



Sector Leaders

Energy

Banks

Software

Stock Gainers

- AAOI 15%
- TNDM 10%
- ONEM 9.5%
- GOGO 9%
- SP 8.5%
- FSLY 8%

Volatility Gainers

- BE
- HIMX
- GOGO
- NET
- BCRX
- TNDM

High Call Volume

- INVH
- MT
- WEN
- SLM
- VST
- DISH
- IPHI
- NKLA

Bullish Options

- CME
- IPHI
- LITE
- CSCO
- CDAY
- DT
- AAP
- DISH
- TMUS
- ENTG

Market Review: Global markets were mixed this morning with a focus on Jerome Powell's cautious comments over a recovery and more actions by States to reign in a second wave of coronavirus. China data was largely as expected while Japan had some downbeat industrial production numbers. Tech stocks were hot early with Micron's (MU) positive comments last night and Xilinx (XLNX) this morning. ASML, STM, and others were leaders in Europe while the group opened strong in the US as well. Consumer confidence jumped to 98.1 in June vs 92 and still well below the February highs. Chicago PMI missed in June. A bit of M&A this morning with Lululemon (LULU) pulling off its first acquisition buying MIRROR for \$500M. Also, reports circulating that Uber (UBER) is looking at a deal with Postmates for \$2.6B as that space continues to consolidate. Breadth was fairly positive early, although not as strong as yesterday, and faded a bit mid-morning as we ran into the 8-EMA. Overall, a quiet session with the quarter wrapping up. Yesterday's reversal candle remains a nice low to trade against in the near-term.

S&P Chart:



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

Options Action Trends:

What's On Tap: ADP Employment, PMI manufacturing, ISM, FOMC minutes, earnings from CPRI, STZ, GIS

Trade Tracker Portfolio Changes:

1) No Changes

Sector Laggards

Utility

Housing

Retail

Stock Losers

- ZYNE -50%
- INO -22%
- MLHR -9.5%
- SPR -9%
- JCOM -8.9%
- CMPR -8%

Volatility Losers

- ZYNE
- SLNO
- INO
- DDD
- AZUL
- MLHR

High Put Volume

- HUN
- HST
- IIVI
- WU
- BLDP
- GO
- CTAS
- BE

Bearish Options

- GSX
- WLL
- TRHC
- CTSH
- IYR
- HST
- SNV
- XLRN
- INVH
- PXD



FEATURED OPTIONS RADAR REPORT



Ally Bulls Position for Earnings Upside with Deal Risk Off the Table

Ticker/Price: ALLY \$19.57

Analysis:

Ally Financial (ALLY) yesterday with 8,000 July \$21 calls bought to open for more than \$600,000 and follows buyers in the August \$18 calls, July \$20 and \$22 calls, and January \$25/\$13 bull risk reversals recently. ALLY also has seen buyers in the September \$20 calls. Shares have pulled back just above the May base breakout and 55-MA and a run above \$20 has upside to the 200-MA at \$25. The \$7.94B company trades 7X earnings, 0.81X sales, and 0.94X cash with a 3.88% yield. ALLY recently called off a multi-billion dollar deal for Cardworks which had been widely panned as it would add mounting pressure to their subprime book and was overly dilutive. ALLY has been under pressure with a weaker auto backdrop during COVID-19 but auto originations are bouncing back, used vehicle prices are moving higher due to lack of new inventory, and their overall credit remains strong. ALLY has also been actively reducing online savings interest rates in recent quarters which will help boost NII in the 2H. Analysts have an average target for shares of \$28. MSCO raising their PT to \$31 last week noting that terminating the deal, which would have brought elevated risk from subprime credit card loans and book value dilution, could drive a turnaround in investor sentiment toward Ally. Stephens with a \$28 PT noting that the deal being terminated will have a positive impact on both EPS and his CET1 forecast. It also puts the focus back on ALLY's "market leading" auto lending franchise and online deposit franchise. Short interest is 2.8% and near 5-year lows. Hedge fund ownership rose 5% in Q1. OakTree a buyer of 3.375M shares and now with 14.3M total. Eminence Capital a new 1.3m share position. ALLY has also seen some insider buying into weakness with three different directors adding stock with one a \$250K buy at \$19.44.

