



MARKET RECAP REPORT 7/2/2020

Sector Leaders

Energy

Materials

Industrials

Stock Gainers

NIO 16.5%

LX 11.2%

PDD 11%

BZUN 10%

GSX 9.5%

CC 9%

Volatility Gainers

- MEIP
- MTCH
- QTT
- TLRD
- ZYNE
- ETM
- PCG

High Call Volume

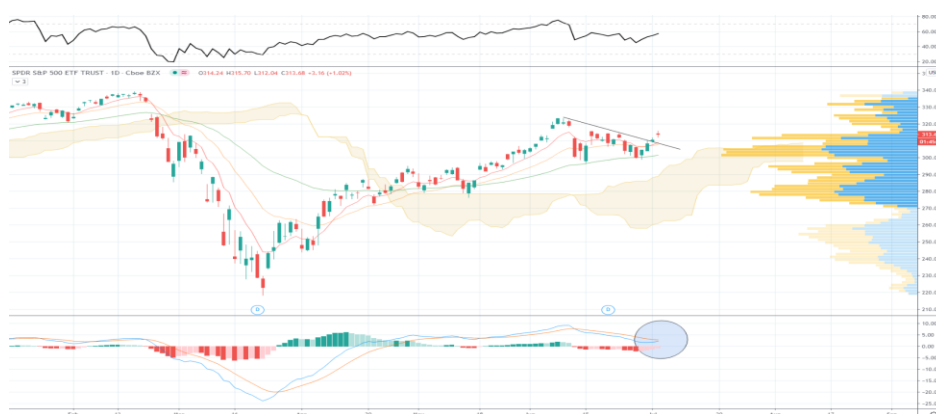
- IRDM
- ELF
- SONO
- CHNG
- FOLD
- HALO
- SLM

Bullish Options

- DDOG
- HON
- NET
- RAD
- AVYA
- ZTO
- PFE
- AYY
- MLM
- SLB

Market Review: Global markets were strong overnight with Asia broadly higher and Europe closed strong with the DAX up over 2% and Spain up 3.5%. There was not a lot of new information in the last 12 hours but optimism around a potential vaccine helped sentiment a bit. Overall virus cases continue to spike, however, and Dr. Fauci again with some cautious comments on the US's inability to flatten the curve vs peers in Europe and Asia. The other big focus today was jobs. June non-farm payrolls rose 4.8M vs forecasts for a 3.5M rise and the unemployment rate dropped a bit to 11.1% from 13.3% in May. Weekly claims ticked down a bit but still a robust 1.427M and concern that the big jobs number was largely due to re-hiring a lot of service employees who had been furloughed while the permanent job losses continue to pile up. Tech continues to shine with a number of mega-cap leaders hitting new highs today. Tesla (TSLA) jumped about 8% after positive deliveries data. Overall, a quiet day after the open as we head into the long weekend. Next week will also be a bit of a catalyst-free time with a focus on COVID-19 headlines before earnings start to ramp up again. S&P futures gapped up early but unable to gain much momentum past 3,156.50. We pulled back and tested yesterday's highs just barely before settling into a narrow range for the rest of the day.

S&P Chart:



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

Options Action Trends: It was a quiet day without much notable new positioning. We did see a number of call sales and buy-writes into strength this morning.

What's On Tap: Next week will be very quiet with only a few economic reports of note like US non-manufacturing ISM on Monday. Earnings of note include PAYX, BBBY, WBA, and LEVI.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Utilities

Healthcare

Consumer

Stock Losers

NKLA -8.5%

ZI -7%

MRNA -6%

GBT -4.75%

ALEC -4.5%

MTCH -3.5%

Volatility Losers

- VAL
- AXDX
- XERS
- IDEX
- TTOO
- FIZZ
- BBBY

High Put Volume

- MED
- ASNA
- RRR
- BPY
- ANGI
- EOG
- AIG

Bearish Options

- BPY
- BIIB
- TUP
- CVS
- BYD
- EVRG
- CLDR
- ERI
- CZR
- BA



FEATURED OPTIONS RADAR REPORT



Iovance Calls Accumulate into the 200-MA

Ticker/Price: IOVA \$29.03

Analysis:

