2023 \$22 calls for \$4.30 after 50,000 of the \$25 calls opened earlier this week

**Consol Energy (CEIX)** buyer of the September \$10/\$5 put spread 5000X for \$1

**PBF Energy (PBF)** the May \$18 calls being bought 3000X up to \$0.50 here

**Cenovous Energy (CVE)** the June \$8 calls being bought 6000X for \$0.55 today, nicely coiled energy name

**Kimbrall Royalty (KRP)** rallying this morning with 2000 October \$12.50 calls bought up to \$1.40, a small-cap owner of oil and gas rights

**Marathon (MPC)** buyer of 5000 June \$65 calls for \$0.93 this afternoon

### Financials

**Citi (C)** buyers active early for around 5000 September \$65 calls \$11.40, long bull flag forming. **Citi** calls up to 20K

**PennyMac (PFSI)** with 500 January \$50 calls bought early \$10.10 to \$10.80 into the dip, shares now up 2% on the day

**Credicorp (BAP)** beaten up Financial with 1000 June \$130/\$150 call spreads bought \$5.30

**Credit Suisse (CS)** with 2000 December \$10 puts sold to open for \$0.85

**Apple Hospitality (APLE)** with 1000 October \$17.50 puts sold to open for \$2.25/\$2.20, strong today and close to a narrow weekly flag breakout

**American Express (AXP)** with 400 September \$160 calls bought \$8.65/\$8.70

**Zillow (Z)** with 6000 January 2023 \$75 puts bought \$11.25, stock tied

**HDFC Bank (HDB)** stock replacement sold 750 January \$70 puts earlier for \$5.70

**Futu Holdings (FUTU)** with 400 August \$125 calls bought for \$21.40

**Wex (WEX)** with 850 November \$220/\$180 bull risk reversals opening for \$1.10 today

**Synchrony (SYF)** over 2,500 May 28th (W) \$46 calls being bought today for \$1

## Healthcare

**TelaDoc (TDOC)** highs with 625 May \$150 calls bought \$7 to \$7.50

**TG Therapeutics (TGTX)** buyer of 5000 May \$39/\$35 put spreads for \$1.50

**CVS Health (CVS)** with 6500 August \$82.50 calls opening \$5 as the May \$80 adjust

**Stem (STEM)** with 1500 May \$20 calls opened this morning and now seeing 1000 June \$20 calls \$2.80 to \$3.10 open

**Eli Lilly (LLY)** with nearly 800 June \$195 puts bought for \$6.85 to \$7.05

**Community Health (CYH)** buyer of 1500 June \$16 calls for \$1.10, rolling up the \$13 calls 1000X and the \$12 calls 500X

**Gilead (GILD)** buyer 7200 July \$67.50 calls for \$2.15 as June calls adjust

**Aurinia (AUPH)** shares down 18.5% today but seeing spreads sell the July \$8 puts to buy the \$12/\$17 call spread 1000X

**Quest Diagnostics (DGX)** with 200 November \$145 puts sold to open for \$12.10 today

**United Health (UNH)** with 1,500 January \$420 calls opening for \$31.51 as some June calls roll out

**Biohaven (BHVN)** weak fade from the early highs and 1000 May \$65 puts bought for \$2.50 now

**Hologic (HOLX)** buyers of the December \$75 calls for \$3.40, over 1000X into recent weakness

**Novavax (NVAX)** more bull flow today with 4000 May \$225/\$270 call spreads bought to open for \$4.70

**Teva (TEVA)** with 4000 January \$11 calls bought for \$1.32 to \$1.35, stock replacements

## Industrials

**Tesla (TSLA)** June 25th (W) \$600/\$700/\$800 call fly trading 1000X2000

**KAR Auction (KAR)** buyers of the May \$17.50 puts into strength here for \$0.85, over 2750X and still has 6800 May \$15 puts in OI

**Star Bulk Carriers (SBLK)** with 1000 September \$21 calls bought \$3.80 to \$4 this morning as it moves to fresh highs in a strong trend move

**Caterpillar (CAT)** with 2000 July \$260 calls bought here up to \$3.50 as IV ramps

**Johnson Controls (JCI)** buyers of 1700 July \$67.50 calls for \$1.50 to \$1.55 and also seeing 2000 July \$60 puts sold to open for \$0.80

**Linde (LIN)** also with 200 October \$280 calls bought for \$27.60 today

**Tetra Tech (TT)** with 950 August \$190/\$170 bull risk reversals opening this afternoon for \$2.35

**Norfolk Southern (NSC)** spread today is selling 1000 June \$260 puts for \$1.40 and buying 750 June \$300 calls for \$4.02

