



MARKET RECAP REPORT 7/1/2020

Sector Leaders

Utilities

Comms

REITs

Stock Gainers

FDX 11.9%

GBT 10.8%

W 10.5%

ANGI 10%

AXDX 10.2%

ROKU 10%

Volatility Gainers

- TTOO
- AMRN
- RRC
- HRTX
- GILD
- AA
- SSYS

High Call Volume

- SONO
- SCHW
- ROK
- BLMN
- SNBR
- SKX

Bullish Options

- IMMU
- SSYS
- TTWO
- TDOC
- TWOU
- IRBT
- PFE
- SQ
- AMD
- PTON
- WEN

Market Review: Global markets kicked off July and Q3 mixed without much in the way of incremental news in the last 24 hours. COVID-19 cases continue to be in focus with many hotspots in the US continuing to see a surge in both infections and hospitalizations. Some states are starting to order closures of indoor restaurant dining and Apple announced more store closures as well. We got some positive news from Pfizer/BioNTech with results from their COVID-19 vaccine showing positive progress. ISM manufacturing came in better than feared at 52.6 vs 49.2 and showed a clear bounce-back from the extreme levels in April. Construction spending fell 2.1% in May, worse than expected, while public spending continues to offset private weakness. Finally, ADP missed with just 2.36M jobs vs 3.75M. S&P futures opened around yesterday's close and the early re-test of Tuesday's range was bought at 3,092. We traded in a narrow range for much of the day around 3,113.5 and back above the 20-day. On the daily, we did break out of a bull wedge and further momentum would look for a re-test of 3,200. But, overall, a pretty quiet day with the Holiday upcoming.

S&P Chart:



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

Options Action Trends: We saw bullish flow into video game makers **ATVI** and **TTWO**. Gold miners **NEM** and **GOLD** both saw put sellers active.

What's On Tap: Non-farm payrolls, factory orders, earnings from LNN

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Materials

Financials

Stock Losers

INO -29%

SCS -13.5%

TA -10%

DENN -9.5%

GTX -9.5%

AAOI -8%

Volatility Losers

- TRXC
- DNR
- BNTX
- HTZ
- DISH
- CPRI
- HIMX

High Put Volume

- MED
- CROX
- APA
- AVLR
- LDOS
- ZYNE

Bearish Options

- HALO
- GBT
- TJX
- CMCSA
- T
- ATSG
- TME
- TEL
- MTB
- MAR
- SWAV



FEATURED OPTIONS RADAR REPORT



Vicor Calls Accumulate as Company Expands Capacity, Targets Massive TAM

Ticker/Price: VICR \$71.95

Analysis:

Vicor (VICR) small but notable add to open interest on 6/30 with the January \$85 calls bought another 450X up to \$8 and total volume now 950 after a buyer in early June. VICR has other bullish upside spreads in OI as well including 500 October \$75/\$90 call spreads bought on 6/10 and some December \$60 ITM calls remain from January. VICR has shown relative strength since the mid-March lows and flagging above its rising 21-MA and just below \$73.50. A breakout targets \$82+ but longer-term range breakout above \$64.50 targets \$100. The \$3.15B company trades 12X sales and 38X cash with profitability ramping sharply and expected to earn over \$1.60/share in FY22 vs \$0.15 today. VICR designs and manufacturers modular power components for use in a number of end-markets from aerospace and industrial automation to telecom, networking, and test equipment. They see a big opportunity with energy efficient components becoming more critical for data center, AI processing, cloud and other high-intensity computing applications. They are coming off a mixed quarter but did have strong demand for their new GPU and hyperscale servers. VICR has had production issues in the past and they recently did a capital raise to finance the acquisition of a new facility. The move will give them control over the entire process in manufacturing Advanced Products which they believe will give them a leading edge into an emerging TAM. Analysts have an average target for shares of \$71, although limited coverage. Craig Hallum a Street High \$85 PT. The firm thinks part of the reason for a recent capital raise is the improving order trends for its LPD power products serving AI/DL applications for a few key customers - Nvidia (NVDA)/Alphabet (GOOG) among them. They also think the company is hammering out issues with the manufacturing process for these large customers that are depending on Vicor as a sole source supplier at high volumes. Short interest is 2.2% and down steadily since 2018 when it was close to 8%. Hedge fund ownership rose 5.5% in Q1. Hood River Capital a buyer of shares.

