



MARKET RECAP REPORT 7/17/2020

Sector Leaders

Biotech

Gold Miners

Utility

Stock Gainers

- NVAX 17%
- RST 16%
- NGVC 16%
- MGTX 15%
- SPCE 13%
- ERIC 12%
- PRTS 11%

Volatility Gainers

- COMM
- CLVS
- NTN
- SPCE
- CVM
- RST

High Call Volume

- RST
- LRN
- COMM
- VOD
- ALKS
- DGLY

Bullish Options

- RST
- COMM
- DIS
- VOD
- DGLY
- ESTC
- REGN
- HUYA
- QCOM
- DOCU
- Z

Market Review: Stocks were broadly higher overnight and into the open with stimulus efforts in the EU and US in focus outweighing some disappointment from the Netflix results in Tech. Consumer Sentiment came in weaker than expected while Housing data was solid. Stocks hung around 3200 early but breadth improved through the morning, an unusual group of strength with Medical Devices, Biotech, Utility, Housing and Gold Miners strongly positive. Banks, Energy and Retail pulled back. Overall the S&P continues to consolidate above the recent range breakout and below the June high. Next week will certainly focus on earnings reports and late in the week the July Flash PMI numbers, to see if the bulls have another push higher.

S&P Chart:



Resistance	Support
3,235	3,110
3,260	3,025
3,325	2,965

Options Action Trends: Some large call buys came back into Software growth leaders like **DOCU/TWLO**. It was an otherwise quiet day with plenty of adjustment trades due to OpEx.

What's On Tap: Looking ahead to next week the focus turns to earnings with the bulk of reports coming over the next three weeks. The economic schedule is quiet until Friday when we get key July Flash PMI numbers. Markets will also continue to monitor the COVID-19 situation.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Banks

Energy

Retail

Stock Losers

- NIO -14%
- CYTK -9.8%
- SIEN -7.5%
- NFLX -6.6%
- ALV -6%
- ALLY -5.75%
- EB -5.7%

Volatility Losers

- CZR
- NFLX
- CLDR
- RIGL
- VSLR
- GPS

High Put Volume

- CX
- WKHS
- AVB
- NRG
- TK
- DD

Bearish Options

- TK
- DD
- CCK
- LEN
- FMC
- BHP
- ALB
- VICI
- AMBA
- BPMC
- BYD



FEATURED OPTIONS RADAR REPORT



Trade Desk Massive Trade Positions for Upside

Ticker/Price: TTD (\$428)

Analysis:

Trade Desk (TTD) with a massive trade on 7/16 as 4000 October \$365 calls bought to open at the \$94.40 offer for over \$37.5M, and possible the same trader that rode 10,000 July \$270 calls from 12/18/2019 before closing out recently. TTD has also seen a lot of married put trades open in August and November recently. TTD shares have pulled back this week with the rest of the Tech growth name and holding right near the rising 21 day moving average, still quite extended from its key breakout in May, and the next Fibonacci extension target is up at \$543.50 while the weekly trend extension gives room to \$640 by October. The \$20.1B omnichannel software provider for data-driven digital advertising that is disrupting a massive industry and is trading 21X FY21 EV/Sales with revenues rising 55% in 2018 and 38.5% in 2019 while estimates see just 3.5% growth in 2020 due to COVID and then recovering to 35% growth in 2021. TTD provides a platform for ad buyers and allows for targeted digital ads, a booming industry as traditional ad dollars shift to this platform. The global ad spend market is \$725B and the shift to digital is in the early innings with the future of media being digital and programmatic. TTD has also built a data management platform allowing for advertising buyers to make smarter decisions. It is seeing record spending trends in connected TV and is a self-service omnichannel while also being profitable since 2013. TTD has a long runway for growth as a leading player in a major secular growth trend. At the Needham conference TTD noted the \$500B TAM potential has been brought forward by COVID and competitors are going out of business allowing for more market share gains. Analysts have an average target of \$330 and short interest remains high at 17.6% of the float. Needham raised its target to \$475 from \$370 on 6/22 seeing it a winner in the pandemic and a key disruptor of a massive industry. Hedge Fund ownership surged 30.75% in Q1 filings.