**Kratos (KTOS)** with 1320 August \$27.50 calls bought for \$2.50/\$2.55, the July \$30 calls adjusting

**Manitowec (MTW)** with 1600 June \$27 calls bought for \$1.33, the May \$24 calls closing and adjusting higher

**American Air (AAL)** with 5000 June \$21 calls bought for \$1.89, the \$20 calls adjusting higher

**Carrier (CARR)** with 7500 September \$47/\$43 bull risk reversals bought for \$0.30, a top operator that is breaking out here to new highs

**Harley (HOG)** buyer of 2,725 June \$44 puts for \$1

### Materials

**Teck (TECK)** buyer 1950 August \$25 calls \$2.60 as the \$23 calls adjust up. **TECK** also with 2000 January \$30 calls bought for \$2.20 today

**Freeport (FCX)** the July \$46 calls bought for \$2.45 today, over 3250X, as the June \$40 calls adjust higher. **FCX** the May \$46/\$50 call spread also bought 3000X today for \$0.50. **FCX** also with 2600 August \$40 puts sold for \$2.76 to open, some July short puts adjusting

**Constellium (CSTM)** with 7000 June \$14 puts sold to open for \$0.25/\$0.20

**Aemetis (AMTX)** with 1250 July \$20 calls bought for \$1.80 to \$1.90 this morning into early weakness

**PureCycle (PCT)** with 1000 August \$17.50 calls bought \$3.10 to \$3.30 today, hit hard yesterday on a short report

**Nucor (NUE)** buyer today of 1000 May 28th (W) \$100 calls for \$2.20. **NUE** now also with 1000 January \$110 calls bought for \$7 to \$7.30

**Danimer (DNMR)** with 3000 August \$25 calls sold to open for \$1.40 to \$1.35

**Turquoise Hill (TRQ)** buyers of the September \$20 calls today for \$3.10, around 1400X

**Vale SA (VALE)** the December \$23 calls bought today \$1.72 to \$1.86, 1300X. **VALE** also with 4500 July \$23 calls bought for \$1.05 as the June \$21 calls roll

**Arcelor Mittal (MT)** the September \$36 calls bought 2400X for \$2.30 to \$2.35, some June calls rolling up

**US Steel (X)** buyer of 1000 June 4th (W) \$23.50 calls for \$4.75 to \$4.90

**Cliff's (CLF)** with 1000 January 2023 \$12 puts sold for \$1.80 to \$1.75 to open

### Tech and Telecom

**Baidu (BIDU)** buyer 3000 May \$212.50 calls for \$1.74, earnings 5-18 confirmed. **BIDU** calls up to 8000X now with more buys. **BIDU** also with 3000 May \$217.50 calls bought for \$2.41

**Pinterest (PINS)** buyer 1500 August \$60 calls \$7.55

**Twitter (TWTR)** buyer 5000 next week \$54 calls \$1.35 as weeklies adjust out

**Microsoft (MSFT)** with 5500 May \$257.50 calls active with buyers as weeklies adjust out

**Agora (API)** rising with 2600 May \$55 calls bought up to \$1.10 into earnings next week

**Norton LifeLock (NLOK)** stock and IV higher with 2,300 May \$21 calls bought for \$0.80 into earnings on 5-10

**NVIDIA (NVDA)** buyer 1000 July \$650 calls \$17.70 to \$18.50 to open, earnings not until 5-26. **NVDA** has held up well and recently bounced off the 55-MA and today working back above the 8-MA

**Unity (U)** buyer of 500 November \$100 calls from \$9.01 to \$9.33, stock replacements



**Vianet (VNET)** shares jump with 2,300 September \$26 calls bought up to \$3.40

**Facebook (FB)** stock replacement bought 2000 March 2022 \$420 calls for \$9. **FB** also with 1000 June 2022 \$360 calls bought for \$28.70

**Zen-Desk (ZEN)** buyer 3000 January 2023 \$110 puts \$13.40, stock tied

**Twilio (TWLO)** with 650 June \$310 puts sold to open today for \$15.95/\$16 in stock replacements

**Okta (OKTA)** with 1000 January 2023 \$210 puts sold to open for \$35.15 in a stock replacement

**Accenture (ACN)** with 1000 November \$230 puts sold to open today down to \$4

**Paylocity (PCTY)** with 1000 June \$180 calls sold for \$3.75 to open

**Seagate (STX)** the May \$94/\$100 call spread being bought 11,000X today for \$0.63

**Service Now (NOW)** buyers of 2000 May 14th (W) \$485 calls for \$7.90

**Tencent Music (TME)** with 4000 January 2023 \$15 puts sold to open for \$2.65

**Fastly (FSLY)** with 2000 January 2023 \$45 calls sold for \$13.85 to \$13.90 in buy-writes with stock

**DataDog (DDOG)** with 2400 June \$70 puts bought this afternoon for \$2.41 to \$2.46

### Utility

**PG&E (PCG)** with 1700 January 2023 \$7 calls bought for \$5.20/\$5.25, basing around the 200-day

### **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.