



MARKET RECAP REPORT 6/8/2021

Sector Leaders

Metals

Retail

Bonds

Stock Gainers

CLOV 55%

VLDR 16%

WEN 16%

NAPA 15%

SFIX 12%

DADA 12%

Volatility Gainers

- LOTZ
- CLOV
- WEN
- WISH
- ROOT
- SPRT

High Call Volume

- WEN
- LOTZ
- THO
- VTNR
- DISCK
- CLOV

Bullish Options

- CNC
- EW
- MU
- EW
- ZM
- BP
- IBM
- TWTR
- AEM
- COMM
- PAYS

Market Review: Stocks were a bit higher overnight and into the open without a lot of incremental news, cryptocurrencies coming under heavy selling pressure. The upside push faded after the first hour and market breadth started to roll over as some signs of buyer exhaustion are seen and the sentiment red flags with these junk meme stocks running up daily. Bonds started to work higher intraday while Metals are leadership group and consumer discretionary strong, notably casual dining. Biotech sold off along with Solar and other growth areas while Semiconductors also remained a laggard. S&P futures bounced right near 1-month VPOC into the Europe close. The S&P continues to form a coiled weekly consolidation under channel resistance and the schedule remains light tomorrow with no major market moving events.

S&P Chart:



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

Options Action Trends: We saw early bullish flows in Metals leaders for July 2nd (W) calls in X, AA, FCX.

What's On Tap: EIA Data.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long GE September \$13 Calls \$1.25 – No Fill
- 2) **Spotlight:** Sell the NFLX July \$510/\$500 Put Spread for \$6 Credit

Sector Laggards

Biotech

Semi's

Solar

Stock Losers

HOOK -16%

CVAC -13%

ACIU -12.5%

MARA -11%

RIOT -10%

CELH -10%

Volatility Losers

- SFIX
- MOMO
- CHS
- BNGO
- ASO
- BB

High Put Volume

- MILE
- ZEN
- PVH
- COUP
- BIIB
- WGO

Bearish Options

- WPG
- TDC
- WGO
- HIMX
- GPMT
- JD
- IDT
- SKLZ
- TAL
- DPZ
- SKT
- COIN



FEATURED OPTIONS RADAR REPORT



Herman Miller Size Call Buy as Furniture Maker Expands Via M&A, Positioned for Growth

Ticker/Price: MLHR (\$50.70)

Analysis:

Herman Miller (MLHR) with an unusual large trade on 6/7 as 5000 August \$50 calls bought to open at \$3.80 and 1650 of the \$55 calls also traded as call activity reached 45X daily average. MLHR has seen November \$45 short calls 1250X and the \$50 short calls 2500X open as well as 2000 of the \$35 puts bought. MLHR shares have been trending strong since mid-April and now clearing its 2019 highs with \$62.50 the next Fibonacci extension level. MLHR researches, designs, manufactures and distributes interior furnishings for use in various environments including office, healthcare, educational and residential settings. Its products are sold primarily through the following channels: Owned and independent contract furniture dealers, direct customer sales, owned and independent retailers, direct-mail catalogs and the Company's e-commerce platforms. MLHR announced a key M&A deal in April buying peer **Knoll (KNL)** for \$1.8B that broadens its portfolio, drives benefits of scale, and crate cost synergies. MLHR currently has a market cap of \$2.9B and trades 16.5X Earnings, 8.7X EBITDA and 13.7X FCF with a 1.5% dividend yield, an attractively valued stock. MLHR estimates currently see revenues rising 14.5% in 2022 with EBITDA up 4.7%. Analysts have an average target of \$60 and short interest is 6.5% of the float. Barron's was out positive on 5/29 calling MLHR a winner of people returning to the office while home-office furniture demand also continues to soar. Berenberg started shares Buy on 5/11 with a \$62 target citing work-from-home dominance and the Knoll merger will expand its footprint. On 5/10 Craig Hallum started shares Buy with a \$60 target citing its top-tier portfolio of furniture as the American office makes a comeback while the work from home revolution is just getting started.

