



MARKET RECAP REPORT 6/22/2021

Sector Leaders

Retail

Solar

Software

Stock Gainers

DDD 27%

SSYS 16%

TUP 16%

SCR 12.5%

SPLK 12.4%

SBH 12%

Volatility Gainers

- DDD
- CLOV
- BBIG
- ATOS
- SSYS
- NNDM

High Call Volume

- WISH
- GPN
- SBH
- FIS
- HUN
- WGO

Bullish Options

- MSFT
- PTON
- MS
- CIEN
- MOMO
- DDOG
- FDX
- GOLD
- CAT
- KR
- MRNA
- WFC

Market Review: Stocks were quiet overnight holding onto the rebound-move gains ahead of Powell's testimony. It was a choppy open with growth areas like Software/Solar leading early, Richmond Fed came in stronger than consensus. Retail was another notable strong group while Semiconductors and Metals also climbed. Banks & Energy lagged along with weakness in Biotech. Market breadth pushed to day highs into late morning. The Nasdaq hit a record high and the S&P powered back above 8/21 day moving averages though breadth was fairly tame into the Powell testimony. Stocks worked strong to day highs following the Powell testimony allaying any over-reaction to the current data in this unique situation. Flash PMIs in focus the rest of the week as we near the move into quarter-end and rebalancing.

S&P Chart:



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

Options Action Trends: We saw large call buys for January 2022 in payment processors **GPN, FIS** a group seeing M&A consolidation. Speculative calls were hot in 3D printing names **DDD, SSYS, XONE**. Bullish action continued in the Metals & Energy names that were recently sold off.

What's On Tap: Flash PMIs for June, Fed Speakers, New Home Sales.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Biotech

Aerospace

Banks

Stock Losers

MVIS -12.5%

JKS -9%

TRCH -9%

XPEV -8%

SAVA -8%

NTP -7.9%

Volatility Losers

- TEVA
- TRCH
- AMC
- LDL
- SWBI
- GTE

High Put Volume

- ASAN
- WISH
- CLOV
- AU
- GFI
- TCOM

Bearish Options

- AMT
- SFM
- SOFI
- CRWD
- DRI
- AMC
- WKHS
- MQ
- ALLY
-



FEATURED OPTIONS RADAR REPORT



Capital One Put Sales See Limited Downside into Capital Return Catalyst

Ticker/Price: COF (\$154.90)

Analysis:

Capital One (COF) has been seeing a lot of bullish activity recently with a focus on put sales but also some call buys accumulating. On 6/21 COF had a sale of 200 December \$155 puts to open, on 6/18 the January \$140 puts sold to open 1000X for over \$1M, and the September \$135 puts sold to open 750X with the \$155 calls bought, on 6/17 the July \$150 puts sold to open 1750X, and 1000 July \$160 calls were bought on 6/16. COF has been in a strong trend since November with Financials and shares are +57% YTD though pulled back to the rising 55-day moving average to close last week and rebounded to start this week. The \$162.50 level will now serve as key resistance. COF is a diversified financial service holding company with banking and non-banking subsidiaries. COF sold a loan portfolio for \$2.1B in Q4 and in 2019 it launched an exclusive card issuance program with Walmart. COF recently announced a similar partnership with Williams-Sonoma. COF has a market cap of \$71.6B and trades 9.5X Earnings, 1.25X Book and yields a 1% dividend. COF forecasts see revenues growing just 1.4% in 2021 and 5.3% in 2021. COF is seeing improving spend volumes and loan balances while its long-term digital strategy is boosting operating efficiency where it targets 42%. COF is seen as one of the more attractive capital return stories and could see a lift from the upcoming CCAR results. COF recently reported May metrics that showed a key inflection, a return to loan growth. Further, improving credit is an ongoing tailwind that should drive sizable reserve releases. COF could be in a position to earnings \$20/share in earnings and command at 12X multiple, a \$240 stock. Analysts have an average target of \$165 and short interest low at 1.2% of the float. Baird downgraded shares on 6/7 seeing shares at a peak multiple and peak earnings. Dodge & Cox holds a large \$5.4B stake as its second largest position and Aristotle Capital added significantly in Q1 as did Carmignac Gestion.

