



Sector Leaders

Industrials

Financials

Staples

Stock Gainers

- WKHS 43%
- PCRX 18%
- KNSA 14.5%
- SPR 14%
- VVI 13.9%
- EAT 13.5%

Volatility Gainers

- KNDI
- GNC
- DISH
- HTZ
- HRTX
- NKLA
- ZGNX

High Call Volume

- JEF
- TECO
- ON
- BLDP
- SONO
- SLM
- FOLD
- WMG

Bullish Options

- ON
- PINS
- SFIX
- TSLA
- HST
- STAA
- AMD
- NKE
- CSX

Market Review: Global markets started the week on a positive note after a quiet 48 hours for news. The COVID-19 outlook really remains the same with hot spots continuing in the US. But, we got some positive news with new cases declining modestly vs their 7-day average, especially in areas like Florida and Texas. Nothing notable in terms of US data this morning. Pending home sales jumped 44.3% M/M in May, much better than the 18.9% increase expected. **Facebook (FB)** was weak again early after more advertisers joined the boycott but found support early on and up over 1.5% mid-day. YTD VPOC was big support there at \$210.25. Elsewhere, the typical 're-opening' stocks were all strong with the better COVID-19 data with airlines and cruise lines up around 5%. Boeing (BA) a big leader on the plus-side today up 8% after their 737 certification test flight started. S&P futures opened around the 50-MA on Sunday and fairly quiet overall action since, although with a positive tilt. Breadth was strong by-and-large all day with cumulative TICK rising right off the open.

S&P Chart:



Resistance	Support
3,140	3,020
3,260	2,965
3,325	2,950

Options Action Trends: We saw call selling into some of the casino names early on like RRR, WYNN, and ERI. We saw bullish flows into hotel names like H, HLT and HST. Two healthcare REITs – PEAK and OHI – saw July calls bought.

What's On Tap: Case-Schiller, Consumer Confidence, China manufacturing data, Japan IP, earnings from AYI and CAG

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Healthcare

Tech

Software

Stock Losers

- ICPT -40%
- HRTX -27%
- TA -23%
- SAVA -10%
- FSLY -9.5%
- AXSM -8.8%

Volatility Losers

- BLNK
- WKHS
- CRC
- YRCW
- IRBT
- DVAX
- CPE

High Put Volume

- CNP
- HRTX
- HST
- KBH
- CS
- ICPT
- CPRI
- WELL

Bearish Options

- BZUN
- PLNT
- SNAP
- QCOM
- BHP
- TA
- AMRN
- SNBR
- DKNB



FEATURED OPTIONS RADAR REPORT



Akamai Bulls Position for New Highs

Ticker/Price: AKAM (\$105.20)

Analysis:

Akamai (AKAM) on 6/26 traded more than 9,000 call options which is 6X daily average with a focus on August, action early in August \$120 OTM calls with 1400 bought to open and later in the day more than 2,400 August \$105 at-the-money calls opening \$6.50 to \$6.80 in size trades. AKAM options activity previously slow with 1400 July \$100 calls in open interest mainly from buyers on 6/8, small November \$105/\$97.50 bull risk reversals opened on 6/11 for 300X, and seen 1200 January 2022 \$115 calls sold in a buy-write as well as 2200 January \$97.50 calls opened on 4/2 as a \$3.2M position. The action Friday came with AKAM being a relative strength name triggering a bullish wedge breakout in the morning and closing the day strong despite a very weak tape, a name that performed well with the Work from Home trend. A move out of this \$94/\$107 range can target new highs measuring to around \$120. AKAM started as a CDN (Content Delivery Network) but has morphed into a full cloud service operator with a thriving security business. They utilize regional server hubs that hold copies of website images, video, and more so that users could access content from them and not the main servers on-premise. They currently utilize 175,000 servers to handle 30% of the world's web traffic. AKAM helps others build their own network to support a VOD server. AKAM is driving more business to their subscription model to help cut down on Capex costs for companies and drive more predictable, higher-visibility recurring revenue. They continue to win share in the market despite more companies shifting away from a single vendor and using multiple companies for their distribution. AKAM is heavily involved across a multitude of web/mobile performance solutions and cloud security solutions as well as the core media delivery solutions. The security business has a \$300M annual run rate as its largest business and continues to grow with additional use cases for its technology. The \$16.7B company also offers value in a Tech sector seeing surging valuations, trading just 19.7X Earnings and 5.65X Sales with a strong balance sheet. AKAM noted a 30% rise in traffic in Q1 with home consumption of media rising while gaming has been a big driver of traffic spikes. AKAM is also benefitting from new launches like Disney+, HBO Max and Peacock. Analysts have an average target of \$112 with short interest low at 3.8% of the float. Raymond James with an interesting note last week that Amazon Live TV would add a lot of incremental traffic and spending for AKAM and LLNW. On 4/29 Craig Hallum upped its target to \$120 and B. Riley to \$125 noting despite pulling FY guidance key drivers to growth remain on track. Hedge Fund ownership rose modestly in Q1 filings, King Luther a top holder added to its position.