Hawk Vision:



Hawk's Perspective: MLHR remains cheap on valuation and this **KNL** deal as well as plenty of organic growth opportunities should allow it to continue higher towards \$60.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Seattle Genetics Draws Upside Bets with M&A Potential

Ticker/Price: SGEN (\$154)

Analysis:

Seagen (SGEN) traded 3200 calls on 6/7 with IV30 up 15%, volume 12.8X daily average. SGEN did not see massive trades but interesting buying action in OTM July \$180 and \$200 calls while 300 September \$130 synthetic long positions opened as September calls adjusted. SGEN shares have formed a multi-month base and above \$157 measures to a \$180 target. Seagen is a biotechnology company that develops and commercializes targeted therapies to treat cancer. SGEN is commercializing ADCETRIS®, or brentuximab vedotin, for the treatment of certain CD30-expressing lymphomas, PADCEV®, or enfortumab vedotin-ejfv, for the treatment of certain metastatic urothelial cancers, and TUKYSA®, or tucatinib, for treatment of certain metastatic HER2-positive breast cancers. ADCETRIS and PADCEV, are based on our antibody-drug conjugate, or ADC, technology that utilizes the targeting ability of monoclonal antibodies to deliver cell-killing agents directly to cancer cells. SGEN has a market cap of \$27.7B with revenues seen down 31.6% in 2021 and then rising 50% in 2022 and key launches continue to progress while 2021 growth to be driven by incremental label expansion and additional geographic approvals/reimbursement. SGEN trades 11X FY22 Sales. The next key growth catalysts are seen with an October 10th PDUFA for its fourth commercial drug, tisetumab vedotin (TV) in R/R metastatic cervical cancer; ladiratuzumab vedotin with upcoming monotherapy/combo data to support advancement to pivotal trials in LIV-1 expressing solid tumors; and early stage pipeline catalysts such as Ph1 SEA-CD40 trial in pancreatic ductal adenocarcinoma (PDAC) in 2021. Analysts have an average target of \$195 with short interest low at 2% of the float. Goldman has a \$240 target and sees a 15-30% chance of SGEN being an acquisition candidate. In September 2020 **Merck (MRK)** inked a deal to take up to a \$4.5B stake in **SGEN** at \$200/share. Piper lowered its target to \$160 in April citing a flattening launch trajectory. Hedge Fund ownership rose 11% in Q1 filings, Baker Brothers top position with a \$7B stake.

Hawk Vision:



Hawk's Perspective: SGEN is a former star that has lagged for a while but remains one of the most promising cancer drug names out there, above \$157 looks great with potential M&A upside.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Target Small-Cap Casper Sleep Ahead of Range Breakout

Ticker/Price: CSPR (\$10.50)

Analysis:

Casper Sleep (CSPR) with over 6800 December \$12.50 calls bought this morning for \$1.55 to \$1.60, shares near a wide weekly range breakout. CSPR has 3,000 September \$10 calls in open interest from buyers in mid-May. Shares have traded in a range over the last 12 months and nearing a breakout above \$11 which has a measured move to \$16. The \$420M company trades 0.8X sales, and 6.8X cash. CSPR is guiding to 16% revenue growth in FY22 and FY23.

CSPR is coming off of a strong quarter and expects to reach EBITDA profitability in the 2H of 2021 as they have successfully managed supply chain issues. They continue to execute well on their growth strategy which includes expanding product reach and scale. CSPR is seeing strong growth through their partnerships with names like Target, Amazon, and Costco while trial partners like Nordstrom, Macy's and others can expand this year. They see a major catalyst for the next 1-2 years from expansion within this channel, an area where they grew 55% in 2020 and the largest TAM within the industry. They believe they can get to 'thousands of trial doors' which will expand their geographic footprint. CSPR was at the UBS Consumer conference in March also highlight owned/operated storefront opportunities as they have 69 stores and believe they can expand to 'hundreds' of locations over time. Analysts have an average target for shares of \$10 with a Street High \$14. Wedbush upgraded shares to Outperform in late April citing valuation and a clear and balanced path forward between revenue growth and profitability. Short interest is 4.15%. Hedge fund ownership rose 12.7% in Q1. Insiders active in late 2020 around \$9.60 with the CEO, CPO, and CSO all buying shares.