Iovance (IOVA) with another 1,000 September \$30 calls bought on 7/1 after 2,000 were bought on 6/30 and follows buyers in the September \$35 calls in size in mid-June. The Jan. 2022 \$30 calls were also bought on 6/18. Shares have pulled back off of 52-week highs to the 200-MA and putting in a nice reversal candle on Tuesday with a move back above the 8-EMA. MACD is near a bullish cross and RSI healthy as well, set up for a long squeeze and plenty of room to run. Longer-term, IOVA has been in a strong uptrend and back at trend support with a longer-term measured move out to \$55. The \$4.27B company trades 17.3X cash with no debt. The company focuses on TIL therapies to treat cancer with programs across melanoma, cervical, head and neck, NSCLC, and CLL indications. They have potential for the first approved cell therapy for solid tumors in melanoma with a BLA filing expected in the 2H. IOVA sees a big advantage from TIL over other forms of therapy like TCR or CAR-T given they can target multiple tumor antigens vs only targeting single tumors. TIL is also a more personalized and targeted therapy making it more effective. IOVA sees significant market potential with 90% of all cases solid tumors and 1.6M new cases every year. Short interest is 10.1% but down a bit from early January when it was 13%. Hedge fund ownership fell 3%. Perceptive Advisors adding another 2.25M shares and now up to 11.6M, their top holdings. Point72 owns call options and stock, over 3M shares. Analysts have an average target for shares of \$44.50. Piper positive on 5-28 noting that data supports approval in post-PD-1 melanoma. Lifileucel's clinical profile in melanoma continues to mature "very favorably" and it remains well-positioned for a potential commercial launch in 2021.

Hawk Vision:



Hawk's Perspective: IOVA has come off a bit since its last secondary but orderly pullback to the 200-MA and strong risk/reward here for a biotech with a strong program and lots of long-term upside

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Invitae Bulls See More Upside After Transformative Archer Deal

Ticker/Price: NVTX \$31.75

Analysis:

Invitae (NVTX) with two sizable trades yesterday as buyers opened 1,000 January 2022 \$30 calls around \$10.60 and also 1,000 June 2022 \$30 calls were bought up to \$11.60, both adjusting up into strength and remaining bullish the name. NVTX has over 3,000 June 2022 \$40 calls and 2,200 of the January 2022 \$40 calls in OI as well looking for further upside. Shares jumped last week with news of their merger with ArcherDX and starting to work out of a small consolidation this week above \$30 with a short-term target of \$35. NVTX is out of a big weekly range now above \$28.75 and has a long-term measured move to \$45. The \$3.82B company trades 16X sales and 13X cash with expectations for mid-30% annual revenue growth. NVTX has been a strong growth story for years despite the lagging multiple and built out an expanded testing product range and market leadership in inherited disease risk management. The Archer deal is a transformative move which re-positions NVTX's core competencies alongside areas like somatic, tumor profiling through liquid biopsy, cancer monitoring, and more. The deal gives them a broad assortment of genetic tests and greatly expands their TAM including into areas like asymptomatic testing and International markets. Archer is developing in vitro diagnostic tests with FDA submissions expected later in 2020 as well. Analysts have an average target for shares of \$28. Cowen with a \$35 PT last week noting that its multiple should increase following its transformative acquisition of ArcherDx which provides it with an unmatched menu of products, and adds the real and likely possibility of unmodeled revenue upside in 2021. Short interest is 16.8% but down from around 22.5% in March. Hedge fund ownership rose 35% in Q1. ARK Investment added 5.8M shares and now has over 16M. Casdin Capital a buyer of 5.55M shares and now with 9M and a top position.

Hawk Vision:



Hawk's Perspective: NVTX is fairly extended here in the near-term but the call positioning gives a lot of time to look for a better spot and this is a story/stock that is going to continue to improve

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Russell 2000 (IWM) with 3945 March \$166 calls bought from \$3.95 to \$4. **IWM** also with 3,000 November \$143 calls bought \$11.59 in a stock replacement

Real Estate (IYR) buyer earlier of 14,450 September \$74 puts for \$2.26

Biotech (XBI) buyers active for more than 3,000 August \$105 puts today from \$2.97 to \$3

Financials (XLF) the August \$22/\$19 put spread opening over 100,000X as the July spreads adjust out

Consumer Discretionary (XLY) buyer of 10,000 July \$130/\$120 put spreads as the \$124/\$114 spreads adjust back