Hawk Vision:



Hawk's Perspective: AKAM as a combination of value, growth, strong technical and bullish flow checks all the boxes and continue to like the name.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Accelaron Bulls Position for New Highs

Ticker/Price: XLRN \$97.86

Analysis:

Accelaron Pharmaceuticals (XLRN) with 1,000 August \$95 puts sold to open on Friday 6/26 for \$5.50, confident trade in a biotech trading near all-time highs. XLRN had buyers of 800 July \$100 calls on 6/25 around \$5.50 and 400 August \$110 calls on 6/19. XLRN has seen a lot of bullish flows in June including the July \$105 calls, July \$95 calls, and July \$95 and \$90 short puts. XLRN shares are consolidating in a nice weekly bull flag under \$110 and pulled back on Friday to the 21-MA and just above YTD VPOC. A breakout targets \$130. The \$5.5B biotech trades 13.2X cash and 72.5X sales with no debt. XLRN focuses on rare diseases with programs in PAH and transfusion-dependent beta-thalassemia. Their two main products are Reblozyl and sotatercept, the former gaining FDA approval within the last twelve months. The company is focusing on the early commercial launch, label expansion and further indications into beta-thalassemia, low-risk MDS, and also in combination with a JAK2 inhibitor. The latter recently had positive Phase 2 data in pulmonary arterial hypertension and sets up for a Phase 3 trial in 2021. The PAH market is massive and growing at around \$9B. Analysts have an average target for shares of \$118. CSFB raising their PT to \$134 last week noting that the consistent, large benefit across a range of endpoints significantly derisks future clinical development and supports blockbuster potential for sotatercept. Their base-case projects \$1.5B in global sales for the drug with many opportunities to potentially double the TAM. Leerink believes the Accelaron drug could perform in the top quartile of PAH drugs, putting its annual revenue potential in the \$1.5 billion to \$2 billion range within five years of reaching the market. Short interest is 6.9% and down from around 10% in January 2019. Hedge fund ownership fell 1.5%. Avoro Capital, Alkeon, and Artal Group all notable buyers.

Hawk Vision:



Hawk's Perspective: XLRN is an interesting story with the two different assets and emerging commercial play with shares back at a nice risk/reward spot to recapture new highs

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



ON Calls Hot as End-Markets Improve, Koch Stake Eyed

Ticker/Price: ON \$19.45

Analysis:

ON Semi (ON) trading over 20X average calls in the first two hours of the day with buyers of more than 35,000 July \$21 calls up to \$0.80, over 6,000 of the \$22 calls, and 3,000 of the \$20 calls. ON still has over 20,000 October \$19 calls in OI as well as 5,000 October \$20 calls from buyers in mid-June. Shares are trading in a narrow bull flag above the May breakout area of \$18 and reclaiming the 21-MA this morning. A move above \$20.50 has room back up to the January/February highs around \$24 and out of a longer-term downtrend. The \$8B semiconductor trades 15.35X earnings, 1.5X sales, and 4X cash with estimates calling for high-single digit growth. ON management has set long-term targets for margin improvement to 40-45% with over \$3/share in EPS power driven by growth in automotive. ON continues to win share in 'next-gen' auto and has smaller exposure to fast-growing areas like 5G and cloud. ON Semi adopted a poison pill in early June after Spring Creek Capital bought a 7.5% stake in the company. The hedge fund, run by Koch Industries, may take their stake up to 15%. Piper noted last week that while management likely sees their stock undervalued they may be open to talks at a 'fair takeover premium.' Analysts have an average target for shares of \$20. Benchmark positive on 6-9 noting that recent industry data points from ON's biggest end market, automotive, point towards a potential improvement in the company's revenue trajectory in the back half of the year. Rosenblatt starting at Buy on 6-5 as the firm expects manufacturing facilities will resume pre-COVID-19 utilization rates during the September quarter. Piper upgraded share to Buy on 6-23 seeing upside to 50% gross margins. Short interest is 5.8% and flat since about 2018. Hedge fund ownership fell 4% in Q1. Spring Creek Capital a buyer of 22M shares while Maple Rock Capital also a buyer of shares.