Hawk Vision:



Hawk's Perspective: CSPR is a small-cap we've talked about before and continue to like their long-term potential within a big market opportunity and expect to see more partner announcements in the 2H of 2021; shares are putting in a bit of a short-term top today but attractive risk/reward if we see the 8- and 21-MA hold near the recent base

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Agnico Eagle Calls Accumulate into Shallow Pullback

Ticker/Price: AEM (\$70.50)

Analysis:

Agnico Eagle Mines (AEM) with over 2,150 November \$70 calls bought this afternoon from \$6.45 to \$6.60, sizable buy in the name that has pulled back to VWAP from the April lows. AEM hasn't seen a lot of flows recently but does have notable put sales in the \$65, \$60, and \$55 strikes across the August and January expirations. Shares have shown relative strength lately and consolidating in a narrow flag back at a big volume shelf from January. A move back above \$72 sets up for a longer-term move out to \$80 and a big volume node from 2020. The \$17B company trades 22X earnings, 5X sales, and 44X FCF with a 2% yield. AEM is coming off another record quarter for production as their brownfield opportunities continue to expand and they build out a strong long-term pipeline of projects. They've had positive exploration results lately at LaRone and Meliadine while they recently approved a \$1.3B construction project at Malartic which will help them move closer to their 20%+ production target. AEM has also been successful recently driving more value out of their existing mines as they cut down on costs and deliver more low-risk, high-quality returns. Analysts have an average target for shares of \$88 with a Street High \$115. JP Morgan positive earlier this year liking its steady production profile, attractive cost profile, and brownfield versus greenfield growth opportunities. Short interest is 0.58% and falling steady since 2018. Hedge fund ownership rose 3.35% in Q1.

Hawk Vision:



Hawk's Perspective: AEM sets up well with an orderly pullback after nice strength in April and May, eyeing a move back above the 8- and 21-day at \$72 where it can run

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Nasdaq (QQQ) 2000 June 30th (Q) \$338 puts bought for \$5.66 to \$5.83

Silver (SLV) with 8500 Dec. 31st (Q) \$27 calls opening this morning \$2.14 to \$2.19

Russell (IWM) with 17,000 September \$219/\$196 put spreads bought as July \$213/\$191 adjust

Biotech (XBI) buyers of 2700 July \$133 calls into late morning lows \$3.90 to \$4.25

MSCI EAFE (EFA) with 4500 March \$78/\$72 put spreads bought as the \$87 calls are sold, also 4500 January \$83/\$79 bear risk reversals opening

Regional Banks (KRE) opening sale 2400 September \$69 puts \$3.25

Consumer Goods

Thor (THO) moved off morning lows after strong earnings as 2000 June \$115 calls opened \$3.71, adjusting the \$120 calls

Kroger (KR) buyer 5000 June \$39 puts \$0.92 to \$1 in offer sweeps, targeting earnings 6-17

Elf Beauty (ELF) a favorite small-cap with 400 November \$25 calls bought today \$4.90 to \$5

Consumer/Business Services

Penn National (PENN) some volume here off the lows with 1,400 June 25th (W) \$85 calls also being bought up to \$4.50. **PENN** trying to work out of a small base today and volume gap above to \$89.50

Carnival (CCL) with 1700 March \$27.50 puts being sold to open early near \$3.50. **CCL** also 1000 November \$27.50 puts sold to open \$2.51. **Carnival (CCL)** opening sale of 3,500 June 2022 \$20 puts for \$1.28, stock replacement

DraftKings (DKNG) with 5000 July \$60 calls bought \$1.44 to \$1.90

Discovery (DISCK) with 3,000 September \$32.50 calls bought for \$1.45, spread with the \$37.50 calls that look to be rolling back

Chewy (CHWY) seeing over 2500 October \$65 puts active with opening sales near 3.80 today ahead of earnings this week

Dominos (DPZ) with 750 June \$440/\$422.50 put spreads opening for \$2.78 today into strength

Groupon (GRPN) with 1,400 July \$44 puts sold to open today for \$2.49, name that has seen some December bullish spreads accumulate

Wendy's (WEN) with over 3,000 January \$35 calls bought for \$1 this morning off the open with shares up 18%

Shake Shack (SHAK) with 1,500 July \$110 calls being bought today up to \$3.60, volume picking up since mid-day with a TV mention. **SHAK** also with 575 January \$130 calls bought \$6.10 to \$6.40