Hawk Vision:



Hawk's Perspective: VICR is a very interesting name that we looked at back in January and think the opportunity is massive as short-term investments will pay dividends later

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Teladoc Bull Sets Sights on New Highs

Ticker/Price: TDOC \$200.70

Analysis:

Teladoc (TDOC) size buyer of 1,000 October \$230 calls this morning from \$14.15 to \$15.30 to open with shares in a small flag just off of new highs. TDOC is also seeing some August \$250 calls active today and has seen buyers in the August \$200 and \$220 calls recently. Shares pulled back just above the 21-MA this week and now back above the 8-day and set to break out to new highs above \$208. The recent range since mid-April targets a run up to \$250. The \$14.83B company trades 29X cash and 24.5X sales with next-to-zero debt. TDOC expects to hit profitability in FY22 and revenue growth estimates taking a big jump in 2020, now seeing mid-20% growth annually. TDOC has taken the lead in the telehealth market which is estimated to be around \$150B and growing at a 20% rate with COVID-19 pulling forward significant adoption. They're seeing huge jumps in utilization through COVID-19 and expansions into areas like behavioral health and remote patient monitoring opening up significant markets for expansion. They saw near 100% growth in fee revenue last quarter and 60% growth in paid membership. Analysts have an average target for shares of \$161 with Piper at a Street High \$220. They were out yesterday noting that recent surveys point to a 10X increase in annualized utilization for telemedicine in Q2 and this likely signals a 'transformational shift' in the preferred delivery modality from in-person to virtual care. The firm also notes that if the PHE gets extended beyond July 25, it would set up another huge quarter of favorable policy in Q3. Short interest is 10.8% but sitting at multi-year lows and down from around 37% in November. Hedge fund ownership fell 16% in Q1. Trident Capital a notable holder.

Hawk Vision:



Hawk's Perspective: TDOC is a must-own kind of name in this environment with a huge opportunity set in front of it and massive potential for disruption in the healthcare market, setting up well here for new highs

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Take-Two Calls See Upside into Earnings

Ticker/Price: TTWO \$142

Analysis:

Take-Two (TTWO) buyers of 2,000 August \$145 calls today for \$7.20 to \$7.60, coiled setup and near new highs. TTWO recently had 2,000 January \$120/\$110 bull put spreads open while the December \$155 OTM calls with buyers on 6/15. TTWO shares are flagging just below \$145 and set for new highs with a measured move up to \$165. Shares are consolidating in a big monthly bull flag as well and continuation of the long-term trend targets \$200. The \$15.8B company trades 24.4X earnings, 5.12X sales, and 8X cash with mid-20% growth and a limited but exciting pipeline for the next 3-5 years. TTWO has been executing well with live services, online and digital sales with their core franchises like GTA V, Red Dead Redemption, and Borderlands continuing to drive user engagement. They posted 50% bookings in Q1 while customer spending in-game on DLC, add-ons, and more rose 40%. Video games sales have been consistently strong throughout COVID-19 with May sales up over 50%. Analysts have an average target for shares of \$145. MKM upgrading to Buy recently noting that the 'remastered' GTA V release in 2021 should be a net positive overall to get players to migrate to the next-gen consoles. Baird positive on 6-9 noting that TTWO is well positioned to expand margins and grow the topline by leveraging its core game franchises and also expanding its mobile and PC-browser based titles. Stephens with an interesting note on 5-27 highlighting that a recent 8-K shifted a significant amount of marketing capital into FY24 and this kind of move in the past has predicted when a big game announcement/release is timed and eyes on the next GTA. Short interest is 4.2% and near multi-year lows. Hedge fund ownership rose near 19% in Q1. Melvin Capital a big buyer of 2.28M shares while Point72 a new 1M share position. TTWO last saw a notable insider buy in 2018 but right around current levels when a director added \$10M in stock at \$133.93.

