



MARKET RECAP REPORT 6/16/2021

Sector Leaders

Solar

Biotech

Software

Stock Gainers

KIN 45%

ALT 32.5%

ORPH 32%

MAXR 13.5%

RUN 12%

PCT 10%

Volatility Gainers

- APRE
- GTT
- ASTS
- ARVL
- ALT
- LESL

High Call Volume

- LESL
- ITUB
- GTT
- RKDA
- BKE
- HOME

Bullish Options

- NOW
- PINS
- CRM
- DISH
- X
- JD
- MA
- C
- BKE
- LESL
- ATVI
- CVNA

Market Review: Stocks were mixed early after China data disappointed and UK inflation showed a sharp surge though not unexpected with the reopening. Markets remained squarely focused on the FOMC and indications of tapering. Housing data for May came in a bit soft. The morning session was choppy and saw a reverse of the prior day with growth areas like Software, Solar and Biotech all leading upside. Industrials, Financials, and Metals pulled back. Overall market breadth rolled over into the FOMC and S&P futures tested the 1-month VPOC level. The FOMC showed projections of two rate increases by end of 2023 and a higher outlook of inflation which rattled stocks initially as the S&P pulled back to OpEx VPOC and near the rising 21-day moving average. The Fed tends to be digested the following day so tomorrow likely the key session of the week also with Philly Fed and Jobless Claims into OpEx Friday and quarter-end getting close.

S&P Chart:



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

Options Action Trends: No major new trends on the session, some bullish flow continues in Software and seeing a bit of sentiment shift more bullish in Chinese name flows. Credit card leaders **V**, **MA** saw some more size call buying into weakness.

What's On Tap: Jobless Claims and Philly Fed. Earnings from **ADBE**, **KR**, **JBL**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Transports

Financials

Metals

Stock Losers

APRN -20%

TAL -12%

AMC -11%

GOTU -9%

BB -8%

TSP -8%

Volatility Losers

- KIN
- CLSD
- GOEV
- CRSR
- WISH
- RAPT

High Put Volume

- IVR
- RLX
- APRN
- XTS
- PGR
- EAT

Bearish Options

- STNG
- RLX
- NTR
- LYB
- FGEM
- ZTS
- LUV
- VIPS
- FL
- CPNG
- OLLI
- OLO



FEATURED OPTIONS RADAR REPORT



Spotify Bulls Position for Return to Leadership

Ticker/Price: SPOT (\$242.75)

Analysis:

Spotify (SPOT) a name seeing a lot of bullish action accumulate this week with action on 6/14 adding September \$240 and \$250 calls for 2000X each, around \$9M in purchases and then on 6/15 the October \$300 calls bought 400X and 550 of the January 2023 \$300 calls bought for nearly \$2M. SPOT has also seen the January 2023 \$230 puts sell to open 2300X back on 5/4. There are also two large positions from a year ago with 1000 January \$200 calls and 2000 January \$240 calls in open interest. SPOT shares are -20% YTD and have lagged the recent growth rally though started to show some strength this week before failing right at the VWAP off March 2020 lows and its 55-day moving average. SPOT really needs to get above \$265 to gain momentum and work back to YTD VPOC at \$280 followed by \$320 upper value. SPOT is the leader in streaming audio despite competition from Amazon, Apple and others. SPOT continues to expand into new markets and also with new products, recently acquiring Locker Room for a new live audio experience. SPOT has a lot of opportunities to push into new areas with upside potential from Podcasts, Advertising, Live Events and even Commerce. SPOT is also planning to implement incremental price hikes through 2021 which will start to show its earnings power story, similar to Netflix a few years ago. Spotify is well-positioned to benefit from the growing online audio category given its scale, expanding distribution ecosystem, content and technology. Spotify expects to grow at a 20%+ CAGR and achieve 30-40% gross margins, as well as 10%+ operating margins and positive free cash flow, over the long term. Through 2030, the company expects to reach 30-40% market share in key verticals of audio like music streaming, podcasts, and paid audio, which represents revenue opportunity levels at 5-7x 2020 levels, according to the company. SPOT currently has a market cap of \$48.5B and trades 3.9X EV/Sales with revenues seen growing 27% in 2021 and 20% in 2022 while turning EBITDA positive in 2022 and ramping from there forward. Analysts have an average target of \$340 with short interest rising 40% Q/Q to 4% of the float. Evercore out positive 6/2 with a \$375 target noting its positive survey and potential for 1B users by 2025 which the CEO has laid out and that could double SPOT's value the next three years. Pivotal raised to Buy on 4/29 with a \$340 target noting SPOT is best-in-class for a growing audio streaming market with pricing power and major monetization potential to lever its user base. Hedge Fund ownership jumped nearly 12% in Q1 filings, large holders include Ballie Gifford, Tencent, Ark Investment, Tiger Global, and Tremblant.

