



Sector Leaders

Software

Bonds

Transports

Stock Gainers

RGP 19%

DPZ 11%

SAVA 9%

QDEL 7.75%

UPH 7.2%

MC 6%

DLO 6.3%

Volatility Gainers

- IPA
- WISA
- DIDI
- SPRT
- TAL
- EYES

High Call Volume

- MITK
- SKX
- WHR
- CROX
- QSR
- FOUR

Bullish Options

- SHOO
- DM
- GPRE
- QSR
- BKR
- NKE
- PLBY
- TREE
- TGT
- EA
- DHI

Market Review: Stocks held onto gains overnight after recovering the early week losses and many of the same market narratives remaining in place with the Delta variant and inflation, but earnings continue to exceed estimates. Jobless Claims came in well above the expected rate and markets pull in off pre-market highs and the ECB announcements were also digested as it changes guidance on interest rates. Breadth was pretty weak the opening hour with large cap Tech holding markets up and continued to weaken into midday. Bonds rallied and yields fell allowing growth areas like Software to lead upside. Banks, Energy and Retail came under heavy selling pressure while Semiconductors the weak spot in Tech. Stocks rebounded a bit off the one-week VPOC support. All eyes now on Flash PMI reports as we close the week, an important week of testing major support and rebounding though breadth/participation readings remain worrisome into the heart of earnings season.

S&P Chart:



Resistance	Support
4,350	4,220
4,375	4,165
4,450	4,100

Options Action Trends:

What's On Tap: Flash PMIs. Earnings from **HON, NEE, AXP, ROP, KMB, SLB.**

Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **CVS** August \$82.50 Calls \$2.15

Sector Laggards

Energy

Banks

Retail

Stock Losers

MCRB -55%

EVLO -19%

KALU -12%

DQ -12%

NTGR -12%

MRIN -9.6%

Volatility Losers

- MCRB
- ENDP
- ARDX
- MRIN
- CROX
- INO

High Put Volume

- VOD
- IGT
- SAVA
- GPRE
- SNPS
- CARR

Bearish Options

- LOGI
- KSS
- MRNA
- FSLR
- ATVI
- MVIS
- INTC
- KMX
- AFRM
- PHG
- BBY
- PII



FEATURED OPTIONS RADAR REPORT



Large Call Buy Bets on Strong Earnings from Promising New SaaS Star

Ticker/Price: VMEO (\$44)

Analysis:

Vimeo (VMEO) large trade on 7/21 bought 6000 August \$45 calls to open at \$2.70 adjusting back the \$50 calls and ahead of its first earnings report since the spin-off on 8-5. VMEO also has some short August \$55 and \$60 calls in open interest and otherwise has seen no large trades. VMEO has sold off the last two weeks and back near support from June and its VPOC since the spin-off, key to hold above \$42. VMEO may be forming a rising channel with its third higher low leaving room to run up to \$55. VMEO is a SaaS platform for professional video creation, management, and hosting. As opposed to YouTube's advertising model, Vimeo is a subscription model and is levered to the work from anywhere theme and overall rising importance of video. VMEO runs a storage cap pricing model that is transitioning to a seat-based pricing in 2021. VMEO offers an OTT that allows any small business to reach a global audience. VMEO had 1.6M subscribers as of Q1 with enterprise 25% of customers and has shown strong retention rates of 113%. VMEO also has a LTV/CAC ratio above 4X which is very strong. VMEO is investing to improve the business so margins could come under some pressure with the focus on enterprise adoption and growing ARPU. VMEO currently has a market cap of just \$7.45B and trades 12.5X FY22 EV/Sales with revenue growth CAGR at 30%+ through 2025. Gross Margins are seen reaching 75% and Adjusted EBITDA margins of 20%+. Its closest peer group is the Collaboration Software group and Zoom (ZM) is a potential tough competitor. VMEO has over 200M free users so its paying subscriber numbers are way under-penetrated and video in the workplace remains in the early innings. Analysts have an average target of \$55 and short interest is minimal. Jefferies raised its target to \$60 on 7/11 after strong April/May metrics and notes checks showing the company has been on a hiring spree. Cowen has a \$56 target and sees VMEO well positioned to take market share and ramp margins despite increased spending. Piper started Overweight with a \$52 target seeing the \$70B TAM and a long runway for growth.