Consumer Discretionary/Services

Wynn (WYNN) buyer of 3,000 July \$82.50 calls for \$2.42, spread with some weekly calls

Peloton (PTON) with 8500 October \$35 puts sold to open for \$0.85

Dave & Busters (PLAY) the January 2022 \$15/\$25 call spread bought 825X for \$2.60, activist name with KKR taking a big stake in January

Eldorado (ERI) with 4,100 July \$41 puts bought for \$3.05 and spread with sales of 8,200 July \$37.50 puts for \$1.56

L Brands (LB) buyer of 750 August \$14 calls for \$2.62 as some July calls adjust

Ross Stores (ROST) with 1000 August \$100 calls sold to open today for \$2.10

Williams Sonoma (WSM) strong chart and spread today buys 1,250 August \$80 calls for \$7.20 and 3,750 August \$87.50 calls for \$3.40

Hilton (HLT) with 2,000 October \$72.50 puts bought for \$6.70, spread vs the \$60 puts

Consumer Goods

Beyond Meat (BYND) with 1,500 August \$135 puts bought \$13.50 to \$13.55, tied to stock

Energy

EOG Resources (EOG) buyer of 8,200 August 7th (W) \$52.50 calls for \$2.86 and spread with a sale of 8,500 of the \$50 puts for \$3.22

Marathon (MPC) more bull flows today with 1200 August \$37.50 puts sold to open for \$4.40 to \$4.35

Diamondback (FANG) stock replacements are selling 470 December \$35 puts for \$5.50

Schlumberger (SLB) with 1,400 February \$17.50 puts sold to open for \$3.15

Marathon (MRO) with 18,500 January \$8 calls sold for \$0.79

Financials

Capital One (COF) with 1,000 August \$60 puts sold to open today for \$4.15 to \$3.85

Reinsurance Group of America (RGA) with 14,500 August \$80/\$75 strangles sold for \$6.75

AIG with 23,000 August 7th (W) \$31/\$29 strangles sold to open today as well, common this week

Truist Financial (TFC) with 2,250 December \$22.50 puts sold to open for \$1.10

Citi (C) afternoon buyers of 3,750 August \$50 calls for \$3.75

Healthcare

Biogen (BIIB) IV rising early with 1,000 July \$250 puts bought \$2.10 to \$2.75, big focus on Alzheimer's data this year

Amicus (FOLD) spread is buying 3,000 July 2021 \$20 calls for \$3.97 and selling the January 2020 \$20 calls for \$1.47 to open in a calendar spread

CVS Health (CVS) with 25,000 August \$70 calls sold to open down to \$0.96

Sorrento (SRNE) buyer of 1,700 December \$7 calls up to \$2.35 to open. The \$1.57 biotech has been jumpy lately with their work on a COVID-19 vaccine

Deciphera (DCPH) with 350 October \$45 synthetic long spreads opening as the July \$40 calls adjust, similar to last week

Regeneron (REGN) earlier sale of 300 July 24th (W) \$595 puts for \$15.00 to \$12.30

Pfizer (PFE) with 3,000 July 2021 \$33 puts sold to open today from \$3.50 to \$3.40, trading cheap with upside near-term from their COVID-19 vaccine development

Rite-Aid (RAD) buyer of 1,500 October \$22/\$27 call spreads for \$0.99

ThermoFisher (TMO) buyer of 500 July \$380 calls for \$1.40 earlier, shares breaking out this week

Change Healthcare (CHNG) with the August \$11/\$13 call spread bought 5,000X10,000 for \$0.30 net debit

Bristol Myers (BMY) buyer of 3,000 of next week's \$60 calls for \$0.51

Industrials

Avis Budget (CAR) higher by 21% this morning and sellers early of 2,000 November deep ITM \$35 puts for \$11.30

General Motors (GM) with the August 7th (W) \$26.50/\$25 strangle sold 71,500X70,000

Boeing (BA) buyers of 1,000 September \$150 puts for \$8.45 to \$8.60

Honeywell (HON) with 2,400 August \$130 puts sold to open for \$2.53

Materials

Sibanye (SBSW) buyers of 3,500 January \$10 calls from \$1.45 to \$1.60, very narrow multi-week range for the mid-cap gold miner

Martin Marietta (MLM) with 100 January \$250 calls bought for \$11 to open, infrastructure bill play