Hawk Vision:



Hawk's Perspective: SPOT is one I still love long-term, though near-term needs some better price-action and watch above \$255 for a run to \$280.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Nike Bulls Position Ahead of Earnings Despite Weak Price Action

Ticker/Price: NKE (\$130.30)

Analysis:

Nike (NKE) shares are down 8% YTD and has been a notable laggard with the recent market rally and will report earnings on 6-24. NKE is starting to see some options flow that is a good bottoming signal including 500 January 2023 \$130 puts sold to open, 1000 October \$135 calls bought, accumulation of 20,000 August \$140 calls since 6/4, 5000 July \$145/\$160 call spreads, and on 4/28 the January \$135 calls added 2500X. NKE is forming a seven-month falling wedge pattern that continues to tighten on the weekly with \$126 lower-range major support and above \$138 needed for a key wedge breakout. If the lower support fails the \$115 level is both the 38.2% retracement off the March 2020 lows and VWAP off those lows. NKE's weekly RSI is the most oversold it has been in over a year and shares have closed higher 5 of the last 8 earnings reports with a six-quarter average max move of 8.35%. The \$200B footwear & apparel leader is trading 32.8X Earnings, 5.3X Sales and yields a 0.8% dividend, so valuation remains at a premium, with revenues seen rising 15.8% in 2021 and 12% in 2022 along with 96% and 26% EPS growth respectively. NKE has been a big beneficiary of its digital efforts and last quarter delivered robust growth in China. Nike's owned Digital business has grown over 70% this year and the mix of self-owned and partner Digital exceeded 35% of the total business. Analysts have an average target of \$165 and short interest is low at 1.1% of the float. Jefferies upgraded to Buy in May with a \$192 target as increasingly confident in the medium-term growth and profitability of the business and positive on the shift to higher growth and margin channels/regions. UBS out this week with a \$170 target noting the China boycott issues will impact results though options skew is already braced for a below-consensus guide. Citi downgraded shares in April with concerns of the step-up in investments driving lower margins. Hedge Fund ownership fell 4.75% in Q1 filings, notable top holders include Edgewood, FundSmith, and Polen Capital while Winslow Capital and Sustainable Growth also large holders.

Hawk Vision:



Hawk's Perspective: NKE is tricky here as price-action remains poor and valuation remains stretched but it is also a high-quality top name. As an event-play the June 25th (W) / August \$140 call calendar spread for \$1.45 one way to consider playing it.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bull Targets Buckle into Fall Shopping Season

Ticker/Price: BKE (\$41.30)

Analysis:

Buckle (BKE) buyer of 4700 September \$50 calls for \$1.27 to \$1.40 to open, size buy for the name. BKE doesn't trade a lot of options, less than 250 calls per day, but has seen small buys in the Dec. \$45 calls this week. BKE a strong retailer since October that has pulled back from 52-week highs recently to re-test February/March value. Shares put in a reversal candle last week and above \$42 can clear to \$46 and then a measured move out to \$53. The \$1.95B company trades 11.1X earnings, 1.8X sales, and 10X FCF with a 3.25% yield. BKE specializes in apparel and footwear for young adults. They've capitalized on some big trends within the space recently including the shift to more casual fare, fast fashion for items like tops, as well as denim which contributes about 40% of their overall sales and key part of their merchandising strategy. Denim has bounced back in popularity over the last year and global market expected to grow 7% through 2025 to over \$100B. BKE is coming off a strong quarter and reported 45.9% growth in May sales vs 2019 recently. The company has been expanding their mix into more private label items which is now 40% of all sales and used the pandemic year to accelerate initiatives around DTC, omnichannel fulfillment like Ship-from-Store and BOPIS and expanding their engagement with customers through their private credit card and loyalty programs. BKE sees limited analyst coverage. Short interest is 11% and near 7-year lows, down from around 22% at the start of 2020. Hedge fund ownership fell 11% in Q1.