Hawk Vision:



Hawk's Perspective: TTD has been a top ten favorite name in the entire market and continue to love this long-term growth story, name to be accumulating on these pullbacks.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Burlington Seen as Retail Winner by Option Traders

Ticker/Price: BURL (\$190)

Analysis:

Burlington Stores (BURL) on 7/16 with bullish action as 600 each of the August \$185 and \$200 calls were bought with sales of 900 each of the \$210 and \$220 calls. BURL has also seeing bullish positions open in July 24th (W) \$182.5 and \$185 calls spread with \$195 and \$200 calls. BURL also has 1200 September \$220 calls in open interest that sold top open back in May. BURL shares have dipped recently and held key rising 144 week moving average support, also retesting a major volume zone from a range breakout back in 2019, nice support at \$176 on the weekly. The \$12B off-price retailer trades 24.9X Earnings and 1.85X Sales with a lot of debt. BURL has long been a leader to peers in terms of performance and posted 9%+ revenue growth each of the last four years and strong EPS growth with EPS rising to \$7.41/share in 2021 from \$2.31/share in 2016. The company's new CEO said in November the company would be more conservative with upfront inventory buys and instead target more opportunistic buys, which seems befitting of the current environment. BURL has long been a comp and margin upside story. Analysts have an average target of \$235 and short interest at 4.5% of the float rose 80% Q/Q. CSFB on 7-2 naming it a new top pick expecting consumer behavior to shift to value-seeking which benefits off-pricers. It also notes "In 2009 and 2010, off-pricers gained 900bp of share from department stores as consumers traded-down even as economic conditions improved. Further, supply chain disruption should contribute to the best inventory buying environment for off-pricers in a decade. We expect BURL to emerge much more competitively advantaged with an accelerating margin improvement story. BURL is the clearest example in our coverage with upside to current Consensus from higher sales/ft, GM and EBIT margins post-COVID." TAG raised its target to \$230 on BURL back in late May, noting the company has a balancing act between opportunistic buys and an uncertain road of consumer spending behavior for at least the balance of the year. RBC, Citi, and DA Davidson all raised targets to \$250 after results citing benefits of market share dynamics, product availability, pent-up demand amidst price markdowns, and new vendor relationships developing. Hedge Fund ownership was flat in Q1, Third Point reducing its position while Samlyn Capital with a new position and DSM Capital adding more shares.

Hawk Vision:



Hawk's Perspective: BURL has provided a low versus key support to be trading against, a favorite name in a tough industry.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Call Buying in Rosetta Stone on Digital Learning Opportunity

Ticker/Price: RST (\$17.5)

Analysis:

Rosetta Stone (RST) early unusual call buying with 1000 September \$17.50 and 2000 of the \$20 calls. **RST** also 2000 September \$15 ITM calls open \$3 to \$4 and call volume running over 200X daily average in the opening hour. RST has trended down since May 2019 highs and putting in a strong weekly candle this week, clearing out of a nice range. The \$385M Company provides technology-based learning products, a hot area currently, and operates via Literacy, E&E Language, and Consumer Language segments. RST trades 2X EV/Sales and currently not profitable. On 6/23 it announced free mass upgrades for customers. RST sees operating margins expanding as K-12 investments scale. RST products have shown strong success in digital learning and could see increased demand from school closures. In saw strong retention rates in Q1 and a COVID surge in sign-ups, bookings growing 20%. Analysts have an average target of \$21.40 and short interest low at 2.4% of the float. Barrington raised its target to \$22 in May on management optimism. Hedge Fund ownership fell 2% in Q1 filings.

Hawk Vision:



Hawk's Perspective: RST already rising 10% from early alerts of activity and looks to be a new name in focus for the digital learning opportunity, likely to be a big theme moving forward.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Bull Spread in Homology into Weakness

Ticker/Price: FIXX (\$15)

Analysis:

Homology Medicine (FIXX) with a notable spread on 7/16 that sold the September \$12.50 puts for \$3 to buy the \$17.50/\$22.50 call spread for \$0.80, 4000X. FIXX has 1,000 October \$20 calls in OI from a calendar spread earlier this year but no other notable positioning. Shares have lagged the broader biotech sector and trading near two-year lows with a big multi-month base forming around \$13/\$14. A move out of this downtrend above \$17.50 can see a quick run up to \$22 and the early 2020 highs. The \$702.2M biotech focuses on a platform for treating rare genetic diseases using in vivo gene therapy or gene editing. The company uses AAVHSCs as a delivery-mechanism which they see as a key differentiation over peers as it allows them to target a wider range of disease-relevant tissues in a single injection. They note that a single AAVHSC can transduce the brain, lung, liver and others all in one dosage. FIXX has a growing pipeline with early trials in eye, liver, and human stem cells. Later-stage work is currently being done in liver and CNS, but they have nothing further than Phase 1/2. Their big catalyst is a mid-year update for HMI-102 in adult phenylketonuria. Other milestones they hope to hit in 2020 include initial feedback from the FDA on their pediatric PKU editing program and advancing programs in metachromatic leukodystrophy. Analysts have an average target for shares of \$32.50. Baird added shares to their “Fresh Pick” list on 7-1 ahead of its mid-2020 pheNIX data. They see potential 100% upside on proof-of-concept data for its HMI-102 candidate while their cash position offers a nice downside backstop. RBC with a \$30 PT as they think HMI-102 offers potential for a first-in-class functional cure. BAML with a \$30 PT and Buy as they think “Homology’s technology platform offers compelling upside potential given its mix of more conventional gene-therapy approaches and next-gen gene-editing (homologous recombination) systems, which provides distinct advantages over many early-stage peers pursuing nuclease-based strategies like CRISPR.” Hedge fund ownership fell marginally in Q1. Ghost Tree, Vivo Capital, and Suvretta top buyers. Deerfield Partners a top holder as well.