Hawk Vision:



Hawk's Perspective: ON has a strong setup to manage with upside of around \$3-\$4 vs the recent lows and while their fundamental outlook is likely to improve in the near-term, the Spring Creek stake is an interesting driver as well

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Consumer Discretionary/Services

Stitch Fix (SFIX) with more bullish flows as 1,325 August \$23 calls bought \$2.50 to \$2.70. **SFIX** also seeing 1,250 July \$24 calls bought around \$1.55 as the \$23 calls roll up

Las Vegas Sands (LVS) buyers of 2,000 July \$44 calls into the early dip for \$2.20

SeaWorld (SEAS) the September \$15/\$25 call ratio spread bought 1,500X3,000 for \$1.72, similar to Aug. spreads last week

Hilton (HLT) the October \$80/\$95 call spread bought 650X to open today for \$2.97

GameStop (GME) with 2,500 ITM August \$5 puts sold to open today for \$1.05 to \$1.07

Planet Fitness (PLNT) buyer of the July \$57.50/\$50 put spread 1,450X for \$2.35 as some higher puts adjust down on that news

Host Hotels (HST) opening sellers of 6,000 January \$9 puts today for \$1.05

Sleep Number (SNBR) spread today buys 1,000 July \$45 puts for \$3.31 and sells 1,000 of the August \$40 puts for \$3.10

Nike (NKE) the October \$92.50 puts being sold to open today over 3,000X from \$6.40 early down to \$5.90. **NKE** now also with 5000 August \$110 calls sold to open down to \$0.65

Bed Bath & Beyond (BBBY) buyer of 10,000 July \$11/\$13.50 call spreads for \$0.82

Chewy (CHWY) with 3,500 August \$35 puts sold to open today for \$0.775

Kraft (KHC) sellers of the August \$32.50 calls 4500X for \$1.29 today

The Gap (GPS) next week's \$13/\$10.50 bull risk reversal being bought 3000X today, follows the Kanye news on Friday

Hyatt (H) buyers of 1000 July \$50 calls to open around \$3.30

Lululemon (LULU) buyers of 650 July 31st (W) \$300 calls for \$11.90 to \$12, narrow pullback from all-time highs

Bloomin' Brands (BLMN) with 1,000 December 2021 \$12.50 puts sold to open for \$5.20

Consumer Goods

Kroger (KR) strong early with 2,500 ITM September \$30 calls bought \$3.90 to \$4.50

B&G Foods (BGS) buyer of 6,000 July \$27.50 calls for \$0.30/\$0.35

Beyond Meat (BYND) with 1,000 October \$110 puts bought up to \$12.90 today, tied to long stock

Molson Coors (TAP) sellers of 1,425 January \$25 puts for \$1.30 to \$1.20

Energy

Ballard Power (BLDP) buyers active for 3,500 OTM August \$18 calls up to \$1.15 as IV jumps

Baker Hughes (BKR) seller of 1,500 August \$15 calls for \$1.30 to \$1.25

Continental (CLR) buyers mid-afternoon of 1,400 September \$17.50 calls for \$2.15 to \$2.50

Occidental (OXY) with 2,000 January 2022 \$22.50 ITM puts sold to open for \$9.25

Financials

Schwab (SCHW) buyer of 620 ITM September \$30 calls this morning \$4.25 to \$4.30

HSBC with 2200 August \$23 straddles sold for \$2.75

Jefferies (JEF) buyers active today for 10,000 July \$15 calls for \$0.75 to \$1, unusual size for the name that has pulled back to the May breakout level and 50-MA

AIG with 900 November \$27 puts being sold to open today with shares pulling back in a narrow channel to the 50-day. **AIG** also with 700 September \$33 calls bought \$2.23

Metlife (MET) buyers of 1,900 ITM January 2021 \$30 calls from \$7.75 to \$8.05 to open today, name that still has over 15,000 August \$40 calls in OI from buyers

Franklin (BEN) sellers all session of 1,000 August \$20 calls for \$1.50 to \$1.45

Paychex (PAYX) with 1,200 December \$82.50 calls sold to open for \$3.30/\$3.40 with stock

Ally Financial (ALLY) buyers of 8000 July \$21 calls now up to \$0.75

Healthcare

DaVita (DVA) opening seller of the October \$95 ITM puts for \$18.90, 300X

STAAR Surgical (STAA) with 1,000 August \$50 puts sold to open for \$1.60. **STAA** also with 1000 July \$55 puts sold to open for \$1

Hill-Rom (HRC) with 1380 July \$115 calls sold to open today for \$1.40 to \$1.35

Amarin Pharmaceuticals (AMRN) also with 3,000 December \$13 calls bought to open today for \$0.95, a number of patent issues ongoing with the name

Myokardia (MYOK) with 1000 August \$110/\$90 strangles sold for \$9.00

Welltower (WELL) seller of 2,500 July \$55/\$45 strangles for \$1.86

United Health (UNH) spread sells the December \$320 calls to buy the \$280/\$240 put spread 1500X for a \$1.70 net credit and likely collar on stock through the Election