Hawk Vision:



Hawk's Perspective: VMEO needs to get back above \$47 to clear the selling pressure but also like it down here versus \$42 on a reward/risk basis.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Call Buyers Position for Earnings Beat from Education Services Leader

Ticker/Price: CHGG (\$86.20)

Analysis:

Chegg (CHGG) nearly 3,000 August \$100 OTM calls bought today for \$1.05 to \$1.20 as IV rises early. CHGG has some large longer-term calls in OI including 1500 January \$95 and 1,500 January \$100 calls bought in early March, each over \$1M+. Shares are setting up well with a flag forming under \$87.75 and a big volume node as well as downtrend resistance from the February highs. A move higher targets \$95 and the low-volume node from April. The \$12.2B company trades 50.3X earnings, 17X sales, and 6.5X cash. CHGG is coming off of a strong quarter supported by new student growth and expanded product offerings. CHGG is lapping some tough comps from last year but sees a huge opportunity to grow, especially within college products where they see their market growing to more than 20M students in the next 2-3 years. They also expect International will continue to be a big driver where the student opportunity is far greater than the US. In March, CHGG was at the MSCO conference and outlined a massive untapped market in the Skills learning segment where they think the pandemic will permanently boost growth as more people look for new job opportunities and companies look to train individuals for next-gen tech projects. Analysts have an average target for shares of \$103 with a Street High \$125. MSCO positive on 6/3 noting that their new 'Uversity' platform could help with retention and ARPU especially if included in bundled offerings. The analyst also thinks that a tighter relationship with educators helps ease bear concerns around cheating. Piper positive in May saying that CHGG remains in the early innings of their growth opportunity supported by strength in subscriber growth, account sharing efforts, and international. Hedge fund ownership rose 6.65% in Q1. Short interest is 8.2%.

Hawk Vision:



Hawk's Perspective: CHGG is a great longer-term story and above \$87.65 can make a nice run into earnings where any weakness would be a nice opportunity

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Spread Sees Opportunity in Earnings Weakness for Best-in-Class Homebuilder

Ticker/Price: DHI (\$89.88)

Analysis:

DR Horton (DHI) rebounding from earnings lows and buyers active today for the September \$95 calls 5500X spread with sales of the \$80 puts. DHI had buyers last week in the November \$87.50 calls 1000X for \$7.10 and the January \$90 calls bought 1800X with the \$80/\$70 bull put spread. Over 4,900 August \$92.50 calls also remain in open interest from late June. Shares have pulled back to the breakout area from March around \$84 and forming a nice weekly bull wedge under \$92. DHI is holding well above the 200-MA and trend support off the late-2020 lows. A breakout targets a run back at \$100 and then all-time highs. The \$33.25B company trades 7.75X earnings, 1.4X sales, and 15X cash with a 0.87% yield. DHI sold off early today on earnings amid concerns about near-term pressure on margins and output based on commodity/supply chain issues but management confident the constraints will subside and guiding Q4 margins slightly higher Q/Q. DHI has been adapting well to the more challenging environment for builders right now by slowing sales to focus on deliveries more closely aligned with production and putting themselves in a position to ramp back up as the market eases. DHI remains a market leader in some key areas like Texas, Florida and Arizona and the premier name in the entry-level and move-up categories where demand has been elevated. Analysts have an average target for shares of \$100 with a Street High \$117 from BTIG. They were out earlier this week noting that see the majority of short-term issues due to supply not demand and the overall housing market remains very favorable for builders long-term. RBC positive earlier this Spring noting that DHI remains one of the best-positioned builders for today's operating environment based on its affordable product, deep local market scale, aggressive land acquisition, and overall execution. Short interest is 2.83%. Hedge fund ownership fell 12% in Q1. Appaloosa adding a new 1.165M share position.

Hawk Vision:



Hawk's Perspective: DHI is our preferred name in the homebuilder space given their geographic concentration, strong balance sheet and market share in the key first-time buyers category and the 200-MA gives a nice level to lean against for a swing back above \$93

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

China A-Shares (ASHR) beaten up group, aggressive sweep buyers 11,000 January \$41 calls this morning off lows \$2.04, top holdings Kweichow Moutai, Ping An Insurance Group, China Merchants Bank, WULIANGYE YIBIN, LONGi Green Energy, MIDEA GROUP

