



MARKET RECAP REPORT 6/11/2021

Sector Leaders

Solar

Energy

Software

Stock Gainers

RAPT 105%

CAN 21.5%

RIOT 21%

MARA 19.2%

TSP 17%

CRSR 16.5%

Volatility Gainers

- DS
- NXTD
- CRSR
- AMC
- CLNE
- RIDE

High Call Volume

- DS
- WISH
- PARR
- CRSR
- BLUE
- GDDY

Bullish Options

- SQ
- Z
- ALLT
- VMW
- RUN
- CCJ
- BLUE
- BIIB
- OXY
- GSK
- CVX
- AR

Market Review: Stocks remained near record highs without any incremental news over the weekend, markets still fixated on inflation data and the Fed with all signals still saying accommodative policy with transient inflation. Growth names were hot to start the week with Solar and Software leading strength along with Biotech and Internet while Energy continued its ascent. The yield/inflation/cyclical trade continues to die a bit with Banks, Metals, Industrials weak on the day. NYSE breadth weakened through the early afternoon with S&P futures testing 1-month VWAP while the Nasdaq maintained leadership. Tomorrow will feature a bunch of economic reports while the FOMC on Wednesday remains in focus.

S&P Chart:



Resistance	Support
4,250	4,235
4,385	4,170
4,450	4,110

Options Action Trends: We saw some morning call buying in Oil names **OXY, CVX**. Action otherwise fairly quiet, some large call buys in growth names for September that have not yet participated like **COIN, SPOT**. Put sellers got active in beaten up industrials like **BA, CAT, URI**.

What's On Tap: Retail Sales, NY Empire, PPI, Industrial Production, Business Inventories and NAHB Housing Index; Earnings from **ORCL**; Analyst Days at **UPWK, HUM, HLIO**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Metals

Banks

Industrials

Stock Losers

WOG -35%

RIDE -20%

CLFD -15%

MOXC -13%

CCJ -11%

PLBY -10%

Volatility Losers

- GPRO
- RGLS
- PROG
- INO
- RAPT
- NVAX

High Put Volume

- WEN
- FINV
- ERIC
- AAP
- MNST
- AEO

Bearish Options

- NUE
- OKTA
- RVLV
- TSP
- UAA
- X
- AAL
- DASH
- BABA
- HOG
- BBBY



FEATURED OPTIONS RADAR REPORT



Bulls Position for Big Upside in Peloton

Ticker/Price: PTON (\$113)

Analysis:

Peloton (PTON) saw a surge in bullish activity to close last week with 675 January 2023 \$160 ITM puts sold to open for \$2.5M, a buyer of 450 March 2022 \$135 calls for \$650K, buyers of 1900 September \$140 calls, and the October \$150 calls with buyers active for 4000X on the day. PTON on 6/10 saw 2000 January \$140 calls add to open interest from a buyer, on 6/7 the October \$160 calls bought 2500X, and has seen accumulation in July \$115 calls. PTON shares pulled back sharply from early 2021 highs but recently showing some momentum as support held at a key volume node and now weekly MACD nearing a bull crossover. PTON still has some resistance in the \$114-\$120 zone while the \$125 level would be a 50% retracement bounce. PTON closed last week above key weekly moving averages, namely the 21-week, and also above VWAP off its record highs. Peloton is the largest interactive fitness platform in the world that pioneered connected, technology-enabled fitness, and the streaming of immersive, instructor-led boutique classes. PTON announced a deal in December to acquire Precor in an effort to establish U.S. manufacturing capacity, enhance R&D capabilities, and expedite penetration into select areas of the commercial market. PTON has been focused on rolling out its Bike+ and Tread products and sees a longer term path towards 100M subscribers and PTON feels it is currently only 7% penetrated into its addressable markets. PTON should be able to generate 35-40% hardware margins and 75-85% subscription margins with a long-term path to 40% EBITDA margins. PTON also recently acquired Aiqudo, Atlas Wearables, and Otari adding expertise in wearable devices, artificial intelligence, digital voice assistants, and interactive workout mats. PTON shares recently reversed off lows following its recalls of its Tread product that removes a temporary overhang. The \$33.77B company is trading 8X FY21 EV/Sales with revenues set to rise 119% in 2021 after a rise of 99%, 110% and 99.6% the prior three years while FY22 seen at 32.5% growth as it normalizes. Analysts have an average target of \$132 on shares with short interest elevated at 8% of the float. Loop Capital started shares Buy on 6/7 saying the impact of the recalls will be short-lived and that management's guidance likely bakes in an excessive amount of conservatism. It also notes that Peloton could easily raise subscription prices and its pricing power potential is underappreciated by investors. Notable top holders include Ballie Gifford, Tiger Global, Whale Rock, and D1 Capital.

