



# MARKET RECAP REPORT 6/2/2021

## Sector Leaders

Energy

Banks

Utility

## Stock Gainers

CONN 22%

CLNE 13%

TEN 10%

LE 9.8%

IGMS 9%

CIEI 8.5%

## Volatility Gainers

- CLNE
- ZYNE
- EARS
- EDU
- TAL
- XL

## High Call Volume

- CLNE
- WETF
- TWNK
- CSTM
- EARS
- WW

## Bullish Options

- SWCH
- TDOC
- CSTM
- SBLK
- IAA
- CLNE
- TRIP
- SQ
- GM
- F
- TXRH
- FSLY

**Market Review:** Stocks sold off overnight as the Fed is back in focus with talks of tapering ongoing but Powell speaking Friday and the Jobs Report should provide more clarity. It remains an extremely quiet week for news and the short squeeze meme stock rallies have garnered the most attention which may be leading to some hedge fund delivering again. The ISM Services print for May rose to 64, above estimates, as Macro data continues to strengthen. The first hour saw some selling pressure but things started to reverse and breadth improved into late morning as the S&P and Nasdaq each bounced off respective 21-day moving averages. Energy and Banks led strength while growth groups like Solar, Software and Biotech led downside with Tech weak overall. The S&P remained near this 4200 level, a choppy week into tomorrow's Employment Report and Powell speech.

S&P Chart:



Resistance	Support
4,220	4,170
4,385	4,110
4,450	4,055

**Options Action Trends:** We saw early bullish flow in a lot of speculative movers while automakers **GM, F** with size call buys. Call action also flooded back into all the volatile EV names. Institutions were more active today with some large call buys in large caps like **JD, MA, PANW** and **CSCO**.

**What's On Tap:** Jobs Report and Factory Orders. Fed's Powell Speech.

## Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **GE** September \$13 Calls \$1.25 – No Fill
- 2) **Spotlight:** Long **BA** August \$260/\$275 Call Spreads \$4.50 – No Fill
- 3) **Spotlight:** Long **UNP** August \$225/\$240 Call Spreads \$5.75

## Sector Laggards

Precious Metals

Software

Metals

## Stock Losers

AMC -30%

PETS -25%

BBBY -25%

EXPR -23%

CACC -15%

EDU -14%

## Volatility Losers

- AMC
- EXPR
- CLDR
- GTE
- PETS
- BBBY

## High Put Volume

- PVH
- EDU
- TAL
- PETS
- AMC
- FIVE

## Bearish Options

- BNFT
- Z
- BEKE
- NKE
- TAL
- CRSP
- IWM
- AMBA
- UPS
- LMND
- FIS



## FEATURED OPTIONS RADAR REPORT



### Dell Bulls Active on Re-Rating, Upside Catalysts

Ticker/Price: DELL (\$100.80)

#### Analysis:

**Dell Technologies (DELL)** this week with 3500 October \$105/\$120 call spreads bought to open as some July positions adjusted though more than 10,000 July \$105 long calls remain in open interest as well as 1500 October \$95 calls bought and 4000 December \$90 calls from buyers back in March. DELL has been a top performer in Tech in 2021 as a value name with shares +40% YTD and currently working out of another bull flag, one that measures to a target of \$115 to \$120 which aligns with the October call spread target. DELL has positioned itself as a leader in the digital transformation trend with a portfolio of traditional infrastructure and multi-cloud technologies. DELL has been actively reshuffling its businesses with news in April it will spin out its 81% interest in **VMware (VMW)** which will close in Q4 and in May announced the sale of its Boomi cloud integration platform for \$4B in cash. DELL currently has a market cap of \$79B and trades 8.5X EBITDA, 12X Earnings and 10.65X FCF with revenues seen rising 7% in FY22 and EBITDA up 5%. DELL expects IT spending to remain strong with 5G creating fresh cycles, an estimated \$700 billion in cumulative spend on edge IT infrastructure and data centers within the next decade. DELL is coming off a strong quarter of cash flow generation and expects to pay down debt while debt will be upgraded to investment grade after the VMW spin-off. DELL is expected to remain active in capital returns and M&A opportunities with its cash. Analysts have an average target of \$115 with short interest at 4% of the float. MSCO raised its target to \$130 noting Street estimates are too low with accelerating storage and server growth while the VMW spin and debt paydown are positive catalysts. DELL is Elliott's top holding while Lyrical and Canyon Point have concentrated positions and Third Point took a new position in Q1.