S&P (SPY) buyer 5000 Aug. 13th (W) \$427 puts for \$3.44. **S&P (SPY)** buyers of 4000 October \$431 puts this afternoon \$11.93 offer for nearly \$5M, also a seller of 5000 June 2022 \$345 puts \$10.70, and September \$435 puts active with buyers 9000X today for over \$9M

Volatility (VXX) large opening buy earlier 5000 January \$38 calls \$6.45, running to highs here

Russell (IWM) buyers of 5000 October \$190 puts earlier today \$2.81

Brazil (EWZ) large opening sale 4000 September \$38 puts for \$5.61

Nasdaq (QQQ) earlier today with 10,000 Aug. 6th (W) \$360 puts opening for around \$3.85 to \$4 as we enter the thick of earnings season, also an opening sale 15,000 August \$347 puts at \$3.01 spread with 15,000 March \$315 puts bought \$11.48

Consumer Goods

Logitech (LOGI) fading the early gap up with 1000 September \$120 puts bought \$5.50 to \$6 ahead of 7-26 earnings. **LOGI** also with 800 August \$125 puts bought up to \$7.90

Microvision (MVIS) the September \$15/\$11 1X3 put ratio spread active today 1400X4200 at no cost

Nike (NKE) strong with buyers 5000 Aug. \$167.50 calls up to \$1.86

Playboy (PLBY) stock replacement opens 5000 August \$30/\$22.5 bull risk reversals at \$1.24 debit

Target (TGT) aggressive offer side buy this morning 1000 January \$280 OTM calls \$9.65 offer

Polaris (PII) buyer of 1000 August \$130 puts \$4.20 and \$115 puts at \$1 as the \$125 adjust

Advanced Auto (AAP) the August \$210/\$230 call spread being bought 725X today for \$55.50 ahead of mid-August earnings

Tilray (TLRY) buyer 1000 March \$15 calls \$3.30 to \$3.35 to open

Consumer/Business Services

Kohl's (KSS) with 5000 July 30th (W) \$49.50 puts bought to open \$1

Steve Madden (SHOO) more size bull flow with 2500 August \$40 calls bought \$2.75 to \$3 after the **CROX** report

Activision (ATVI) with 14,650 July 30th (W) \$88 puts opening \$0.56 as this week \$90 puts adjust

Darden (DRI) bear flow with 1800 September \$140 puts bought \$4.87 to \$5

AMC Entertainment (AMC) with 2500 Aug. 6th (W) \$39 ITM calls selling to open \$6.20 bids, earnings expected around 8-5

Las Vegas Sands (LVS) with 20,000 January \$55 calls bought \$2.36 to \$2.42 into post-earnings weakness. **LVS** also with 35,000 May \$62.50 calls bought for \$2.33 and 2,000 March \$60 calls bought \$2.03. **LVS** now a buyer 10,000 October \$50/\$60 call spreads for \$1.93

Chipotle (CMG) continuing post-earnings strength and seeing 500 September \$2000 calls bought up to \$15.20

CarMax (KMX) buyer 500 September \$130/\$115 put spreads, may be hitting peak used car cycle

Restaurant Brands (QSR) with 3800 August \$65 calls bought for \$1.50 with the \$60 puts sold for \$0.50, earnings on 7-30 and early fast casual results have been strong

Abercrombie (ANF) buyer of the August \$42.50 calls for \$1.15, 1500X, with the \$40 puts sold 750X for \$2.15

Cedar Fair (FUN) buyer of 1000 January \$40 puts for \$4.20, tied to stock

Electronic Arts (EA) rising to highs with 5000 next week \$144 calls bought \$1.15 to \$1.32

Take-Two (TTWO) with 1000 March \$155 puts bought for \$10.60, tied to stock ahead of 8-2 earnings

DISH Network (DISH) spreads today selling 3,300 January 2023 \$35 puts to buy the \$42.50/\$70 call spread for a net \$1.16

AirBnb (ABNB) with over 2350 August \$152.50 calls sold to open from \$3.05 to \$3 this afternoon

TAL Education (TAL) spread this afternoon buys 10,000 November \$27.50 calls for \$1.85 and sells 12,000 of the \$40 calls for \$0.60

The Gap (GPS) buyers of 2450 August \$29 calls for \$1.44 to \$1.54, bouncing off the 200-day this week

Bumble (BMBL) the August \$50 calls continuing to see action today and now trading over 2,500X up to \$3.80 with earnings in mid-August and likely a beneficiary of the reopening much like **MTCH**