Hawk Vision:



Hawk's Perspective: BKE is a quiet name and while there are other teen apparel names I prefer, shares set up well here for a shift back above its short-term moving averages and out of a pullback trend and looks positioned well for the upcoming surge in Back-to-School shopping

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Halliburton Bulls Active Near New Highs as Oil Backdrop Strengthens

Ticker/Price: HAL (\$24)

Analysis:

Halliburton (HAL) buyer of 3,600 September \$26 calls for \$1.41 and follows buyers in the short-term July 9th (W) and July 23rd (W) calls last week. HAL has bullish open interest in the September \$23 calls, July \$28 calls, and October \$27 calls while put sales also popular across September and October as well. Shares are forming a nice flag above the 8- and 21-EMA and May value with a run above \$24.75 targeting a move to \$27. Longer-term, HAL is forming the right side of a large cup-and-handle with a measured move to \$32+ and continuation of the longer-term trend. The \$21.5B company trades 17X earnings, 1.67X sales, and 8.75X cash with a small yield. HAL has been performing well in 2021 with a better oil backdrop, positive inflection in international markets and operational improvements. HAL is undergoing a transition year as they ramp up investments in tech innovations and digital capabilities including R&D around clean tech and the energy transition. They also announced a partnership with Honeywell in August 2020 to explore open-architecture oil and gas software. Analysts have an average target for shares of \$21 with a Street High \$32. Barclays upgrading to Overweight in early May as they think the sector is poised to outperform over the next several years as the global oil markets not only recover by 2023, but upstream spending continues to expand out to 2025 on the back of increasing global demand. Piper upgrading earlier this year to Overweight as the upcoming cycle favors the scale, technology and international diversification that Halliburton offers over peers. Short interest is 2% and down from around 5.5% in mid-2020. Hedge fund ownership fell 2% in Q1.

Hawk Vision:



Hawk's Perspective: HAL has a great looking setup on both the short- and longer-term timeframes and should continue to outperform as the energy environment remains accommodative; HAL will be at the JP Morgan Energy conference next week and earnings on 7-20, two catalysts to watch

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) with 15,000 July \$414 puts bought this morning for over \$5M in premium, though at the intraday low the September \$450 calls bought 75,000X spread versus the \$454 calls. SPY also with 9500 December \$455 calls selling to open today \$4.64.

Consumer Goods

Estee Lauder (EL) sellers of the October \$270 puts to open today for \$4.80, over 925X, shares basing in a narrow range under \$310 and recent highs

Peloton (PTON) with 2000 July 30th (W) \$120 calls sold to open as July \$115 short calls adjust

Ollie's (OLLI) drops here as 2000 July 87.5/80 put spreads are bought, name with notable put OI

Lamb Weston (LW) with 1000 January \$90 calls sold for \$4.10 in a buy-write

Wendy's (WEN) July \$24 puts being sold to open \$1.10 4000X

Consumer/Business Services

TAL Education (TAL) down 9% on the China headlines this morning but seeing 1,500 January \$25 puts sold to open here for \$4.60/\$4.70. **TAL** 3350 November \$22.50 puts selling to open for \$3 as well. **TAL** 3500 January \$18 puts also sold to open \$1.95. **TAL** also opening sales 4000 November \$17.50 puts and buyers of 25,000 January \$55 calls \$0.80 to \$0.90

L Brands (LB) buyer of 2,000 July 2nd (W) \$65/\$70 call spreads for \$1.57, looking for a move back to recent highs. **LB** call spreads trading over 8000X on the day

Genius Sports (GENI) buyer 1000 October \$20 calls \$2.45/\$2.50 offer

Dish (DISH) with more January 2023 bull risk reversals as 1000 of the \$50/\$32.5 open for a \$1.80 debit

Ralph Lauren (RL) more bull flow with 1250 July \$120/\$130 call spreads bought

Leslies (LESL) IV30 higher by 50% with calls active across June and July including 5,450 of the July \$30 calls bought up to \$1.40

Uber (UBER) with 10,000 next week \$51 calls being bought \$0.59 to \$0.64. **UBER** also with 400 June 2022 \$55 ITM puts sold to open today for \$11.85

Foot Locker (FL) buyer 3000 next week \$58.50 puts for \$1, likely a play on **NKE** earnings

Activision (ATVI) into day lows with size buyers November \$100 calls 8050X up to \$5.45. **ATVI** also with 1000 August \$97.50 calls sold for \$3.15 in a buy-write

Lyft (LYFT) with 675 June 2022 \$57.50 calls selling to open \$10.35 bids

Disney (DIS) stock replacement bought 1200 June 2022 \$175 calls for \$18.40

DraftKings (DKNG) with 3000 January \$50 puts bought up to \$9.79 this morning into the pop, have to confirm OI tomorrow. **DKNG** also seeing 2000 October \$45 puts sold \$4.65 bid today.