Hawk Vision:



Hawk's Perspective: COF is a very well-run company, wild it traded to \$45 during the pandemic, and continue to see plenty of value in the name up to at least \$200.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls See Farfetch Upside Momentum Continuing

Ticker/Price: FTCH (\$50.30)

Analysis:

Farfetch Limited (FTCH) traded 4X daily calls on 6/21 with the focus on August \$60 calls with 5500 bought in the \$2 to \$2.30 range. FTCH is a name that saw a lot of opening put sales in May with January 2023 \$32 puts 2500X, January \$42 puts 1000X, January 2023 \$40 puts 2000X, January \$45 puts 5000X and January \$46 puts 1500X. FTCH on 6/1 with a buyer of 1000 January \$55 calls and has also seen July \$50 calls buyers with open interest now above 5850. FTCH shares made a low in May right near VWAP off the March 2020 lows and have recently bounced 25% the past month and are flagging below a 38.2% retracement level and key volume node needing to clear \$52.35 which would also move shares above VWAP off the February highs. FTCH is an online platform for luxury fashion retailers which features over 700 boutiques and brands from around the world. Its platform is in focus with the acceleration of ecommerce and playing in a large \$300B luxury market. It is positioned as a dominant online luxury platform with a strong proposition to customers and brands and likely to continue strong market share gains. FTCH partnered with JD.com (JD) to penetrate a key China market and also entered a \$70B premium sportswear market with its deal for Stadium Goods. FTCH at the Deutsche Bank conference in March outlined the opportunity “The industry not only is huge and \$330 billion business and growing by significant amounts to \$430 billion plus in 2025, but this transition online is quite remarkable. We're moving from around 12% overall online share through to an expected minimum 30% of online share within the industry within the next 5 years.” China is Farfetch's second largest market (to the US) and is growing faster than the overall marketplace average. Farfetch launched its flagship store on Tmall Luxury Pavilion in March 2021 with approximately 3000 brands. FTCH will also be launching in the beauty category in 2022, an important step opening up a large market. The \$17.8B company is trading 7.9X EV/Sales with revenues seen growing 33.5% in 2021 and 28.3% in 2022 following 69.5% and 63.9% growth the previous two years and also seeing a strong ramp in EBITDA. Analysts have an average target of \$65 and short interest is low at 5.6% of the float. Farfetch continues to see an adjusted EBITDA margin of 30% as achievable over the medium to long term. Cowen out recently seeing valuation attractive and has a \$70 target. CSFB lowered its target to \$83 in May citing the fragmented, large and underpenetrated market opportunity. Hedge Fund ownership jumped 17% in Q1 filings, notable top holders like Ballie Gifford, Lone Pine, Altimeter and Jackson Square.

Hawk Vision:



Hawk's Perspective: FTCH is a best-in-class top growth story and alert in at \$52 for a potential 15-point move, the opportunity in Beauty is also another compelling reason to own.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Harley Bull Spread Sees Turnaround Strategy Lifting Shares Through 2021

Ticker/Price: HOG (\$45.95)

Analysis:

Harley Davidson (HOG) massive trade on 6/21 bought 10,000 January \$60 calls for \$2 and sold 7000 of the \$32.50 puts for \$1.31. HOG also with a buyer of 1000 deep ITM August \$38 calls for \$850K and on 6/16 the July \$49 calls bought 3500, the August \$55 calls have seen 2000X bought, and August \$50 calls bought 2000X. HOG shares broke out of a big weekly consolidation with earnings in April and have since consolidated, testing the rising 21-week moving average and holding last week. Shares do have plenty of overhead moving average and volume resistance now and need to clear \$49.50 to resume a move higher. HOG is a leading global motorcycle manufacturer and is undergoing a key strategic shift with its Hardwire 2021-2025 strategic plan which targets long-term profitable growth through focused efforts that extend and strengthen the brand and drive value for its shareholders. HOG announced the launch of LiveWire, an all-electric motorcycle brands, in May. HOG has a new CEO looking to strengthen the brand and Adventure Touring launched in May. HOG has a market cap of \$7.2B and is trading less than 14X Earnings, 13.9X EBITDA, 1.72X Sales and yields a 1.31% dividend. HOG revenues are seen rising 34.4% in 2021 after a 28.6% decline last year while EBIT margins in motorcycles at 5-7% have room to recover back near peak 15% levels. HOG is also focusing on International growth, namely China. Analysts have an average target of \$53 while short interest remains elevated at 10% of the float. BAML raised its target to \$70 on 6/2 noting strong sell-through trends, used motorcycle pricing, Pan America launch, and a reinvigorated brand strategy working. BMO was out positive on 6/21 pre-market before this trade on the management changes. Wedbush raised its target to \$60 recently on strong dealer checks. MSCO cut shares to Underweight on 4/22 not buying the new CEO's ability to meet expectations given the secular headwinds. Boston Partners has a \$500M+ stake in HOG.