Hawk Vision:



Hawk's Perspective: PTON looks fantastic as it works out of this intermediate flag, and the growth story is full intact.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Positioning in Cinemark for Box Office Recovery

Ticker/Price: CNK (\$22.85)

Analysis:

Cinemark (CNK) has not seen the same kind of attention as peer **AMC** but is starting to see accumulation of bullish options positioning. Last week the January 2023 \$17.50 puts sold to open 1600X and December \$30 calls were bought 1400X. CNK has previously seen 1800 December \$25 calls bought, 2500 September \$30 calls bought, 5000 January \$20 puts sold to open and still has 3500 each of the January \$10 and \$12.50 calls bought in October sitting in open interest. CNK shares are consolidating on the weekly chart with resistance at \$25.50 for a move into a large volume pocket to retrace to COVID sell-off back to \$33.70. CNK is one of the most geographically diverse operators in the motion picture exhibition industry. As of December 31, 2020, CNK operated 531 theatres and 5,958 screens in 42 U.S. states and 15 Latin American countries with Texas and California the most concentrated operations as well as a strong position in Brazil. Concession sales have historically accounted for 35% of total revenues. The \$2.85B company trades 8.4X FY22 EBITDA with revenues seen rising 120% in 2021 and 91% in 2022, the latter getting it back to 2016 levels while FY23 should get it back near pre-COVID levels. CNK expects a significant ramp-up during the second half of the year, with a slate of strong commercial films that's more indicative of a pre-pandemic lineup. CNK has the industry-leading subscription program in Movie Club. Analysts have an average target of \$25 and short interest remains high at 19% of the float. Goldman cut shares to Sell on 6-2 on a more cautious box office outlook. It notes the increased availability of high-quality original content, especially in television/streaming services, continue to increase competition to movie-going. Another risk is the film window shortening to 45 days in 2022 from over 4 months a decade ago and 2.7 months in 2019. They do note CNK's operational excellence compared to peers and recent market share gains. CNK recently announced plans to further innovate its entertainment experience by expanding its in-theatre and online esports offering. Benchmark raised its target to \$30 in March encouraged by the recovery potential for the box office.

Hawk Vision:



Hawk's Perspective: CNK has some allure as a top operator but really liked the **IMAX** story more and less saddled by debt.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Nasdaq (QQQ) buyer 2000 July 2nd (W) \$340 calls \$5.97 to \$6.10

Uranium (URA) buyer 2500 January \$22/\$30 call spreads for \$2.25

Corporate Bonds (LQD) buyer 3500 September \$133 puts for \$2.38, rejected at 200-MA

Russell (IWM) weak again and June 30th (Q) \$227/\$218 put spreads trading 14,000X20,000. **IWM** today also with 3800 September 30th (W) \$222 puts opening \$7.25 to \$7.56, and 2000 September \$237 calls were bought \$6.55 in another trade

Consumer Goods

Sprout Farmer Market (SFM) opening sale 1000 January \$27.50 puts \$2.30

Yatsen (YSG) buyer 3500 July \$10/\$15 call spreads here for \$1.30

RR Donnelly (RRD) roll of 5500 September \$6 calls to the \$7 strike

Ollie's (OLLI) sweep buy of 800 October \$90 puts earlier \$9.70 offer

Dollar Tree (DLTR) stock replacement bought 600 January \$105 calls \$6.55

Consumer/Business Services

Drive-Shack (DS) small speculative name continues to see bullish calls bought with 7000 July \$5 here

Revolve (RVLV) with 1000 July \$55 puts opening up to \$3.20

Under Armour (UAA) large buy 3000 January 2023 \$20 puts \$3.65. **UA** now 6000 October \$20 calls sold to open \$1 as June and July short calls adjust

Academy Sports (ASO) buyer 550 October \$50 calls \$3.35, adjusts July \$40

Electronic Arts (EA) with 360 January 2023 \$150 calls bought \$19.45 to \$19.70 to open

Leslie's (LESL) with 12,000 July \$22.50 puts sold to open \$0.15/\$0.10

Sally Beauty (SBH) spread buying 1500 July \$22.5 calls \$0.40 and selling \$20 puts for \$0.60