Royal Caribbean (RCL) moving to day highs here with 1000 July 2nd (W) \$90 puts selling to open \$3.80 to \$3.70 today

Carvana (CVNA) with 1400 July \$270 synthetic long positions opening at \$10.20 debit as shares work out of a coiled flag

VIP-Shop (VIPS) dropped earlier with 19,000 August \$20 puts bought \$1.90 offer

Sci-Play (SCPL) buyer 75 November \$17.50 calls \$2.10 to \$2.20 into the morning lows

Cedar Fair (FUN) seller of 750 December 2022 \$60 calls for \$4.20 in a buy-write

Discovery (DISCA) opening seller 1300 October \$27.50 puts for \$1.70

TripAdvisor (TRIP) with the January \$40 puts sold to open this afternoon for \$5.60, 1200X, and name with size call open interest

Zynga (ZNGA) spread is selling 7,000 January \$11 calls to buy the \$9 puts for a \$0.24 net credit, potentially collaring stock

Energy

Scorpio Tanker (STNG) with 4000 October \$18/\$15 put spreads bought early

Range Resources (RRC) buyer of 1200 January 2023 \$20 calls for \$3.85 into the highs, flagging above its 8-day

Diamondback (FANG) with 1000 July \$100 calls bought \$2.10 offer

SunPower (SPWR) opening sale 2500 December \$22 puts for \$3.15

Financials

Paysafe (PSFE) another 2,250 January \$16 calls bought this morning for \$1.10, spot where 3,000 were bought yesterday

Forest Road Acquisition (FRX) early sweep buyer 1000 January \$10 calls \$2.65

MasterCard (MA) buyers for 1550 July \$370 calls \$6.55 to \$7.15 into day lows

Citi (C) buyer 10,000 January \$82.50 calls for \$2.06 offer, adjusts the \$90 calls

CME Group (CME) with 1,150 September \$240 calls sold to open today for \$1.70

Simon Property (SPG) July \$135 calls up to 2800X bought here

OpenDoor (OPEN) with 3,000 November \$19 calls sold to open for \$2.62 to open today

PNC Financial (PNC) with 600 June 2022 \$150 puts bought for \$7.60, tied to stock

Visa (V) August \$240 calls up to 8000X on the day active this morning and now here again

Wells Fargo (WFC) with 10,000 next week \$46.50 calls bought up to \$0.61 as Banks rally after the FOMC surprise

Healthcare

Fibrogen (FGEN) with 3,000 July \$22.50/\$10 put spreads bought for \$1.81 ahead of their July PDUFA

Zoetis (ZTS) bearish flow this morning with 500 July \$190 puts bought for \$6.00 to \$6.20 and the June \$185 puts also active 1800X into strength

Invitae (NVTA) with 675 June 2022 \$27.50 puts selling to open \$5.30 bid

Alkermes (ALKS) with 2,000 November \$29/\$22 bull risk reversals bought today for \$0.15, activist involved with the name and relative strength biotech lately

Cassava (SAVA) with 1500 July \$90 calls opening \$7.80 in stock replacement

Steris (STE) unusual buys of 600 September \$195 puts \$6.40

Oak Street Health (OSH) with 2,300 January \$30 OTM puts sold to open for \$1.50 today

HCA Health (HCA) with 1,000 July \$200 puts sold to open for \$2.70 into the afternoon lows

Industrials

Southwest Air (LUV) with 1350 July \$52.50 calls selling to open \$4.80 deep ITM

Ford Motor (F) with 4,000 March 2022 \$12 puts sold to open for \$0.90

Caterpillar (CAT) with buyers of 750 October \$230 calls this morning for \$8.10 to \$8.15

Textainer Group (TGH) fagging just under highs and 1000 August \$35 calls bought \$2.70 to \$2.75 in unusual action with an IV surge