Hawk Vision:



Hawk's Perspective: HOG has long been a favorite short given the secular headwinds but with shares now very cheap, facing easy comps, and a catalyst with the strategic plan and new CEO, it is a name that can work its way to \$70.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) size buyer of 3225 October \$438 calls this morning for \$5.90/\$5.91

Energy (XLE) today with 15,000 August \$56/\$60 call spreads bought also seeing 5000 December \$61/\$51 stock collars

China Internet (KWEB) with 2500 January \$65 puts opening today as the \$75 puts roll down

Biotech (XBI) buyer 4000 September \$125 puts \$4.30 earlier

Consumer Goods

Sprout Farmer (SFM) buyers 1800 January \$27.50 aggressive on offer in early action, cautious note this morning

Winnebago (WGO) into earnings tomorrow with spreads selling 1500 July \$55 puts to buy the \$65/\$75 call spreads

Peloton (PTON) hot early with buyers 2000 September \$130 calls \$5.35 to \$5.80, same strike that saw 2000 close yesterday

Kroger (KR) staying strong and breaking out with 2800 August \$39 calls being bought \$1.93 to \$2

Coty (COTY) with 3400 February \$8 puts sold to open \$1.24 into weakness

Target (TGT) bull flow with 1650 August \$250 calls being bought \$4.30 to \$4.75

Big Lots (BIG) strong mover with nearly 4000 July \$70 calls being bought up to \$2.60

Ammo (POWW) spread bought 1000 January \$7.50 calls \$2.25 and sold 2000 of the \$15 calls \$0.65

Sally Beauty (SBH) buyer of 5000 August \$25 calls \$0.85 as the \$20 calls close \$2.75 into the 12% rally on the upgrade and after the size calls bought to open yesterday

Vista Outdoor (VSTO) with 2000 November \$50 calls sold to open \$3.50 to \$3.70 range

Consumer/Business Services

Roblox (RBLX) with 1650 July \$87 calls opening near \$3.31 spreading versus the \$90 calls

Uber (UBER) sale to open 950 November \$47.50 puts \$4.98

Carnival (CCL) with 3000 February 2022 \$25 puts being sold to open \$2.56

Carvana (CVNA) stock replacement bought 700 August \$350 calls \$10.60. **CVNA** also 1000 August \$300 puts sold to open today \$21.75

RealReal (REAL) unusual flow with 430 ITM August \$30 puts selling to open \$9.80 to \$9.50

Lyft (LYFT) sale to open 560 June 2022 \$57.50 puts for \$10.02

Caesar's (CZR) stock replacement buys 7500 January \$100/\$130 call spreads for \$11.55

AMC (AMC) with 3000 January \$22 puts bought for \$6.30 today

World Wrestling (WWE) on the move with 3500 July \$60 calls hot with buyers

Fox (FOXA) made an intraday low as 4000 August \$35 puts sold to open \$0.95

TripAdvisor (TRIP) unusual spread sold 2250 January \$35 calls \$8.72 and bought 4500 of the \$50 calls at \$3.10

Doordash (DASH) buyer 1000 January \$250 calls at \$9.50 offer into the jump higher

Decker Outdoor (DECK) a long-time favorite with 380 December \$350 calls opening \$31.60 offer

Under Armour (UA) buyer 2500 January \$22.50 calls \$0.85 ahead of **NKE** earnings

Energy

Stem (STEM) stock replacement opens 1000 August \$25 calls for \$8.47

First Solar (FSLR) on the open with 2000 January 2023 \$85 calls selling to open for \$12

Green Plains (GPRE) more bull spreads for the Ethanol play, December \$22.5 puts sold to buy \$35/\$45 call spreads 750X

Marathon Petro (MPC) aggressive buyer 600 September 2022 \$62.50 calls at \$6.15 offer. **MPC** also aggressive buyers 2475 January \$62.50 calls \$4.50 offer after September 2022 calls bought earlier