#### Hawk Vision:



**Hawk's Perspective:** DELL has been a great story all year and option flows have been spot-on, fully expect this story to keep playing out higher to \$120.

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### Spirit Aero Bullish Positioning as Aerospace Recovers, New Revenue Streams & Higher Margins

**Ticker/Price:** SPR (\$51.45)

#### Analysis:

**Spirit AeroSystems (SPR)** with a buyer of 3000 June \$50 calls on 6/2 as the 4000 June \$48 calls bought on 5/27 quickly adjusted into strength. SPR also has 4000 December \$55/\$75 call spreads in open interest as well as 3000 October \$55/\$70 call spreads. SPR has been on a strong three week run after Airbus commentary sparked a move in Aerospace names and shares are +30% YTD but still far below the pre-COVID sell-off levels and plenty of room to return to \$70/\$75 as it moves out of a weekly consolidation and into a lower volume pocket. SPR is the largest independent non-Original Equipment Manufacturer commercial aerostructures designers and manufacturers in the world. It makes fuselages, nacelles (including thrust reversers), struts/pylons, wing structures, and flight control surfaces. SPR also makes parts for military applications for the US Government. Boeing is a major customer and with its recent headwinds waning SPR is also likely to benefit from a return of orders/production. The \$5.4B company trades 15X FY22 EBITDA and 1.7X Sales with revenues seen rising 18-25% annually the next four years and EBITDA seen reach \$1.25B by FY24 which would be well above its \$1.14B record high from 2017. SPR was able to cut costs by \$1B during the pandemic and should emerge a stronger company and ended up with \$2B cash on hand. Its acquisition with Bombardier more than doubled aftermarket assets, and seen being a \$500 million business by 2025 at accretive margins. SPR is confident in a narrowbody recovery and sees fast growth on the MAX for the next several years. Airbus content, defense wins and aftermarket are all adding substantial new revenue streams. Defense growth is being driven by B-21, CH-53K, classified wins and capabilities FTI added such as hypersonics, space, and attritable aircraft. SPR is focused on paying down debt, with a \$1bn target over three years. Analysts have an average target of \$54 with short interest still at 7.5% of the float. Cowen raised its target to \$60 in March citing pent up travel demand enhance visibility of a solid multi-year rebound in deliveries of the 737, its most profitable program. MSCO upgraded shares back in March and now has a \$60 target and is looking out at 2025 numbers as the recovery takes hold.

#### Hawk Vision:



**Hawk's Perspective:** SPR is a great multi-year recovery story and can see this tripling over the next 3-5 years.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### JD.com Calls Target Recovery through Summer

**Ticker/Price:** JD (\$75)

#### Analysis:

**JD.com (JD)** size buyer into weakness today of 11,500 September \$77.50 calls for \$4.90 to \$5.20, back at the 8-EMA on the move down today. JD has seen bullish flows recently including the August \$70 calls, October \$65 calls, and September \$100 calls while the December \$77.50 puts sold to open earlier this week. JD still has size in the October \$67.50 calls as well over 13,000X. Shares are forming a multi-week base under \$80 with room above to \$90+ and around the February breakout spot. Longer-term, shares pulled back just above the 50% retracement of the massive run from the 2018 lows. The \$118.7B company trades 29.5X earnings, 1X sales, and 20.7X FCF. JD is forecasting 20% revenue growth in FY22 and accelerating EPS growth with over \$2.50/share in FY23. The company is coming off of a strong quarter and topping 500M active users while retail operating margins continue to expand as they leverage recent tech investments. JD is seeing a higher mix of high-frequency, small and medium-sized staples in their retail business as well which is helping drive margins. The company continues to expand their growth bets after last year's successful healthcare IPO and looking to grow out property and logistics, the latter aiming for a \$3.4B IPO in Hong Kong. Analysts have an average target for shares of \$100 with a Street High \$133. Susquehanna positive on 5/21 citing the company's positioning in the China e-commerce market and advantages of its hybrid 1P/3P model. The analyst sees potential for longer-term upside from its advertising and logistics scaling, and the company's ability to successfully incubate new businesses. Hedge fund ownership fell 17.5% in Q1. Walmart added another 23.7M shares and Tencent added another 2M shares.