Expedia (EXPE) buyers of 1000 August \$165 calls for \$15.95 to \$16.14

World Wrestling (WWE) buyers of 550 January 2023 \$50 calls for \$15.30 to \$16, nice flag forming around the \$58 level and multi-week base breakout

Ollie's Bargain Outlet (OLLI) with 1200 October \$92.50/\$85 bull risk reversals opening for a \$0.60 net credit, small consolidation after earnings

Home Depot (HD) trade buys 1000 January 2023 \$310 puts \$39.40 while selling 1000 of the January \$275, stock-tied and may be adjusting

Norwegian Cruise (NCLH) buyer 1900 January \$42.50 calls today \$2.44 offer

Booking (BKNG) midday with 235 September \$2200 calls opening for \$5M at \$207 to \$212

Energy

NGL Energy (NGL) with 2500 January \$2.50 puts sold to open \$0.80

BP PLC (BP) buyers of more than 3,350 October \$25 ITM calls today for \$3.35, strong move this morning as it back-tests the recent range breakout

Viper Energy (VNOM) buyers of 2000 July \$20 calls today for \$0.75 to \$0.85, nice multi-week flag setting up

EQT (EQT) strong natural gas name with a nice flag seeing 2250 June \$21 calls bought \$1.30 to \$1.50 this morning

Petrobras (PBR) buyer 1200 June 2022 \$10 calls \$2.72 offer

Fuel-Cell (FCEL) with 1250 January 2023 \$10 puts sold to open or \$4.35

Financials

Apollo (APO) buyer of September \$55/\$47 ratio put spreads 1000X2000 at \$1.45. **APO** now with 3510 January \$65/\$50 bull risk reversals opening at a \$0.33 credit

Berkshire (BRK.B) with 150 June 2023 \$340 ITM puts sold to open today for \$66.70

Granite Point Mortgage Trust (GPMT) with over 8,000 September \$15 calls bought for \$1.45 to open today, trading up to \$1.70 and running about 50X average

Root (ROOT) IV surging with IV30 up 45% this morning as 5000 July \$15 calls are bought up to \$0.80

Square (SQ) rolling over with 1500 August \$180 puts bought \$5.35

Redfin (RDFN) buyer of 1000 August \$70 calls today for \$3.20 as the \$60 calls close 500X and adjust

NCR Corp (NCR) now also with 3,000 January \$60 calls bought for \$2.15. **NCR** with 500 January 2023 \$70 calls bought for \$4

Morgan Stanley (MS) buyer 1000 October \$100 puts ITM for \$10.35

Stone (STNE) buyer 700 August \$57.50 puts \$3.30 offer

Unum (UNM) with 1000 January 2023 \$22.50 puts sold to open today for \$1.85 to \$1.40, strong name that has also seen upside call buys with the recent calls for M&A in the group

Coinbase (COIN) buyer of 600 December \$220 puts for \$38.90 to \$39

Ambac Financial (AMBC) with 1000 January \$17.50 calls opening for \$1.65, the Aug. calls rolling

Starwood Property (STWD) buyer 1000 December \$27 puts \$2.50 to 42.55

PagSeguro (PAGS) pulling back to 8-MA and seeing 2500 January \$57.50 calls bought \$4.90 offer. **PAGS** calls jump to 10,000X as June \$50 adjust now

Simon Property (SPG) buyers 1100 October \$120 puts this afternoon aggressive at \$4.40 offer

UP Fintech (TIGR) buyer earlier today 1000 January \$30 calls \$5.20 to \$5.30

Healthcare

CureVac (CVAC) weak today on a reported data delay but seeing 1,400 July \$115 calls bought up to \$10.70 to open

Centene (CNC) with nearly 3000 September \$77.50 calls opening \$2.25 as June \$65 adjust

Edward's (EW) with over 2000 August \$95 calls trading this morning, many spread versus the \$100 calls

Good-Rx (GDRX) with 1,050 January \$35 puts sold to open for \$4.90 in a stock replacement

Illumina (ILMN) with 300 December \$460 calls opening near \$33 in stock replacements for nearly \$1M

Industrials

JetBlue (JBLU) IV rising this morning with 8,400 July \$21 calls bought from \$0.38 to \$0.40

SPX Corp (SPXC) buyers today of 400 July \$60 calls for \$3.90 to \$4, unusual volume for the \$2.8B industrial that rarely trades options. SPXC is coiled in a nice multi-week range under \$65