Williams (WMB) opening sale 1500 November \$27 calls \$1.25

Targa (TRGP) buyer 1750 January \$55 calls \$1.60 offer into session lows

Financials

Morgan Stanley (MS) buyer 1000 July 9th (W) \$83 calls \$3.45 to \$3.55

Wells Fargo (WFC) with 15,000 August \$45/\$40 bull risk reversals opening at \$0.35 debit ahead of CCAR

Fidelity Info (FIS) consolidating back above 200-MA with a nice base forming and size buyer comes in for 7000 January \$155 calls \$5.80 to \$6.20

Global Payments (GPN) with 4425 January \$200 calls bought for \$11.60, similar to the **FIS** trading

GreenDot (GDOT) bounced as 500 December \$45 puts sold to open \$4.03 to \$4 into day lows

Goosehead (GSHD) IV rising with 1340 July \$120 calls bought

Coinbase (COIN) with 1000 January \$150 puts sold \$10.65 to open adjusts August \$200

Square (SQ) jumped with 3500 August \$230 calls with offer sweep buys \$18.65 in aggressive action, sizable premium bought which look to mostly be adjusting July 30th (W) \$225 calls

Citi (C) opening sale 1750 October \$67.50 puts for \$4. **C** also 3350 October \$65 puts selling to open today \$3.05

Ally Financial (ALLY) sweep buyer 800 January \$49 puts \$4.75 offer

PayPal (PYPL) buy-write sold 500 March 2022 \$310 calls for \$21

JP Morgan (JPM) September \$150/\$165 call ratio traded 2500X7500

Healthcare

Xenon Pharma (XENE) interesting with the 335 ITM October \$22.50 puts sold to open on 6/21 for \$300K premium, also has 1935 October \$20 calls in open interest, small accumulation with 3/23 the most notable as 500 added near \$4.70. XENE is forming a nicely weekly flag with the rising 21-week moving average supportive. XENE is a clinical stage biopharmaceutical company committed to developing innovative therapeutics to improve the lives of patients with neurological disorders. XENE is advancing a novel product pipeline of neurology-focused therapies to address areas of high unmet medical need, with a focus on epilepsy. XENE has a market cap of \$764M and trades 2.8X cash. XENE has multiple mid-to-late stage trials underway with XEN496 for pediatric epilepsy in Phase 3. XEN1101 is a novel only-in-class channel modulator to treat adult focal seizures. XENE has partner programs ongoing with **NBIX**, **FLXN**. The catalyst for October calls may be XEN 1101 topline results for Phase2b seen for Q321 while XEN007 also has topline results due in 2H21. On XEN1101 management noted "This upcoming data readout represents a notable inflection point for Xenon and an opportunity to drive XEN1101 forward into a late stage pivotal program." Leerink sees XENE's key assets relatively de-risked with potential major upside to peak sales.

Schrodinger (SDGR) with 2000 August \$90 OTM calls bought for \$1.90 to open, long inverse H&S bottom forming. **SDGR** also 900 August \$75 calls bought \$6.60 offer to open

Exact Sciences (EXAS) with 1225 January \$100 puts being sold to open down to \$5.90 from \$6.50

Moderna (MRNA) strong again and 3000 August \$230 OTM calls bought for \$1.50 after two more vaccine contracts announced

Novavax (NVAX) buyer 620 January \$270 calls \$21.75 to \$22

Epizyme (EPZM) jumping with unusual 3800 August \$10 calls bought \$0.70

Teladoc (TDOC) making a move with 1000 July \$157.50 calls bought up to \$6.25

Shockwave (SWAV) been a very strong name but 775 July \$200 calls sold to open today \$8 to \$7

Merck (MRK) opening seller of 2500 September \$80 calls today for \$1.26 while November \$80 calls with 10,000 bought to open \$2.04 to \$2.17

Biontech (BNTX) opening seller 500 January 2012 \$210 puts for \$51.30. **BNTX** also with 1000 July \$270 OTM calls bought \$4.90 to \$5.76 this morning. **BNTX** now a spread buys 500 December \$230 calls \$47.65 and sells 1300 of the \$180 puts for \$16.40

Arrcus Bio (RCUS) with 1000 August \$25 calls bought \$2.15, formerly rumored as potential M&A target

Industrials

Fed-Ex (FDX) seeing 1500 August \$330 calls bought \$3.75 to \$3.85 into earnings tomorrow night

Caterpillar (CAT) buyers active in August \$230 calls this morning \$3.30 to \$3.70 with 3500X trading looking to add to OI