#### Hawk Vision:



**Hawk's Perspective:** JD is tricky right now because of concerns around regulation in China and Washington but the near-term setup presents a nice risk/reward for a flier in a high-quality name with a massive long-term opportunity ahead of it

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Intuit Bull Sees Continued Strength for Software Leader

**Ticker/Price:** INTU (\$450)

#### Analysis:

**Intuit (INTU)** buyer of 600 January 2023 \$450 calls for \$63.70 to \$63.80 in stock replacements, near \$4M and same spot where 100 were bought yesterday. Today's flow follows sells recently in the January \$440 and \$360 puts. Shares are hitting new multi-year highs today and name that has trended well since the March 2020 lows. The current range breakout from February-to-May has upside to \$475 and the rising 21-day MA is back around the \$425 level and key support from the prior range. The \$120B company trades 42X earnings, 10.8X EV/sales, and 29X cash with a small yield. INTU is projecting mid-teens growth in both FY22 and FY23. INTU is coming off of a strong tax season and they continue to make significant strides in gaining share among under-penetrated groups like Latinx, Self-Employed, and Investors. INTU outlined five 'big bets' in 2020 that they continue to see building momentum and driving growth forward including expanding TurboTax Live to grow engagement, targeting more SMB and first-time business owners who are transitioning online, and disrupting the mid-market price tier. INTU also is looking to leverage their acquisition of Credit Karma to help build out a much broader, full-service customer portal. Analysts have an average target for shares of \$465 with a Street High \$540 from Barclays who was positive last week as the company moves closer to the 30% run-rate from pre-COVID. Wells Fargo with a \$510 PT given a series of meaningful product cycles in motion across all major segments of the business and the firm would be a buyer of any post-tax season rotation, ahead of the annual Investor Day event later this year. Hedge fund ownership fell 2%, Pointstate Capital a big add of \$127M.

#### Hawk Vision:



**Hawk's Perspective:** INTU is a best-in-class name and always in focus on dips, especially with flows out to Jan. 2023; shares held nicely today at the 8-EMA and can make a nice short-term run here up to \$475

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### Market/ETFs

**Brazil (EWZ)** buyer 14,000 August \$42/\$46 call spreads for \$1.10

**Russell (IWM)** buyers active in July \$215 puts 13,500X this morning near \$3.40. **IWM** block of 10,000 August \$243 calls sold to open for \$2.43. **IWM** also buyer of 7000 September \$192 puts this afternoon up to \$2.91

**S&P (SPY)** large buyers of 4850 June 25th (W) \$414 puts this morning \$4.91

**S&P High Beta (SPHB)** buyer 1000 December \$77 puts \$4.70 to \$5

**S&P (SPY)** buyer of 1500 March 2022 \$435 calls today for \$2.5M

### Consumer Goods

**IMAX (IMAX)** buyer 600 September \$24 calls this morning \$1.50

**Tilray (TLRY)** with 5000 January 2023 \$10 puts sold \$2.50 to open

**Tempur Pedic (TPX)** with 1000 January \$30 calls bought near \$9.55 deep ITM

### Consumer/Business Services

**CorePoint Lodging (CPLG)** with 4500 January \$12.50/\$17.50 call spreads bought for \$0.67 as some July spreads adjust