Carnival (CCL) with 1000 June 2022 \$25 puts sold \$3.10 to open

Royal Caribbean (RCL) into day lows with 4000 July \$90/\$100 call spreads bought for \$2.07

AMC (AMC) with a buyer of 1000 July 2022 \$20 puts for \$7.65 today giving time for the meme stock pumps to die out

Activision (ATVI) with 3000 July \$95 calls being bought \$5.05 to \$5.20 with the breakout that targets a move to \$105

Marriott Vacations (VAC) with another 1050 October \$175 calls being bought \$13.80, looking to add to recent size buy and featured write-up

PVH Corp (PVH) with 480 December \$100 puts bought \$8.60

Comcast (CMCSA) jumps to session highs as 7000 June 25th (W) \$57.5 calls are bought \$0.50

Energy

Sun-Run (RUN) buyer of 1000 January \$50/\$70 call spreads, also seeing 1275 July \$45 calls trade

Occidental (OXY) buyers 800 July 23rd (W) \$28 calls \$2.46. **OXY** calls now up to 3500X for over \$1M

Chevron (CVX) buyer 1300 July 9th (W) \$108 calls \$2.90 offer, setting up nicely

Antero (AR) buyers here 3500 January \$17 calls \$1.85 offer, also some January \$20 calls active 3000X

Oil States (OIS) unusual buy of 500 December \$7.50 calls \$1.85 offer

Cenovus Energy (CVE) buyer 3000 January 2023 \$12 calls for \$2

Apache (APA) opening sale 1500 October \$20 puts for \$1.75

Petrobras (PBR) opening seller 10,000 October \$11 puts today for \$0.725

Financials

Zillow (Z) June \$120 short-term calls hot early 5750X

JP Morgan (JPM) with 500 October \$155 ITM calls bought up to \$10.40

Coinbase (COIN) highs with sweep buyers on the offer for 425 August \$270 calls \$10.80. **COIN** also with 1000 September \$255 calls bought to open \$19.70 to \$20

Upstart (UPST) buyer 300 December \$160 calls \$24

Western Union (WU) stock replacement opens 3000 January \$24 calls for \$1.85 and also a buyer of 15,000 January \$28 calls for \$0.55

Healthcare

Bluebird Bio (BLUE) IV rise here with 2300 OTM July \$45 calls being bought \$0.50 to \$0.60, long base breakout

Biogen (BIIB) with 1000 January 2023 \$400 puts sold to open for \$62 showing a lot of confidence, analysts raising estimates for a strong Aduhelm launch. **BIIB** spread sold 500 October \$350 puts to buy the \$425/\$500 call spreads

Glaxo (GSK) strength continues and buyers active 4500 June 25th (W) \$41 calls \$0.45 to \$0.65, interesting activist name we featured in a write up a few weeks back

DexCom (DXCM) with 5000 July \$450 calls sold to open \$1.70

TelaDoc (TDOC) opening sale 200 June 2022 \$140 puts \$19.50

Immunovant (IMVT) buyer 1000 October \$12.5/\$17.5 call spreads

TG Therapeutics (TGTX) has rebounded to just under the rising 200-day moving average and seeing 4000 November \$50/\$30 bull risk reversals open for \$1.75 debit. TGTX a Biotech with some size January 2022 and 2023 calls bought that sit in open interest. TGTX recently launched Ukoniq (umbralisib), a PI3K δ /CK1 ϵ inhibitor for the treatment of follicular lymphoma and marginal zone lymphoma. Catalysts include ublituximab in multiple sclerosis (MS), where a BLA submission/potential US launch are expected in 3Q21/3Q22, respectively.

Edward's (EW) big buyer coming in for 6000 November \$110 calls \$3.60 to \$3.80 as the best-in-class med-tech continues to run strong

Iovance (IOVA) continues to rebound and 3800 July \$30 calls bought \$0.55 to \$0.58

Industrials

Tu-Simple (TSP) buyer 1000 July \$50 puts \$3.30 into this big move to highs

Aptive (APTV) favorite auto parts name seeing 260 November \$170 and 220 November \$160 ITM puts sell to open at \$22.50 and \$16 respectively

American Air (AAL) buyers 20,000 July \$22 puts \$0.59 to \$0.66

United Rentals (URI) into day lows and recent weakness with 200 January \$280 puts sold to open \$25.10