Hawk Vision:



Hawk's Perspective: ALLY risk/reward is solid vs the recent lows and 50-MA while the business should improve w/ the better macro outlook and deal-risk from CardWorks off the table. One to watch into earnings on 7-17.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Inphi Bulls Target New Highs Amid Major Product Cycle

Ticker/Price: IPHI \$116.75

Analysis:

Inphi (IPHI) with 850 December \$115 calls being bought to open today \$17.50 to \$19.10, strong setup with shares basing along the 50-day. IPHI has seen some smaller buys in the August \$115 calls and July \$115 calls while some October \$130 and \$145 calls remain in OI from May. Shares are moving out of a small base today after pulling back to the rising 50-MA and targeting new highs above \$127. A breakout measures to \$145/\$150 and into space with plenty of room to run with MACD and RSI both reset off of overbought levels. The \$5.29B company trades 31.5X earnings and 12.5X sales with estimates looking for high-teens EPS and revenue growth through FY22. IPHI is a leading provider of high-speed data movement interconnects and coming off a strong quarter with demand for data center components steady despite COVID-19. IPHI is benefitting from some major product cycles in the space driven by the transition to PAM by most cloud and large telecoms while data consumption and traffic growth remains a major theme in tech. PAM is regarded as a once in a multi-decade change in data transmission with most infrastructure shifting to 7m-10km and 10-120km outside for the fastest speeds and supportive of 5G. Analysts have an average target for shares of \$108. JP Morgan raising their PT last week to \$126, a top small-cap pick, noting they see data center growing 30%+ annually over the next five years. The firm thinks IPHI's datacenter interconnect business COLORZ with Microsoft (MSFT) has stepped up given Microsoft's aggressive expansion of its global datacenter footprint. Barclays with a \$135 PT on 6-15 noting that they feel better about a potential spending rebound in the 2H given the need for advancing network architectures are secular trends. Short interest is 5.6% and big drop last week from around 9.2%. It was as high as 25% in 2018 and falling steadily. Hedge fund ownership rose 7.5% in Q1.

Hawk Vision:



Hawk's Perspective: IPHI checks a lot of boxes with strong technical setup, fundamentals, and long-term thematic tailwinds, one that can make a strong run back at those prior highs

Confidence Ranking: \$\$\$

Additional Options Flow

Market/ETFs

Real Estate (IYR) buyer of 4,750 August \$75/\$65 put spreads for \$1.81

Utilities (XLU) spread bought 29,000 July \$57.50 calls for \$0.69 and sold the \$55 puts for \$0.71

Treasury (TLT) with 10,000 September \$154 puts sold to open for \$1.32 as some July short puts are bought back to close

Regional Banks (KRE) spread sells the August \$33 puts to buy the \$39/\$42 call spread over 9900X

Russell 2000 (IWM) the October \$133/\$113 put spread bought to open 5,250X for \$4.30. **IWM** the August \$130/\$120/\$110 put butterfly spread is trading another 7000X14,000 today

S&P (SPY) with 30,000 July 31st (W) \$240/\$230 put spreads bought today while the July 31st (W) \$300/\$275 put spread also opening 5000X

Consumer Discretionary/Services

Wendy's (WEN) buyers in the July \$22 calls over 1,900 up to \$0.80 while the \$23 calls also with over 2,700 opening

Vista Outdoors (VSTO) more bullish flows into strength today with 500 November \$17.50 calls bought for \$2

Constellation Brands (STZ) with 375 August \$175 puts sold to open this morning \$12.40 to \$12.50

Smith & Wesson (SWBI) buyers of 1,000 August \$22.50 calls for \$1.83 to \$1.84 into today's breakout move

Advanced Auto (AAP) trader closes some July calls to roll out and buy 750 August \$150/\$165 call spreads for \$4.20

Host Hotels (HST) with 2,500 July \$11 puts opening for \$0.59 as some positions roll down

Consumer Goods

Grocery Outlet (GO) sellers of 1,000 July \$40 puts today for \$1 to \$1.05, confident trade with shares a bit extended recently

Energy

Halliburton (HAL) with 5000 July 24th (W) \$13.50 calls bought today up to \$0.60, targeting 7-20 earnings

Petrobras (PBR) buyer of 1,000 ITM January \$13 puts for \$5.20 this morning

Pioneer Natural (PXD) with the August \$85/\$75 put spread bought for \$2.65 today, over 1425X

Whiting (WLL) buyers of 3,500 July \$2 puts for \$1.04

Shell (RDS.A) opening sales of 1,145 August \$32.50 puts for \$2.60 with shares down 3.5% on the reports of their \$22B write-down

Financials

Synovus (SNV) with 1,000 February \$24 calls sold to open \$2.12 to \$2.10

Citigroup (C) sellers of 3,000 August \$47.50 puts this morning from \$2.95 to \$2.85

Square (SQ) with 1,000 June 2021 \$110 calls opening around \$19 as the January \$100 calls roll up and out into strength. **SQ** also with 475 September 2022 \$155 puts sold to open today from \$66.90 to \$66.75, over \$3.15M

Lincoln National (LNC) with 1,000 January \$25 puts sold to open for \$2.65 in a stock replacement

Prologis (PLD) IV rising today with buyers in the July \$95 calls from \$1.85 to \$2.10, coiled REIT