**TripAdvisor (TRIP)** buyer of 7500 July \$45 calls for \$1.72 in a stock replacement and 1,500 of the July \$40 calls bought \$3.65

**Nike (NKE)** roll of 5000 weekly \$135 puts to next week \$132 puts

**Texas Roadhouse (TXRH)** buyer of 6,000 September \$100 calls for \$4.80, adjusting back the 5,000 \$105 calls that close \$2.85

**Wynn (WYNN)** buyers early of 1000 June \$127 puts for \$2.50

**Academy Sports (ASO)** with 1000 January \$45 calls bought for \$4.30 with shares bouncing off the 8-EMA today

**American Outdoor Brands (AOUT)** with 650 January \$30 puts sold to open from \$4.40 to \$4 today, strong name consolidating around its 8-EMA

**New Oriental Education (EDU)** with 10,000 January \$7.50 puts sold to open for \$1.10 in a stock replacement. **EDU** now 10,000 January \$10 puts sold \$2.35 bid to open

**Live Nation (LYV)** with 2,500 July \$82.50 calls opening for \$9.50, adjusting the June \$80 calls from 5/10

**Vail Resorts (MTN)** bullish spread today sells 500 June \$310 puts and buys the \$330/\$360 call spread 500X750

**Signet (SIG)** the June \$62.5/\$70 call spread bought 1000X2000 for \$0.80 debit ahead of 6-10 earnings, could be a beneficiary of stimulus checks

**Dominos (DPZ)** with 1000 January \$420 puts bought for \$33.80 and spread with 600 September \$420 puts sold for \$20.90 in calendar spreads

**OneSpa (OSW)** buyers of 1,400 July \$12.50 calls up to \$0.70, name tied to the cruise line industry that should benefit as they resume

**AMC (AMC)** with the June \$95 calls bought 2,550X for \$10.60 and spread with the sale of 3,600 June \$120 calls for \$9, done for a small net credit

**TAL Education (TAL)** stock replacement sells 1200 January 2023 \$30 puts for \$7.50

**Discovery (DISCA)** opening sale 7500 January \$20 puts for \$0.45

**Outfront Media (OUT)** buyer 5000 September \$30 calls for \$0.40

**Carvana (CVNA)** buyer 1000 June \$290/\$305 call spreads for \$3.21. **CVNA** also with 400 November \$340 calls bought for \$19

**Wide-Open-West (WOW)** upgraded this morning and IV surge this afternoon with 2800 July \$20 calls bought \$0.40 to \$0.55

**Hilton (HLT)** with 1400 July \$125 puts sold \$5.55 to open

### Energy

**Schlumberger (SLB)** with another 2000 September \$42.50 calls bought \$1.16 as June \$35 adjust

**Clean Energy (CLNE)** hot action off the open today in June/July calls with IV30 now up 160%, and now 4000 September \$10 calls are bought \$2.45. **CLNE** Sep \$10 call buys coming in for more large lots at \$2.50 and up to 9500X

**Daqo New Energy (DQ)** with buyers of 1800 June \$80 calls today with IV climbing, paying \$3.90 to \$4.30

**Baker Hughes (BKR)** with 1280 ITM January 2023 \$22 calls bought for \$6.85 today after the bull call spreads and write-up yesterday

**Laredo Petroleum (LPI)** with 500 July \$70 calls bought for \$5.80 today into strength

**Sun Run (RUN)** with an unusual spread today selling 875 November \$65 ITM puts for \$25.10 and buying the \$55/\$80 call spread for \$2.65

**Enphase (ENPH)** large opening sale 600 January 2023 \$130 puts for \$33.40

### Financials

**Square (SQ)** with 1000 July 2nd (W) \$210 ITM calls bought \$14 to \$14.25

**Opendoor (OPEN)** with 1600 August \$14 puts sold to open this morning for \$1.30. **OPEN** also with 3000 July \$23 calls bought