Exone (XONE) coiled base forming with 3D names hot and 1400 July \$25 calls bought here \$0.60 up to \$1.25, IV30 surging 12.5% higher

Aerojet Rocketdyne (AJRD) on the move with 2000 November \$45 calls bought \$5.40 and 2000 of the \$50 calls bought \$1.50

Workhorse Group (WKHS) spread sold 10,000 January \$16 calls to buy the \$13/\$6 put spreads

Jet Blue (JBLU) with 1260 January 2023 \$17 puts sold to open for \$3.10

Materials

Weyerhaeuser (WY) early buyer 1000 January \$38 calls \$1.45/\$1.50 with Lumber rebounding and WY shares basing above its 200-MA

Huntsman (HUN) with 4000 July \$28 OTM calls bought \$0.25/\$0.30

CEMEX (CX) buyer 2000 January 2023 \$7 ITM calls for \$2

Barrick (GOLD) buyers active for 5000 August \$21 calls \$1.15 to \$1.18

Cameco (CCJ) back to its 55-day MA seeing 4200 September \$19 puts sell to open \$1.64

Hecla Mining (HL) sale to open 2000 December \$7 puts \$0.87

Freeport (FCX) September \$40/\$32 bull risk reversals opening 7500X here

Kinross Gold (KGC) with 7000 November \$6 puts sold to open \$0.545 into weakness

Agnico Eagle (AEM) opening sale 3000 January 2023 \$55/\$45 bull put spreads for \$3.63 credit

Tech and Telecom

Micron (MU) weekly \$78.50 calls hot early 3500X. **MU** 2000 July 2nd (W) \$78 calls bought \$2.25 earlier capture earnings 6-30

Microsoft (MSFT) buyers of 2300 October \$265 calls \$12.20 to \$12.35 in early action

Apple (AAPL) July \$138 OTM calls up to 8500X bought this morning

DataDog (DDOG) with 1900 July \$103 calls being bought \$5.10 to \$5.15 this morning. **DDOG** opening sale 500 lot of Aug \$100 puts for \$5.90

Unity (U) buyer 2000 July \$125 calls \$1.20 offer and August calls where a lot of OI bought into its lows seeing some more action

Momo (MOMO) with 5500 August \$15 calls being bought \$0.88 to \$1.12

American Tower (AMT) trading 1000 July \$257.5/\$245 put spreads early after some bear risk reversals opened in the name yesterday

CrowdStrike (CRWD) large buy of 2800 August \$250 puts \$16 to \$17.25 into the strong move to new highs

Ciena (CIEN) strong move early off its 21-MA pullback and 1045 ITM October \$50 calls opening \$8.80 to \$9.42

Cyber-Ark (CYBR) opening seller 200 January \$135 puts \$15.60

Workday (WDAY) buy-write sold 2000 September \$240 calls \$14.05

Snowflake (SNOW) buyers again September \$260 calls where 2200 bought late yesterday trading 3000X today with \$19.90 to \$21.20 offer sweeps

App-Lovin (APP) seller of 1000 July \$85/\$80 strangles to open for \$6.45

AT&T (T) today with 9000 January \$27 ITM calls being bought \$2.28 to \$2.35 to open

Fastly (FSLY) opening seller 950 July \$56 puts \$3.15

Sea (SE) buyer 325 June 2022 \$330 calls for \$33.60

Roku (ROKU) buyer earlier for 550 September \$450 calls for \$1.5M

Marqeta (MQ) recent IPO with buyer 1000 December \$25 puts for \$2.70

Okta (OKTA) with 2000 January 2023 \$280/\$210 put spreads selling to open for a \$39.05 credit, seeing these strategies popular in a few names recently

Upwork (UPWK) up nearly 10% today after triggering out of the weekly ready to run scan and 1700 December \$55 calls bought \$8.10 to \$8.80

ASML Corp (ASML) opening sale 450 October \$660 puts for \$33.70

Himax Tech (HIMX) with 7250 August \$12 puts selling to open for \$0.90 today

Pinduoduo (PDD) with 750 August \$125 puts sold to open \$12.40

ZenDesk (ZEN) buy-write sold 500 January 2023 \$180 calls for \$15

Alibaba (BABA) afternoon buyer 750 December \$220 calls \$14.35 offer

Amazon (AMZN) looks like the September \$3800/\$4100 call spreads opening 1150X today

Utility

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