Arc-Best (ARCB) opening sale 4250 July \$50 puts for \$0.50

Caterpillar (CAT) put in a five-minute reversal candle off day lows right as 1500 January 2023 \$135 puts sold to open \$6.25

TransDigm (TDG) with 3400 July \$600 puts sold to open for \$1

Knight Transport (KNX) with 2000 November \$45 puts sold to open \$2.70

Hub Group (HUBG) buyer 1500 July \$70 calls \$1.40 as June adjust out a month

XPO Logistics (XPO) buyer of 400 November \$165 calls and 425 January 2023 \$200 calls

Materials

Nucor (NUE) bear flow with buyers 4500 June \$100 puts here

Rio Tinto (RIO) with 1000 September/January \$94.07 call calendar spreads opening

Cameco (CCJ) buyers 3750 January \$27 OTM calls \$1.20+, name with massive call OI in September and other months. **CCJ** also 10,000 June \$20 calls roll to July \$20

US Steel (X) buyer 1500 July 2nd (W) ITM \$25 calls for \$3.45. **X** now with sweep buyers 7000 August \$23 puts \$1.16 to \$1.19

Mosaic (MOS) buyer 700 December \$35 calls \$3.94

Osisko (OR) trades another 3445 October \$15/\$12.5 bull risk reversals

Barrick (GOLD) opening sale 2500 August \$23 puts for \$1.11

Dow Chemical (DOW) with 1000 December \$67.5/\$65 strangles bought for \$10.45

FMC Corp (FMC) opening sale 450 January \$105 puts for \$4

Tech and Telecom

Intel (INTC) early buys 1000 July 23rd (W) \$60.50 calls \$1.38 which will capture 7-22 earnings. **Intel (INTC)** seeing 12,000 July \$60 and 25,000 July \$62.50 calls bought as June calls adjust

Corning (GLW) breaking down ugly but buyers coming in for 5000 July 9th (W) \$43 calls \$0.55 to \$0.65

Facebook (FB) buy-write sells 1000 June 2022 \$550 calls \$3.05

Allot (ALLT) breaking out and 5000 September \$22.5 calls are bought \$1.45 as 7000 June \$20 adjust, recent write-up

Twitter (TWTR) opening sale 1000 March \$50 puts \$4.40 to \$4.30

Netflix (NFLX) January 2022 flows active with puts sellers, the \$430 with 1000X sold and the \$360 with 1800X sold as it works out of its bottoming base

Anaplan (PLAN) buyers of 1200 August \$52.50 calls for \$4.60 after size bull risk reversals last week were buying August calls and selling July puts

NVIDIA (NVDA) with 1500 July \$790 OTM calls active \$6.90/\$7 as Semi's runt o day highs

Himax (HIMX) with 6000 September \$12/\$16 call spreads opening today, breaking out of a long YTD value zone

Dell (DELL) opening sale 470 December \$100 puts for \$7

Unity (U) sweep buyer 4000 July \$115 OTM calls \$1.30

Fastly (FSLY) opening sale 450 December \$65 calls \$8.40

Alibaba (BABA) with 980 December \$195 puts being bought for \$10.55

Google (GOOG) trading one of those odd diagonal spreads we keep seeing with 750 December \$2550 / January \$2600 opening

Spotify (SPOT) some strength today trying to work out of a consolidation range and seeing 425 September \$250 calls active with buyers \$20.74 to \$21.23. **SPOT** September calls now up to 1150X

Marvell (MRVL) some bear flow with 1600 November \$47 puts bought \$2.13

ACM Research (ACMR) with 2500 July \$120 calls bought \$2.10 as the \$100 calls adjust

Nutanix (NTNX) strong all day now seeing 3000 July \$37.50 calls bought \$1.66 to \$1.68 in sweeps

VMware (VMW) December \$155/\$135 ratio put spreads opening 1000X1500

Qualcomm (QCOM) with nearly 5000 August \$155 calls sold to open down to \$1.35. **QCOM** trades are August \$145/\$155 call ratios up near 2500X5000 now

DocuSign (DOCU) buyer 400 November \$230 puts \$12.85 offer, also 850 January 2023 \$320/\$240 bear risk reversals open though likely protective

Utility

NRG Energy (NRG) July \$39 calls with 4000X bought spread vs. \$42 calls into Investor Day this week

Disclaimer:

Not Investment Advice or Recommendation

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