Weyerhaeuser (WY) buyers today of 550 January 2022 \$23 calls for \$4.80 to \$5 with shares consolidating in a narrow range below its 200-day

SSR Mining (SSRM) with 2,000 December \$25 calls sold to open for \$1.80 to \$1.77

Anglo Gold (AU) with 2,000 January \$25 puts bought \$2.75 to \$2.80

Tech and Telecom

Quotutiao (QTT) buyers active early for 4,000 July \$2.50 calls up to \$1.10

Intel (INTC) with 27,000 August \$65 calls sold to open down to \$0.76 this morning

Iridium Communications (IRDM) buyers of 1,600 August \$30 calls from \$0.85 up and also seeing buyers of the October \$30 calls for \$2.15, over 1500

Fox (FOXA) opening sale of 4,250 August 7th (W) \$22.50 puts for \$0.30

TSMC (TSM) with 3,000 July \$61 calls bought for \$0.60 ahead of earnings in mid-July

Pinduoduo (PDD) stock replacements are selling 1,300 August \$85 puts for \$6.20 to open. **PDD** stock replacement sold 750 September \$75 puts for \$4. **PDD** July \$100 calls also active, over 2500 trading with buyers from \$1.73 earlier

Snap (SNAP) buyers of 3,000 July 24th (W) \$24.50 calls for \$1.11 to \$1.13, targeting 7-21 earnings and what should be a strong quarter; BAML download data positive this morning

JD.com (JD) with 2,500 November \$55 puts sold to open today for \$4.05 to \$4.00

Slack (WORK) with 1,850 September \$30 puts sold from \$3.15 to \$3.13, adjusting some Aug. short puts. **WORK** also with 1275 October \$22 puts sold to open now

Akamai (AKAM) with 2,200 January 2022 \$115 calls sold for \$15.80 in a buy-write with stock

Alibaba (BABA) buyers of 2,000 November \$230 calls today from \$13.90 to \$14.55, near \$3M

DocuSign (DOCU) with 600 December \$160 puts bought for \$14.50 to \$14.65, tied to long stock. **DOCU** also with 2,400 January \$200 calls sold for \$29.10 in a buy-write

Sonos (SONO) another 9,000 July \$17.50 calls trading this morning with IV jumpy, paying \$0.50

Cloudera (CLDR) with 1000 November \$12.50 puts bought \$2.15 to \$2.20

Lumentum (LITE) opening sales of 400 July \$80 puts for \$2.00 to \$1.70

Alteryx (AYX) with 150 August \$175 puts sold to open from \$16 to \$15.65

Intuit (INTU) buyer of 200 July 24th (W) \$300 calls for \$11, shares breaking out this week

Wix.com (WIX) with 1,125 July \$290 calls sold to open for \$4.00 to \$3.80

ZTO Express (ZTO) buyers of 1,300 January \$39.71 calls for \$3.20 to \$4.00 today, some put selling earlier this week and potential for a HK listing announcement

Avaya (AVYA) buyers of the August \$12.50 calls today from \$1.75 to \$1.80, over 1,925X, and follows the September call buys earlier this week

Cloudflare (NET) buyers of 700 November \$42 calls for \$5.40 to open today

Datadog (DDOG) buyer of 400 November OTM \$115 calls for \$6.60/\$6.70

Discovery (DISCA) with 750 October \$20 puts sold to open down to \$1.70

Trade Desk (TTD) buyers of near 700 November \$450 puts around \$75.50 to \$76, tied to long stock

Zoom Video (ZM) with 3,100 August \$290 calls sold for \$10.30 in a buy-write

Limelight (LLNW) with 3000 August \$9 calls sold to open from \$0.75 to \$0.70

IQIYI (IQ) also with 1600 December \$22.50 puts sold to open from \$3.20 to \$2.85

Fastly (FSLY) the August \$90/\$70 put spread being bought for \$10.00 this afternoon, 950X

Match (MTCH) the July \$100/\$92.50 put spread bought 2,500X5,000 for \$0.45

Lam Research (LRCX) buyers of 2,500 July 10th (W) \$340 calls from \$2.40 to \$2.85

Utility

PG&E (PCG) with 23,500 July 31st (W) \$11 calls bought up to \$0.34

Evergy (EVRG) with 1,500 August \$70 calls being sold to open for \$1.05

Disclaimer:

Not Investment Advice or Recommendation

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