TJX Co (TJX) large opening sale 3000 September \$65 puts \$1.88

Cinemark (CNK) fading off the highs with 2500 August \$17.50 puts bought for \$2 ahead of early August earnings

Caesars (CZR) with 500 March \$80 ITM calls bought for \$21.10 and separately 500 March \$125 calls being bought for \$4.60

Energy

First Solar (FSLR) with 2,000 each of the August 6th (W) \$85 and \$84 puts being bought this morning ahead of 7-29 earnings

Green Plains (GPRE) more bull flow with 1000 December \$30/\$20 put spreads sold to buy 1000 of the \$35 calls

Baker Hughes (BKR) with 1875 October \$18 calls bought \$2.40, same spot buyers stepped into earnings weakness. **Baker Hughes (BKR)** with 2000 January 2023 \$17 puts sold to open for \$2.55, stock replacement

Marathon Oil (MRO) with 7000 September \$12 calls sold to open around \$0.81 this morning

PBF Energy (PBF) ugly after size put buys earlier this week and today 5000 July 2022 \$5 puts bought for \$0.85

Pioneer Natural (PXD) with 300 January 2023 \$130 puts sold to open for \$22

Schlumberger (SLB) with 12,000 June 2022 \$25 puts selling to open \$2.65 into earnings

Financials

Apollo (APO) the December \$60/\$70 call spread being bought 1000X2000 for \$1.65

Mitek (MITK) strong early breakout with unusual 1300 August \$20 calls bought \$0.95 to \$1.10

Moneygram (MGI) with 1400 September \$8 calls opening \$3.60 as August adjust, recent M&A reports. **MGI** also with 1000 September \$10 calls bought for \$2.55 to \$2.70. **MGI** highs of the day and the Sept. \$10 calls up to 3000X as some Aug. calls roll

Coinbase (COIN) rolling to lows with 1500 August \$220 put buyers \$10.50 to \$11.40 this morning

Goldman (GS) with 500 November \$360/\$330 bull put spreads opening \$9.30 into weakness

Lending Tree (TREE) large spread sells the August \$160 puts and buys the \$195/\$230 call spread for \$7.80, 2500X ahead of 7-29 earnings, although weak history

ING Group (ING) with 1800 October \$16 ITM puts bought for \$3.90, follows the \$12 puts bought over 7000X this week already

JP Morgan (JPM) into weakness with 1000 March \$120 puts sold \$3.20 to \$3.15 to open

Progressive (PGR) with 2,500 February \$97.50 calls sold to open \$3.80 to \$3.70. **PGR** 1250 February \$95 calls bought for \$4.80. **PGR** also 1275 February \$92.50 calls bought \$6.50 offer

NCR Corp (NCR) with 1000 August \$44 calls bought here for \$2.15 to \$2.25, 8-3 earnings

Fidelity (FIS) with 1000 October \$150 calls sold to buy the \$140 puts for a net \$1.05. **FIS** October bear risk reversals up over 3000X now

Payoneer (PAYO) big rebound this week and a positive initiation this morning, seeing 1000 February \$7.50 ITM calls open at \$3.20 as August adjust, and 1250 November \$7.50 calls open \$2.90 to \$3.05

PayPal (PYPL) sale to open of 300 November \$280 puts for \$12.05

Fifth Third (FITB) down 2.3% after earnings and 1700 January 2023 \$30 puts sell to open \$3.10

Morgan Stanley (MS) buyer 2500 June 2023 \$85/\$65 put spreads for \$9.45

Microstrategy (MSTR) with 500 January 2023 \$1850 calls opening \$47.90 to \$48.30, look to be adjusting the \$1900 calls, stock at \$558 and essentially a Bitcoin proxy now

KKR (KKR) jumping to highs with nearly 2000 December \$60 calls bought \$4.20 offer after the strong **BX** quarter

Upstart (UPST) stock replacements are selling 200 January \$115 puts to open today around \$25.50

Signature Bank (SBNY) with 400 January 2023 \$210 puts sold to open for \$30.40, stock replacement

Hartford (HIG) with 1250 August \$63 calls bought for \$1.45, stock replacement into earnings 7-28

Pershing Square Tontine (PSTH) with 10,000 October \$21 calls bought up to \$0.70 as they look for another SPAC target following the termination of the UMG deal