CME Group (CME) with 200 December \$175 calls bought \$9 offer

Healthcare

AstraZeneca (AZN) with 2,000 September \$50 calls bought into early weakness for \$4.75 to \$5, spread vs the \$55 calls

Acceleron Pharmaceuticals (XLRN) spread today is selling 550 August \$105 calls to buy the \$90 puts for \$2.50 net debit after their offering news, likely stock collar

Immunomedics (IMMU) with 780 ITM July \$32 calls bought today for \$3.60, strong biotech that is coiled around recent highs

US Physical Therapy (USPH) unusual volume for the name with 500 August \$90 calls bought for \$3 to open. The \$1.06B company focuses on outpatient clinics that provide post-op care for orthopedic injuries and shares trade 32.3X earnings and 2.2X sales

Tabula Rasa (TRHC) buyer of 1,000 August \$60 puts for \$8.90

Ionis Pharma (IONS) with 1,000 January \$60 puts sold to open today for \$8.50 in a stock replacement

Industrials

CH Robinson (CHRW) buyers of 500 July \$77.50 calls for \$2.60 to \$2.70, nice base forming after pulling back to the 50day

Invitation Homes (INVH) with 7,000 August \$30 calls sold to open today \$0.70 to \$0.65

Lennar (LEN) with 1,500 July 31st (W) \$66 calls bought for \$1.68

Materials

Mittal Steel (MT) early buyers of 14,000 July \$11 calls up to \$0.45

Freeport (FCX) buyers of 1,200 September \$11 calls for \$1.37, narrow flag forming

Wheaton Metals (WPM) stock and IV rising with 5,000 July \$45 calls bought up to \$1.50 with silver starting to break out

MAG Silver (MAG) buyers of 1,400 February \$10 calls for \$5.05 as the December calls adjust out, strong today up 5% and working out of a multi-week bull flag

Huntsman (HUN) with 5,000 August \$14 puts sold to open this morning around \$0.30

Albemarle (ALB) with 275 January 2022 \$85 puts sold to open for \$21.50

Tech and Telecom

Cyrus One (CONE) into early weakness a seller of 500 December \$65 puts for \$4.41

Cloudflare (NET) stock and IV higher with 9750 July \$40 calls bought up to \$1.40

Crowd-Strike (CRWD) buyers of 850 of next week's \$100 calls up to \$4.10

Lumentum (LITE) strong today and buyers active for 1,345 January \$80 calls up to \$13.60. LITE is working out of a nice base and downtrend, chart highlight this morning, with plenty of room up to \$92+

Cognizant Tech (CTSH) with near 600 January 2022 \$57.50 calls sold to open this morning between \$8.10 and \$8.60

Adobe Systems (ADBE) with more than 1,000 October \$425 puts opening this morning between \$30.30 and \$30.85, tied to stock

Etsy (ETSY) with buyers of 2,500 September \$105 calls from \$12.90 to \$13.30, continues to draw bullish flows

Fastly (FSLY) with 1,000 September \$85 calls bought up to \$16.80 to open today, strong run since early May

GSX Edu (GSX) size buyer of 15,000 October \$70 puts up to \$22.30 today as the \$60 puts adjust back 10,000X, recent fraud name

JD.com (JD) also now with 2,000 January \$55 puts sold to open for \$5.40

Dell Tech (DELL) buyer of 1,000 October \$55 puts for \$5.70 today, tied to long stock

Datadog (DDOG) also with 965 January \$75 puts sold to open for \$10.90 to \$10.80

Upland Software (UPLD) with 500 August \$35 puts sold to open for \$3.40, nice bull wedge forming off its rising 50-MA

Ring Central (RNG) with 250 July \$290 ITM puts sold to open for \$17.70 to \$17

Zscaler (ZS) stock replacement sold 200 January \$95 puts to open for \$20.80

Stamps.com (STMP) spread is selling the August \$165 puts to buy the \$185/\$230 call spread today 200X, very narrow base forming after a strong run

DISH Network (DISH) strong to the highs with buyers of 2,000 August \$32.50 calls for \$4.10 to \$4.20. **DISH** the August \$45 calls also active, over 4000X, and being bought \$0.80/\$0.85

T-Mobile (TMUS) buyer of the November \$105/\$125 call spread sells the \$85 puts to open, 2000X for \$5 debit

Entegris (ENTG) with near 1,000 August \$55 calls bought for \$6.50

Dynatrace (DT) interesting name profiled last year when it IPO'd and up near all-time highs with 475 August \$41 calls bought today around \$4.40 to \$4.50

Cisco (CSCO) with 2,000 ITM August 7th (W) \$47.50 puts sold for \$2.66 in a stock replacement

Utility

Disclaimer:

Not Investment Advice or Recommendation

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