Spirit Airlines (SAVE) opening sale of 500 January 2023 \$30 puts today for \$5.35

Canadian Pacific (CP) buyer 2,625 September \$78 puts \$3.20 as the July \$80 puts adjust 3500

Canadian National (CNI) with 2,000 August \$115 calls opening today for \$2.80 as some July \$115 calls bought recently adjust

Ford Motor (F) buyer of 30,000 August \$20 calls for \$0.36

Fed-Ex (FDX) sale to open 1360 August \$270 puts \$5.67

Colfax (CFX) buyer of 4000 September \$42.5/\$35 put spreads as July positions adjust

WorkHorse Group (WKHS) this morning had a buyer of 2000 January 2023 \$50 calls for \$4

Materials

Venator Materials (VNTR) with 3,000 July \$5 calls bought here from \$0.40 to \$0.55, small-cap chemicals company focused on TiO2 products and performance additives

We saw a lot of bullish activity into the metals early today targeting the early July expirations. **Freeport (FCX)** buyers of 4,000 July 2nd (W) \$45 calls up to \$0.75. **Alcoa (AA)** green now on the morning with 2,000 July 2nd (W) \$41 calls bought up to \$1, similar OTM calls and timeframe as **FCX** earlier. **AA** also with 2,500 August \$36 puts sold to open \$2.75 in stock replacements. **Teck Resources (TECK)** now similar with 3,700 July 9th (W) \$25.50 OTM calls bought up to \$0.67. **US Steel (X)** now similarly with 2600 July 2nd (W) \$28.50 calls bought up to \$0.84

Dow Chemical (DOW) with over 1900 December \$50 puts sold to open today for \$1.18

Bunge (BG) opening sale of 2000 July \$85 puts for \$1.20

Ferroglobe (GSM) buyer of the December \$5/\$10 call spread 2,500X for \$1.39 with the \$4 puts sold for \$0.49

Lyondell (LYB) stock replacement opened 3000 January \$120 calls at \$8

Corteva (CTVA) seeing spreads sell 750 December \$35 puts and buy 1500 December \$50 calls

Tech and Telecom

Teradata (TDC) with 1,000 September \$50 puts bought up to \$4.87 with 500 of the \$55 calls sold for \$3.30

Micron (MU) weak reversal today but seeing 2,500 September \$87.50 calls bought here for \$4, spread with the \$97.50 and \$100 calls which may be adjusting back. **MU** also with 1200 August \$72.50 ITM calls opening today for \$12.10. **MU** also seeing opening sellers over 3000 each in August \$77.5 and \$72.5 puts into day lows

Facebook (FB) early large trade sells 3000 March 2022 \$480 calls to open for \$4.80

Himax (HIMX) buyers of 4650 June \$13.50 puts up to \$0.55 into YTD value resistance

ZenDesk (ZEN) interesting spread today is selling the January 2022 \$135 puts for \$14.30 to open and buying the January 2023 \$100 puts for \$11

UpWork (UPWK) stock now moving with 1,100 July \$60 calls bought up to \$1.30, clearing a small flag much like **FVRR**. **UPWK** also with 300 July \$60 puts sold to open for \$10

Snowflake (SNOW) with 1000 July \$275 calls opening as June adjust

Zoom Video (ZM) spread today is buying 500 January 2023 \$450 calls for \$47.20 and selling 250 of the \$280 puts for \$43.40

IBM buyer of 5000 January 2023 \$200 calls as long-term breakout triggered

Switch (SWCH) buyers of the January \$20 puts here over 1250X up to \$1.75 into recent strength

Fastly (FSLY) stock replacement sells 1000 January 2023 \$50 puts for \$15.60

Twitter (TWTR) the August \$70 calls being bought for \$1.51 here to open, over 11,000X

CommScope (COMM) with 1000 January \$23 calls opening for \$2.26, adjusting the Aug. \$20 calls

DocuSign (DOCU) with 1000 January 2023 \$190 puts sold to open for \$20.45 today, follows the massive call buys earlier this week

Bilibili (BILI) this afternoon with 500 March 2022 \$110 puts sold to open \$18.90 to \$19 range

Oracle (ORCL) buyers of 500 September 2022 \$90 calls for \$7.15 this afternoon

Utility

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