Healthcare

Sava (SAVA) seeing August \$90/\$75/\$60 put butterflies open 1500X3000

Philips (PHG) buyer 2000 August \$50 puts \$3.40 ITM into earnings 7-26

Cano Health (CANO) with 2,000 December 2022 \$17.50 calls bought for \$2.03

Good-Rx (GDRX) with 1000 January 2023 \$25 puts sold to open for \$3.30, stock replacement

Tenet (THC) with 1000 August \$72 ITM puts sold to open from \$4.00 to 3.80

Industrials

Desktop Metals (DM) with 1650 January 2023 \$12.50 puts sold to open for \$5.50

Ford (F) buy-write sells 10,400 Oct. \$16 calls \$0.42

ZIM Shipping (ZIM) spreads selling 900 January \$35 puts and buying 1350 of the \$40/\$55 call spreads

Southwest Air (LUV) spread sells 3000 weekly \$51 calls and buys 3000 August \$52/\$47.5 bull risk reversals

Copart (CPRT) with 1000 August \$140 calls bought \$7.10 to \$7.30

Generac (GNRC) buyers of 500 August \$420 puts today for \$9.10 to \$9.90 ahead of earnings next week, big run lately

Expeditors Int'l (EXPD) strong name coiled in a narrow range near new highs and 445 February \$110 calls bought today up to \$21

Stanley Works (SWK) with 500 January 2023 \$200/\$160 bull risk reversals bought for \$15.30

Materials

Archer Daniels (ADM) with 3000 September \$55 puts bought to open as the \$60 puts adjust

Tech and Telecom

Intel (INTC) with 3500 December \$65 calls being sold to open \$1.19 into earnings tonight. **INTC** 5000 next week \$52 puts bought into earnings

Summitt Wireless (WISA) sharp IV riser early with 6000 August \$7.50 calls bought after launching its Amazon storefront

Snowflake (SNOW) with 500 October \$310 OTM calls sold to open \$10.20 to \$10. **Snowflake (SNOW)** with 400 September 3rd (W) \$265 calls bought for \$18.70, earnings expected around 8-25. **SNOW** also a buy-write with 200 June 2022 \$390 calls sold \$18.25, the Aug. 27th (W) \$265 calls sold to open 300X at \$17, and 400 Oct. \$265 calls sold to open \$25.30

AppLovin (APP) strong today with 300 February \$75/\$65 bull risk reversals opening for \$5.40 credit

Asana (ASAN) with 600 November \$75 calls bought today \$8.80 to \$9.40 while it appears 1000 Jan. \$50 calls closing out

CrowdStrike (CRWD) opening sale 300 June 2022 \$250 puts for \$36.10. **CRWD** also seeing 400 June 2022 \$220 puts open \$22.10 to \$22.20 tied to stock

Ceridian (CDAY) buyer 2000 August \$100 puts \$6.60, stock tied

DataDog (DDOG) with 1000 January \$135/\$90 bear risk reversals opening for \$0.35 credit, may be collaring shares

Plantronics (POLY) opening sale of 1000 February \$30 puts for \$4, stock replacement

Digital Ocean (DOCN) buyers earlier of 875 August \$50 calls for \$7.70, follows buyers of 1000 August \$45 calls earlier this week

Equinix (EQIX) buyer of 650 December \$740 puts for \$21 this morning, follows the January \$700 put buys earlier this week

Qualcomm (QCOM) with 1980 Aug. 27th (W) \$145 short puts opening \$6.69 as August adjust. **QCOM** buyer 500 October \$120 deep ITM calls \$23.95

Skyworks (SWKS) spread buying 325 Jan. 2023 \$230 calls \$16.75 and selling 600 of the \$145 puts to open \$12.55

Twitter (TWTR) buyer of 3000 July 30th (W) \$68 puts \$3.46 to \$3.50 into earnings, also seeing 3000 Aug. 6th (W) \$62 puts sold to open \$1.43 in a separate trade

Joyy (YY) with 2000 November \$55 puts bought \$5.10 offer

Palantir (PLTR) opening sale 4000 October \$20 puts \$1.17

Snap (SNAP) buyer 1200 August \$63 calls \$4.20 offer into earnings

Synopsys (SNPS) a top name with 300 September \$290 puts sold to open \$15.50

Utility

First Energy (FE) over 20,000 August \$40 calls bought for \$0.65 to \$0.95 after DOJ settlement today

Disclaimer:

Not Investment Advice or Recommendation

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