Harley Davidson (HOG) jumpy now with 4,150 July \$49 calls bought for \$1.60 to \$1.70

United Parcel Service (UPS) with 1,000 January 2023 \$260/\$195 bull risk reversals opening today for a large \$18.10 credit

JB Hunt (JBHT) with 3,500 July \$175 calls sold \$1.20 to buy the \$165/\$155 put spread 2,500X for \$3.60, popular strategy in the name and likely trading around stock

United Air (UAL) seeing accumulation of 3300 December \$65 calls this afternoon up to \$3.70

Materials

US Steel (X) buyer of 1000 July 2nd (W) \$23.50 calls for \$2.90 into weakness, popular expiration for call buying lately. **X** buyers of 2500 Oct \$40 calls

Nutrien (NTR) buyers of 550 July \$65 puts \$3.20 offer

Aspen Aerogels (ASPN) with 2,500 November \$20/\$35 call spreads opening today as the \$17.50/\$30 call spreads adjust higher

Mosaic (MOS) buyers off the lows of 4,900 July \$35 calls for \$0.65

Freeport (FCX) buyers of 3,500 July 2nd (W) \$40 calls from \$0.60 to \$0.62

Cornerstone Building (CNR) with 1,600 July \$15 calls opening for \$3.60, adjusting the June ITM calls out and still has 3000 September \$17.50 calls in open interest

Schnitzer Steel (SCHN) with over 800 August \$55 calls bought today from \$2.75 to \$3, pulled back recently from 52-week highs

BHP Billiton (BHP) with over 1,125 August \$72.50 puts sold to open today for \$2.70

Tech and Telecom

JD.com (JD) strong bounce early and 2,000 August \$72.50 calls being bought up to \$4.20 to open, recent Sept. call buys in size. **JD** also another 7400 September \$75 calls adding \$4.40

Service-Now (NOW) buyers active 1500 June \$520 calls early \$2.20 to \$3.60. **NOW** on highs, call action at \$520 and \$530 strikes hot now

Oracle (ORCL) with 2000 September 2022 \$80 calls sold to open \$6.50 with shares down 6.4% on results

Salesforce (CRM) buyer 1400 September \$260/\$300 call spreads

Pinterest (PINS) buyers hot for 7500 next week \$75 calls \$0.66 to \$0.77 after triggering back over YTD VPOC yesterday. **PINS** next week calls now up to 19K and bid up to \$0.90

MongoDb (MDB) short-term play with 2,500 June \$370 calls bought from \$2 to \$3.60 to open

Coupang (CPNG) buyer of 1000 September \$35 puts \$2.10 offer sweep

Asana (ASAN) strong run continues with 1300 August \$50 calls active \$4.30 to \$4.60

DocuSign (DOCU) buyer 275 December \$270 calls \$23.10 offer

Olo (OLO) buyer of 1,500 July \$35 puts for \$1.74, adjusting down 1000 July \$40 puts bought recently

CrowdStrike (CRWD) with January \$230 calls active with buyers 1300X around \$34, will confirm OI tomorrow. **CRWD** stock replacement is selling 500 January \$230 puts for \$30.25

Avalara (AVLR) with 1170 August \$150 calls sold to open \$6.35 as June \$130 short calls from 5/10 adjust

Twilio (TWLO) with the July \$390 calls sold to open today for \$2.04 to \$2.01, almost 1500X

Micron (MU) buyer of 1,000 June 2022 \$120 OTM calls for \$2.90, bullish flow yesterday into the name

Sea (SE) with 600 August \$270 puts sold to open for \$18.65, adjusting back the \$200 short puts from January

Apple (AAPL) seeing 4000 July 30th (W) \$135/\$130 bull risk reversals open today for \$1.60 credit

NVIDIA (NVDA) with 3500 July \$790 calls sold \$4.93 to open today

Twitter (TWTR) buyers this afternoon active in August \$55 calls again \$7.80+ with 6500X trading, spot where 9800 have recently accumulated

Nutanix (NTNX) with 1250 January \$35 puts sold to open \$3.90

Z-Scaler (ZS) into day lows with August \$190 puts sold to buy the \$220/\$250 call spreads 1750X

Utility

Duke Energy (DUK) with 2100 July \$100 puts sold to open for \$1

Disclaimer:

Not Investment Advice or Recommendation

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