Hawk Vision:



Hawk's Perspective: TTWO is my favorite name of the big developers given their strengths in digital and add-on content while their main franchises are unbeatable w/ optionality from a new GTA announcement; TTWO reports in early August and likely another strong quarter

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

ARK Innovation ETF (ARKK) with 1,000 December \$75 calls bought for \$7.35 as the \$50 calls close and roll higher, top holding is TSLA and others include NVTA, SQ, CRSP, ROKU, TWOU, and ILMN

S&P 500 (SPY) the September \$255/\$235 put spread bought 25,000X for \$1.46. **SPY** the July 31st (W) \$270/\$255/\$240 put butterfly spread bought 16,500X33,000

Oil Services (OIH) buyer of next week's \$120/\$113 put spread 4,000X8,000

Investment Grade Bonds (LQD) spread sells 7,000 August \$135 calls to buy the \$135/\$132 put spread

Brazil (EWZ) buyer of 12,000 December \$34 calls for \$1.82, spread with the sale of 12,000 December \$37 and \$38 calls

Emerging Markets (EEM) buyer of 10,000 December \$40 calls today for \$3.15

Consumer Discretionary/Services

Live Nation (LYV) buyer in size this morning for 2,000 October \$45 calls for \$6.80 to \$7

Activision (ATVI) with 1,250 August \$65 puts sold to open today for \$1.06

Crocs (CROX) buyers of 3,000 OTM September \$20 puts for \$0.85. **CROX** also with the July \$36/\$39 call spread bought 1000X2000

TJX Co (TJX) the August \$57.50 calls sold to open 4,925X for \$1.00 to \$0.95

Skechers (SKX) buyers of 4,000 OTM July \$35.50 calls for \$0.30. **Skechers (SKX)** now with 10,000 October \$32/\$45 call spreads bought for \$2.59, trader closing 4,000 July \$33 calls

Take-Two (TTWO) buyers of 2,000 August \$145 calls today for \$7.20 to \$7.60, coiled setup and near new highs

Bloomin' Brands (BLMN) spread here sells the August \$7.50 puts to buy the July \$10/\$12.50 call spread 7500X

Sleep Number (SNBR) with 1,500 July \$43 calls bought for \$2.15

Wendy's (WEN) the July \$22 calls active again today with over 10,000 trading from \$0.90 up to \$1.10

US Foods (USFD) with 1,600 October \$22.50 calls bought for \$2.25 as some July calls adjust

Planet Fitness (PLNT) buyer of 1,500 August \$65 calls for \$5.50 and spread with 2,250 August \$80 calls sold for \$1.20

Ross Stores (ROST) next week's \$88/\$92 call spread bought for \$1.32, 1750X

Dillard's (DDS) with 1,500 July \$25 calls bought today for \$2

RH (RH) over 3,500 July \$290 calls being bought today around \$5.00 to \$5.20, follows buyers this week across the \$280, \$290, and \$300 calls

Energy

Hess Corp (HES) opening sale of 5,000 July 24th (W) \$43 puts for \$0.77

Marathon (MPC) with 5,000 October \$42.50 calls sold for \$2.26, adjusting back some short October \$50 calls that opened in spreads with stock

Financials

Apollo (APO) the September \$46 puts bought 1,000X for \$2.90

Green Dot (GDOT) with another 500 December \$35 puts sold to open for \$3.00 to \$2.90

Mastercard (MA) with 1,000 August \$250 puts sold to open today down to \$2.75

Square (SQ) also with 1000 July \$110 puts sold to open for \$3.40

RBC (RY) with 850 January \$70 calls sold to open from \$4.70 to \$4.50

Simon Property (SPG) sellers of 1,500 October \$120 calls between \$1.03 and \$1.15

Healthcare

Inovio Pharma (INO) with 5,000 August \$31 calls sold to open from \$4.05 down to \$3.45

Halozyme (HALO) with over 1,450 August \$27 calls sold to open down to \$1.90

Global Blood (GBT) higher by 9.35% with the positive Goldman note and 1,000 September \$85 calls being sold to open for \$2.25

Teladoc (TDOC) buyers of 1,000 October \$230 calls from \$14.15 to \$15.60

Invitae (NVTA) with 1,000 January 2022 \$30 calls bought up to \$10.35, adjusting some ITM June 2022 calls higher. **NVTA** also with 1,000 June 2022 \$30 calls opening for \$11.48 as more calls adjust higher

Shockwave Medical (SWAV) with buyers of 1000 July \$45 puts up to \$1.35

Sarepta (SRPT) with 1,000 February \$120 puts bought this morning for \$10.40 to \$10.50

Pfizer (PFE) with 1,250 August \$34 puts sold to open for \$1.65 today into strength following their vaccine data