**Zillow (Z)** with 2500 next week \$111/\$100 put spreads opening as this week \$117 puts adjust

**Western Union (WU)** IV rising with 3200 June \$25 calls bought \$0.40 to \$0.50 with shares working out of a nice base

**Macerich (MAC)** buyer of 1,900 September \$18 calls for \$2.25 to \$2.30

**Paysafe (PSFE)** buyers of 1000 January \$12 calls for \$2.52 to open today, multi-week base forming and back above its 8- and 21-day today

**Itau Unibanco (ITUB)** with 5,000 January \$6 puts sold to open for \$0.62

**Lemonade (LMND)** nearly 2000 June \$115 calls bought today up to \$1.75. **LMND** also seeing 1700 June 25th (W) \$110 puts open near \$13.75

**MasterCard (MA)** buyer 3500 August \$365 calls \$17.10 as June \$380 adjust

**Allstate (ALL)** bouncing off lows as 1000 January \$140 calls bought \$8.10 to \$8.30, recent new Icahn position

**Citi (C)** with 20,000 September \$90 calls sold to open for \$1.30

**PagSeguro (PAGS)** the August \$55 calls bought 6,000X for \$4.13/\$4.14 as the \$42.50 calls close and roll up 4000X

**Bank America (BAC)** with 11,700 August \$40 synthetic longs opening at \$3.49 debit. **BAC** now 6000 July 9th (W) \$44.50 calls bought \$0.83 and 4000 June 2022 \$50 calls bought

**Fidelity Info (FIS)** large opening sale 10,000 September \$155 calls \$3.30 to \$3.20, not seeing much upside for shares

**Ally Financial (ALLY)** a top Financial with 3500 September \$60 calls bought \$2.05 in a stock replacement

### Healthcare

**TelaDoc (TDOC)** buyer of 1000 July 2nd (W) \$160/\$170 call spreads for \$2

**Clover (CLOV)** July \$11 calls hot early 6000X

**Zynerba (ZYNE)** another speculative name hot early in calls with 9000 of the June \$7.50 bought

**CRSPR (CRSP)** with 1200 June 11th (W) \$111 puts bought \$4.25 to \$4.60

**Amgen (AMGN)** opening sale of 5000 July \$250 calls \$2.02

**Apellis (APLS)** with 1000 October \$25 puts sold to buy the \$60/\$85 call spread for a net \$5, nice strength lately and finding support at the 8-EMA today

**Ocular (OCUL)** unusual aggressive buy of 675 December \$18 calls for \$4 offer

**Vertex (VRTX)** with 350 October \$220 puts sold to open for \$22 this afternoon

### Industrials

**StarBulk Carrier (SBLK)** more bullish flows today with 1000 June \$17 ITM calls bought for \$2

**Ford (F)** buyer 13,000 June 25th (W) \$17.50 calls \$0.27. **F** also with 2000 Dec. \$16 calls bought \$2.11. **Ford Motor (F)** the August \$19 calls now with 3,650 bought for \$0.64. **F** now also with 26,000 July 9th (W) \$16 calls opening for \$0.93/\$0.94 as the June 4th (W) \$15 calls adjust

**General Motors (GM)** with 5000 August \$65 calls being bought up to \$3.20 to open after the strong commentary this morning

**Fisker (FSR)** with 7,000 July \$17.50 calls opening for \$1.15 to \$1.20 as the \$15 calls roll higher

**Pulte (PHM)** buyer of 3,000 January \$55/\$80 call spreads for \$5.65 as the October call spreads close and adjust out from 4/12