Hawk Vision:



Hawk’s Perspective: FIXX looks like an interesting event-driven play, a lot of confidence shown selling puts right at the money.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Biotech (XBI) another 8070 December \$130 calls sold to buy the \$110 puts, same spread as yesterday opening for \$3.04 and likely collar

S&P (SPY) October/December \$342 call calendar spreads opening 10,000X, popular strategy with upside Oct/Dec calendar spreads lately. **S&P (SPY)** seeing 20,000 August \$305 calls open for \$45M today as July adjust out (part of synthetic long)

Oil & Gas (XOP) October/December \$45 put calendar spreads open 5000X

Consumer Discretionary/Services

Marriott (MAR) 1541 September \$100/\$85 stock collars opening. **MAR** with 5000 August \$80 puts sold to open here \$2.57

eBay (EBAY) sellers of 1200 September \$55/\$50 strangles. **EBAY** seller of 1500 January 2022 \$50 puts for \$6.30

ActiVision (ATVI) with 3000 next week \$83 calls sold to buy \$78/\$75.5 put spreads, likely protective. **ATVI** 1370 July 31st (W) \$77.5 puts opening buys as well today

Vodafone (VOD) with 8500 August \$17 calls bought up to \$0.44 from \$0.31 here

Booz Allen (BAH) opening seller of 1350 August \$60 puts for \$0.70/\$0.65 into weakness, earnings 7-31

Disney (DIS) July 24th (W) \$121 calls hot with buyers early with 4000X trading. **DIS** buyer 2500 July 31st (W) \$122 calls \$1.89 as well

Carvana (CVNA) strong near a new high breakout seeing 150 deep ITM November \$180 puts sell to open \$51.80, popular strategy in it for a while now

Altice (ATUS) name with size August calls in OI with 10,000 of the \$20 puts sold to open \$0.25/\$0.30 today

Las Vegas Sands (LVS) basing pattern and 2000 July 31st (W) \$48 calls bought to open \$2.70 to \$2.79, earnings 7-22

Boyd (BYD) sweep buyers 2500 August \$20 puts \$1.50 to \$1.65

Hilton (HLT) with 750 January \$80 puts being sold to open ITM this afternoon down to \$10.70, name with size Oct. call accumulation

American Eagle (AEO) buyer 5000 September \$11/\$14 call spreads

Consumer Goods

Wal-Mart (WMT) block of 10,000 January \$200 calls opens \$1.85, been seeing a lot of far OTM call action since announcing plans for its own version of Prime. **WMT** 1200 June 2021 \$140 calls opening for over \$1M as well today

Digital Alley (DGLY) unusual surge in call action with 1000 September \$4 calls bought \$0.95 and February \$4.50 calls with 3000X opening near \$1.50. The \$100M company produces and sells digital video imaging and storage products for use in law enforcement, security, and commercial applications in the United States and internationally. DGLY likely a key player in overhauling Police

Big Lots (BIG) with 2000 August \$35/\$40 call spreads bought for \$2.85, adjusting some spreads back in strikes

Sonos (SONO) with 3550 September \$15 calls opening \$1.775 as July \$15 adjust

CostCo (COST) with 500 deep ITM July 31st (W) \$297.50 calls opening \$28.25, traded bit below theoretical value, but given the deepness ITM, lean buy

Callaway Golf (ELY) unusual trade sells 1000 December \$12 puts at \$0.72 to buy 1000 of the \$19/\$23 call spreads at \$1.34

Coca Cola (KO) opening seller 1600 February \$42.50 puts \$2.03

Energy

Scorpio (STNG) with 5000 November \$9 puts sold to open \$0.90 to \$0.85. **STNG** also buyer 2200 December \$18 calls today \$1.42