Healthpeak Properties (PEAK) with 2,350 July \$28 calls bought \$0.85 to \$0.95, \$14B healthcare REIT with some senior housing exposure. **Omega Health (OHI)** with 2,500 July \$31 calls bought up to \$1.05 today, similar to **PEAK**

Benefytt (BFYT) with 500 August \$19 calls bought \$3.30 to \$3.40 today with shares forming a small base

Industrials

3-D Systems (DDD) stock and IV jumping with 4,950 July \$7 calls bought for \$0.40

Tesla (TSLA) buyers of 2,500 September \$1,500 calls this morning from \$21.00 to \$26.50

Delta Air (DAL) buyer of 3,000 December \$24 puts for \$3.70, tied to stock

KB Home (KBH) with 2,000 July \$28/\$21 bull put spreads opening today for \$1.16

TravelCenters of America (TA) buyers of 1,500 July \$15 puts for \$0.95 to \$1.10

CSX Corp (CSX) buyers active for more than 6,850 August \$75 calls this morning from \$1.20 to \$1.40 ahead of earnings on 7-22

United (UAL) with sellers of 4,000 July \$34 calls for \$2.97 to \$2.93

DR Horton (DHI) with 1250 July 31st (W) \$59 calls bought for \$1.32, targeting earnings on 7-28

Harley Davidson (HOG) buyer of 500 January \$22.50 calls this morning for \$5.20 with shares pulling back to the 50-MA and channel support from the March lows and finding some support

Materials

Timken (TKR) buyers of 1,000 July \$47.50 calls for \$1.35 to \$1.40, strong setup looking to move back above its 200-day

Tech and Telecom

Shopify (SHOP) weekly \$950 calls active with buyers over 1350X up to \$12.70

MongoDb (MDB) with buyers active for 1,700 July \$240 calls between \$6.70 and \$7.40

Advanced Micro (AMD) large opening sale of 1,500 September 2021 \$45 puts for \$8.35 today in a stock replacement.

AMD buyers of 2500 August \$50 calls around \$4 as the July 24th (W) \$50 calls adjust

Intel (INTC) buyer of 5,000 July \$59.50 calls for \$0.94 in a stock replacement

Twilio (TWLO) buyers of 550 of next week's \$215 calls up to \$8.30 today

Pinterest (PINS) big buyers this morning of more than 15,000 August \$21 calls from \$2.40 to \$2.55

Carvana (CVNA) seller of 1,230 January \$140 calls for \$19 to open today, likely stock overwrite into strength

Qualcomm (QCOM) sellers of almost 8,000 July \$95 calls around \$0.70

Snap (SNAP) with 2,500 August \$20 puts bought this morning for \$1.06 to \$1.11, follows some bearish flows on Friday

Fire-Eye (FEYE) stock and IV rising with 6,000 July \$12 calls bought today for \$0.55 to \$0.65

FarFetch (FTCH) volume continuing and now over 4000 July \$19 calls bought on the morning up to \$0.65

Match (MTCH) seeing 5,000 weekly \$100 calls close today and roll out to buy the July 10th (W) \$107 calls 4,250X for \$2.70 to \$2.80, some being spread w/ the \$110 calls

Viacom-CBS (VIAC) with 1,250 January 2022 \$37.50 calls sold to open for \$2.75

Alibaba (BABA) stock replacement today buys 2,150 June 2022 \$240 calls for \$27.80

Sony (SNE) buyers of 700 January 2022 \$72.50 calls for \$9.00 to open today

Bilibili (BILI) with long-term buyers of 825 January 2022 \$50 calls today for \$11.70 while both the \$55 and \$60 calls also seeing buyers, could move with talk of a HK listing

Calix (CALX) buyers today of 500 August \$13 calls for \$2.20 to \$2.70 to open, unusual volume for the name and follows buyers of 400 January \$11 calls on Friday. CALX shares are strong today and set to break out of a multi-week flag to new highs, nice continuation of the current trend. The \$776M company trades 26.2X earnings and 1.8X sales with a focus on software for unified access networks and smart premises systems. Jefferies with a \$16 PT for shares and sees Calix Cloud as a big long-term driver for shares and notes the company's transformation is still in the earliest stages. Further, they note that Work From Home "emphasizes the criticality of good consumer broadband services, which a positive for Calix."

Service Now (NOW) with 1,650 July \$440 calls sold to open from \$1.78 to \$1.70

Slack (WORK) afternoon seller of 1,500 October \$25 puts for \$1.73

Utility

Next-Era (NEE) with 1600 July \$250/\$220 bull risk reversals bought for a small credit

Centerpoint (CNP) sellers of 15,000 December \$18 puts for \$2.15, 15,000 December \$17 puts for \$1.70, and 15,000 December \$16 puts for \$1.30, all in stock replacements

Disclaimer:

Not Investment Advice or Recommendation

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