**American Air (AAL)** with 2700 June 2022 \$30 calls bought \$3.53

**United Parcel (UPS)** buyer 1000 October \$210 puts for \$12.15 into upcoming Investor Day

**Luminar (LAZR)** broke out of a base this morning with 3500 June \$26 calls bought in size lots \$1.60 to \$1.65

**Delta (DAL)** with 4000 June \$48 puts sold to open \$2.21 to \$2.13 into weakness after its operating update



**Union Pacific (UNP)** with 500 January \$215 puts opening today for \$13.02, tied to long stock

**Honeywell (HON)** opening sale 3000 September \$240 calls \$6.10

**Tesla (TSLA)** near the open had 5000 July 9th (W) \$650/\$700 call spreads bought to open

### Materials

**Constellium (CSTM)** buyer 4500 November \$20/\$30 call spreads with August spreads adjusting

**Cameco (CCJ)** opening sale 5000 July \$19 puts for \$0.65

**Builder's First (BLDR)** buyer of 3,000 August \$45 calls for \$2.60, adjusting some July calls down and out

**Nutrien (NTR)** buyer 1700 June \$64 calls \$0.70 to \$0.75

**Barrick (GOLD)** opening seller 2000 December \$22 puts \$1.73

### Tech and Telecom

**BenefitFocus (BNFT)** weak and turning lower now with 2,000 July \$15 puts bought \$1.45 to open this morning, Goldman cutting to Sell today

**Switch (SWCH)** at new highs and 2975 July \$20 calls bought \$0.50 to \$0.60 early after a large put seller yesterday

**Splunk (SPLK)** with 1000 July \$105 puts sold \$2.375 into earnings weakness. **SPLK** now also with 1,000 January \$120 calls bought for \$12.65 with the \$85 puts sold for \$4.43

**Palo Alto (PANW)** with 500 July \$390 calls sold \$2.25 bids while 500 January \$480 OTM calls are bought for \$3.50. **Palo Alto (PANW)** buyer of 1,000 June 2022 \$350 calls for \$47.50, weekly bull wedge setting up under \$380

**Nokia (NOK)** with 10,000 October \$7 calls bought near \$0.60 this morning, this was a former Reddit play as well

**Fastly (FSLY)** buyers of 3000 September \$50 calls up to \$6.05 where 3000 have accumulated recently from buyer flow. **FSLY** today also with 1000 September 2022 \$55 calls opening \$12.35 to \$13.05

**Facebook (FB)** buyer 700 December \$285 puts \$12.90 offer

**Netflix (NFLX)** stock replacement bought 400 August \$495 calls \$27.10

**Ambarella (AMBA)** with 1,000 June \$95 puts bought this morning for \$2 to \$2.10 to open

**Apple (AAPL)** slipped under its 200-MA and seeing June \$123 calls trade 5000X with buyer flow, looking to put in potential reversal hammer. **AAPL** 15,000 June 25th (W) \$130 calls bought up to \$0.75. **AAPL** now with buyers of 20,000 July 23rd (W) \$120/\$130 call spreads

**Cisco (CSCO)** buyers coming for 15,000 October \$55 calls \$1.90 to \$1.97. **CSCO** also now 4000 August \$55 calls bought \$1.40 offer

**AppLovin (APP)** opening sale 1000 July \$80/\$75 strangles for \$9.60 which leans bullish

**Yext (YEXT)** buyer of 5000 January \$25 OTM calls \$0.40. **YEXT** a long-time lagging Software name now trading just 4.7X EV/Sales with revenues seen accelerating the next 5-8 quarters

**Crowd-Strike (CRWD)** with the July \$260 calls sold to open today for \$2.29 to \$2.21, 2450X as IV falls mid-day

**Baidu (BIDU)** with 600 June 2022 \$180 puts sold to open between \$23.30 and \$23.70

**8x8 (EGHT)** with 1000 January \$25 calls sold to open \$3

**Lumen (LUMN)** with 5,500 October \$15 puts bought today \$1.44 to \$1.50, tied to stock

**ON Semi (ON)** on the lows of the day and 1000 January \$34 puts bought for \$3

**TI (TXN)** with 1500 June 2022 \$150 puts sold to open \$7.85

### Utility

**Next-Era (NEE)** with 25,000 January 2023 \$100 calls bought \$2 to \$2.05 as some January 2022 \$55 calls adjust

### **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.*

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