Financials

Blackstone (BX) with 1250 July 31st (W) \$56 calls bought \$1.47 to \$1.60 ahead of 7-23 earnings

Zillow (Z) spread sells 1200 November \$45 puts \$2.96 and buys the \$60/\$75 call ratio spread 2000X2600. **Z** also with 1000 July 31st (W) \$65 calls opening to \$2.20

Invesco (IVR) with 8000 January \$2.50 puts being sold to open \$0.40

Square (SQ) buyer 600 June 2021 \$150 calls \$16.50

Berkshire (BRK.B) bullish action as 2000 September \$190 puts sold to open \$6.85 to \$6.35

PayPal (PYPL) with 1100 September \$170 straddles sold to open \$24.02

AON (AON) with 1000 August \$200 calls opening as July \$195 adjust

MasterCard (MA) 1875 September \$350 OTM calls open \$1.57

Discover (DFS) into earnings 7-22 seeing 3450 next week \$50/\$47.5 bull risk reversals open

SL Green (SLG) spread sold 3000 August \$40 puts \$1.45 and 3750 of the \$55 calls for \$1.70

Healthcare

AstraZeneca (AZN) with 2900 August \$52.50 puts sold for \$1.30 to \$1.25 ahead of Monday's Oxford update. **AZN** also seeing 2000 September \$60/\$55 strangle sales

CIGNA (CI) with 450 September \$180 puts sold to open near \$11.25

Regeneron (REGN) aggressive buyer 200 Aug. 14th (W) \$645 calls \$29.40, earnings 8-5

Hil-Rom (HRC) with 1000 August \$95 puts sold to open \$1.20 to \$1.15

Agilent (A) with 1200 September \$95 calls opening as July \$90 adjust

Henry Schein (HSIC) with 1000 October \$72.50 calls opening \$2.85, stock replacement

Emergent Bio (EBS) with 200 March \$120 calls bought \$13.80 to \$14

EcoLab (ECL) August \$200/\$180 put ratio spreads opening 1000X2000

Schrodinger (SDGR) has pulled in nicely, intriguing growth name, bullish action selling 1700 August \$75 puts to open \$5.45 today

Blueprint Medicine (BPMC) spread buys 650 January \$80 puts \$13 and sells 750 of the \$100 calls at \$4 as July \$80 puts adjust

OraSure (OSUR) small cap COVID testing play with 1050 August \$15 calls bought \$2.35 to \$2.50 this afternoon

Axsome (AXSM) with 1000 August \$85 calls sold to open \$7.90 to \$6.90

Intuitive Surgical (ISRG) strong week and 200 January \$760 calls bought \$21.80 to \$22

Novo Nordisk (NVO) narrow range breakout to close the week and IV rising this afternoon with 3500 August \$72.50 OTM calls bought \$0.50 to \$0.53

Welltower (WELL) with 7500 August \$55/\$45 strangles sold to open

Industrials

SAIA (SAIA) trucker at 52-week highs with 700 September \$150 calls opening \$4.75 in stock replacement, unusual size for it

Carrier (CARR) with 1275 September \$24 calls opening with the \$20 puts in risk reversals as July \$19 calls adjust

IAA (IAA) buyer 3000 August \$40 calls to open up to \$2.60 with strong data on car sales recently

Lennar (LEN) buyer 1050 August \$67.50 puts for \$3.10 spread with the \$57.5 puts

Proto Lab (PRLB) buyer 100 August \$110 calls \$15, name with recent unusual Jan. call accumulation, nice base breakout today

Ford (F) 10K block Aug. 7th (W) \$7 calls sold \$0.33 in buy-write. **F** also buyers 12,000 Aug. 28th (W) \$6.50 puts \$0.44 to \$0.47

American Air (AAL) seller 10,000 January 2022 \$13 ITM puts to open \$6.55

JB Hunt (JBHT) strong week after results trading to new highs and 625 February \$135 calls are bought \$16.10 to open

General Dynamics (GD) with 1750 August \$150 calls opening as July \$140 adjust

United (UAL) buyer 2000 August \$34 calls for \$3.78

Materials

Alcoa (AA) buyers of 1000 ITM September \$11 calls for \$3.20 to \$3.30

Weyerhaeuser (WY) opening sale of 7000 August \$22 puts for \$0.45/\$0.40, working back above its 200-MA this week

DuPont (DD) large spread buys 5000 August \$55 puts and sells 15,000 of the \$50 puts and 10,000 of the \$47.5 puts