Cryoport (CYRX) with 500 February \$40 calls bought for \$2.88 with the November \$35 calls rolling up and out

Immunomedics (IMMU) with 1,800 August \$42 calls bought for \$1.65, closing the July \$34 ITM calls 3,600X from 6/8

Walgreens (WBA) buyer of 2,000 January \$35 puts for \$2.56, tied to stock

Industrials

Maxar Tech (MAXR) strong early with 1,150 August \$20 calls bought up to \$2.35

Keysight (KEYS) with 1,200 August \$87.50 puts sold to open \$1.90 to \$1.85

Leidos (LDOS) opening seller of 1,100 August \$80 puts for \$1.35

Delta (DAL) buyers of 3,750 January \$29 calls for \$6.15, stock replacement

Air Transport (ATSG) with 3,000 August \$25 calls sold to open for \$0.60

Polaris (PII) buyer of the July \$95/\$100 call spread 750X1,500

KBR (KBR) buyer of 500 September \$25 calls for \$1.09 and spread with sales of 1,000 September \$18 puts for \$0.67

Macquarie (MIC) with 4,000 August \$25 puts sold to open for \$0.575

Materials

Newmont (NEM) early sellers of 1,850 January \$60 puts between \$7.00 and \$7.15

Barrick (GOLD) with 2,000 August \$26 puts sold to open for \$1.77, common strategy in the name

Owens Corning (OC) the August \$60/\$70 call spread bought for \$1.65, 1250X, shares in a narrow flag around its 200-day

Tech and Telecom

Baozun (BZUN) early buyers of 500 August \$35 calls for \$5.70 to \$5.90

Autodesk (ADSK) with 1,900 July \$220 puts sold to open for \$1.74 down to \$1.51

Fire-Eye (FEYE) stock and IV higher with 5500 July \$13 calls bought up to \$0.52

eBay (EBAY) higher initially this morning and extending yesterday's gains but reversing hard, down around 2%, and 3,000 July \$51.50 puts bought for \$1.45

Sonos (SONO) interesting strategy with the August \$15/\$20/\$25 call butterfly spread bought 10,000X20,000 to open today

Roku (ROKU) with 1,500 OTM August \$195 calls bought to open today from \$1.60 up to \$1.85, max strike for the month

SkyWorks (SWKS) nice consolidation forming and 725 July 31st (W) \$130/\$135 call spreads bought today

DataDog (DDOG) with 780 January 2022 \$60 puts sold to open for \$11. **DDOG** also with some smaller October \$65 puts sold to open. **DDOG** also with 650 January \$60 puts sold to open today for \$4.80

Trade Desk (TTD) buyer of 500 November \$400 puts for \$61 today, tied to stock. **TTD** also with 700 August \$370 puts bought today around \$22.30, tied to stock

AT&T (T) with 25,000 August \$33 calls sold to open today for \$0.33

Tencent Music (TME) with 3500 January \$16 calls sold to open this morning, common strategy in the name lately

TE Connectivity (TEL) with 1400 August \$65 puts bought for \$1.25 to \$1.30

Netflix (NFLX) just off of new highs ahead of earnings in mid-July and 1,425 August \$500 calls being bought up to \$21.30

Fastly (FSLY) buyer today of 500 December \$85 calls for \$23.90, stock replacement

ZTO Express (ZTO) with 1,000 January \$32 puts opening for \$2.60 today, stock replacement

Peloton (PTON) the August \$75 calls bought 1,500X today up to \$2.49

Advanced Micro (AMD) the September 2021 \$60 calls bought 1,200X today for \$8.65

Avalara (AVLR) buyer of 1,000 August \$130/\$95 put spreads for \$7 into strength, likely protective with earnings in early August

IRobot (IRBT) buyers of 850 January 2022 \$80 calls for \$24.40 as the \$65 calls roll up

2U (TWOU) with 900 January 2022 \$35 calls bought for \$12.39, rolling up the \$10 calls

Stratasys (SSYS) with 1,500 September \$15 puts sold to open for \$1.45

Teradyne (TER) with 1,000 January 2022 \$82.50 calls bought for \$18.50, adjusting higher the \$45 calls

Utility

PG&E (PCG) the December \$10/\$13 call spread bought 30,000X60,000 with the \$9 puts sold 10,000X to open

Disclaimer:

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