Crown (CCK) buyer 1000 August \$65 puts \$2.35 to \$2.50, earnings 7-20

FMC Corp (FMC) with 2150 August \$95 puts opening \$1.45

Kinross Gold (KGC) with 5000 January \$8 puts sold to open \$1.34/\$1.35

Summit (SUM) with 2000 August \$20 calls bought \$0.80 to \$0.90

Albemarle (ALB) buyer 2000 August \$85/\$75 put spreads \$2.65

Yamana Gold (AUY) IV30 up 12% with 8900 of the August \$6 calls and 80,000 of the \$7 calls very active

Tech and Telecom

Chewy (CHWY) trading 2000 July 31st (W) \$60 calls early, explosive set-up

CommScope (COMM) with buyers of 8000 August \$10 calls up to \$0.45, stock and IV higher

Micron (MU) with 1350 September \$50 puts sold to open \$3.70

Radware (RDWR) with 500 December \$27/\$25 bull risk reversals opening today for \$0.30 debit, popular strategy in the name and steady mover this week and back near the 2020 highs. RDWR with a lot of December bullish open interest already

Event-Brite (EB) with 5000 August \$10 calls sold to open with Fall events in jeopardy

DocuSign (DOCU) with 450 December \$200 ITM puts being sold to open \$35.60 to \$35. **DOCU** bullish action continues, large buys of 2945 September \$195 calls \$18.70 to \$19.40

Elastic (ESTC) name with size July OI seeing 800 August \$85 calls open here as July adjust

Huya (HUYA) buyers opening 1,500 October \$26 calls this morning from \$2.20 to \$2.50, small flag forming after a strong run

Match (MTCH) with 10,000 June 2021 \$200 calls at \$1.85 sold in buy-writes

Qualcomm (QCOM) with 1000 August \$87.50 calls opening \$7.21

Dell (DELL) 5500 August \$65 calls opening in buy-writes

Nutanix (NTNX) hot name up 7% seeing July calls roll to August \$20 with 1500X trading. **NTNX** seeing all kinds of action in July 24th (W) calls today as well, over 6000 of the \$21 and all the way through \$23 active

HP Enterprise (HPE) with 2750 February \$11 calls sold to open \$0.75

Fire-Eye (FEYE) with 10,000 next week \$13 calls active with buyers, often M&A rumors

Twilio (TWLO) with 425 July 31st (W) \$227.50 calls opening \$11.20

Zoom Info (ZI) with 1000 September \$50 calls sold to open \$2.50 to \$2.45

Apple (AAPL) with 2000 Aug. 7th (W) \$390/\$380 strangles sold to open for \$25.80

TI (TXN) with 3000 August \$140 straddles sold to open which leans strong bullish net delta

Twitter (TWTR) block trade 3000 December \$35 puts \$5.20 tied to stock

Fastly (FSLY) seeing 1000 August \$110 calls sold to buy \$75/\$60 put spreads, likely protective into earnings season

NXP Semi (NXPI) with 750 January \$105 puts sold to open for \$8.30

Expedia (EXPE) next week \$87.50 calls bought 1500X versus the \$92.5 calls

TripAdvisor (TRIP) with 1300 September \$22/\$21 bull risk reversals for \$1.70 credit, follows recent opening sales of ITM Aug. puts

Twilio (TWLO) large trade for 4000 October \$210 calls trading \$40.45 and \$40.25, spot where 5K bought 7/8 and will check OI change

Ambarella (AMBA) falling with 1000 July 24th (W) \$46.50 puts bought to open \$1 to \$1.13

Alibaba (BABA) buy-write with 1500 June 2022 \$350 calls at \$11.92. **BABA** ITM August \$220 calls open 18,000X at \$30.20

Shopify (SHOP) spread selling 305 January \$790 puts to buy the \$940/\$1200 call spreads

VMware (VMW) with August \$155/\$170 call spreads trading 2500X5000, could be targeting potential takeout price if DELL goes that route

Monolithic Power (MPWR) with 200 September \$250 calls opening \$18 as July \$230 calls adjust

KeySight (KEYS) a 5G play that has been popular with put sales seeing 660 August \$95/\$120 call spreads bought this afternoon

Crown Castle (CCI) seller 2000 August \$180/\$160 strangles for \$4.85

Utility

NRG Energy (NRG) opening sale 3000 August \$29 puts \$0.40/\$0.35

Exelon (EXC) buyer 1000 August \$38 ITM calls for \$2

American Water (AWK) with 500 August \$130 calls opening \$11.50 with July adjustments

Next Era Partners (NEP) with 1000 January \$65/\$50 stock collars

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