



MARKET RECAP REPORT 7/24/2020

Sector Leaders

REITS

Precious Metals

Housing

Stock Gainers

ECOM 31%

SAM 21.5%

SOGO 20%

SWIR 18.5%

AMD 15%

SGMS 12.45%

Volatility Gainers

- EMAN
- MARA
- ASNA
- PTE
- SOGO
- HOME

High Call Volume

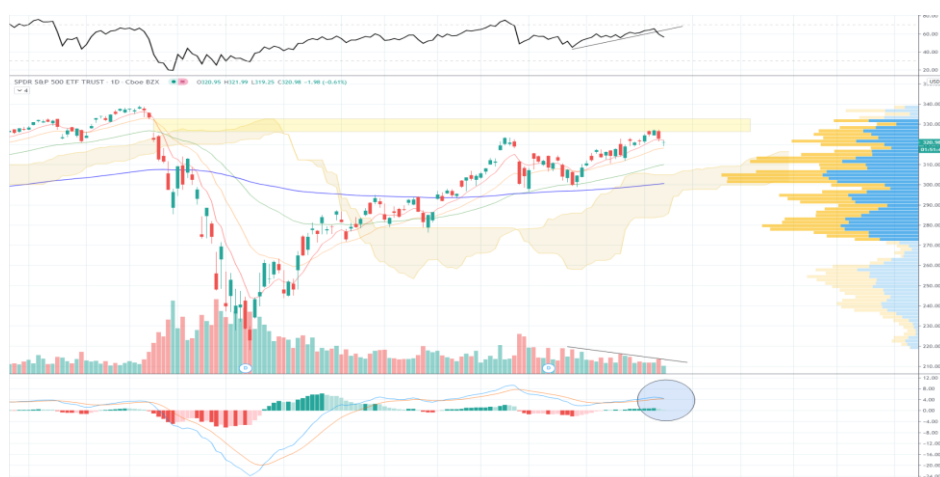
- FE
- PHM
- EB
- KTOS
- EHG
- XRAY
- CALX

Bullish Options

- VFC
- MCHP
- AMD
- AMZN
- PDD
- LULU
- IMMU
- BX
- SHOP
- SSP
- DOCU

Market Review: Stocks sagged lower overnight and into the open despite positive European PMI numbers, the weakness in Tech on Thursday not helped but a sharp move lower for Intel, and the stimulus stalemate in Washington another headwind. The dollar fell for the fifth straight week, its longest streak in more than two years. Most of the broader sectors opened weak today with tech lagging after Intel's guidance was a bit underwhelming. We did see some strong bounces, however, with many strong trending names finding support at their 20-MA. New home sales surged up 13.8% M/M in June, the best pace of sales since 2007 which confirms a lot of positive commentary we've heard from homebuilders and sites like Zillow and Redfin. There was little progress in Washington towards a deal on further stimulus with expectations the GOP will present their plan on Monday. Data was a bit underwhelming with both services and manufacturing missing estimates. The S&P bounced a bit early back to the mid-point of the overnight range and big volume shelf where it was unable to gain traction. Breadth weakened throughout the morning and took us down to 3,191.5 mid-day, just around July VWAP and VPOC for the month where buyers stepped in a bit. Overall, we lost the 8- and 13-EMA this week with the 20-day a big line in the sand next week to focus on around 3,165.

S&P Chart:



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

Options Action Trends: We saw some early put sales into semi weakness in **NXPI** and **MCHP**. We saw another big call sale in the biotech space today with **RGEN**

What's On Tap: China industrial data, German IFO, US durable goods and earnings from AMG, AVY, EQT, HAS, and SAP

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Banks

Biotech

Stock Losers

EHTH -30%

VNE -18.5%

INTC -15%

SLQT -13.5%

NKLA -10.5%

ESPR -10%

Volatility Losers

- OAS
- SKX
- VICR
- SCPL
- FE
- MAT

High Put Volume

- NYT
- EPZM
- FE
- VG
- VICR
- IGV
- GDOT

Bearish Options

- GDS
- SQ
- UI
- PH
- TLT
- TLRY
- PCG
- MRTX
- LW
- RGEN
- BLKB



FEATURED OPTIONS RADAR REPORT



Brunswick Bulls Position for Strong Numbers as Boat Demand Surges

Ticker/Price: BC (\$67.45)

Analysis:

Brunswick (BC) seeing bullish positioning this week with 1500 August \$65 calls bought up to \$6.50 on 7/23 and on 7/20 the August \$70/\$75 call spreads were bought to open 4000X. BC will report on 7-30. On the chart BC shares are clearing a 2018 high this week and the next Fibonacci extension target is way up at \$86.85 while the twenty-point range break targets near \$80. BC is a leading global designer, manufacturer, and marketer of recreational marine products including marine engines, boats, and parts and accessories for those products. BC sold its Fitness business in 2019. Marine Engine segment is a world leader in the manufacturing and sale of recreational marine engines and marine parts and accessories. The Boat Group includes the following boat brands: Sea Ray sport boats and cruisers; Bayliner sport cruisers, runabouts, and Heyday wake boats; Boston Whaler fiberglass offshore boats; Lund fiberglass fishing boats; Crestliner, Cypress Cay, Harris, Lowe, Lund, and Princecraft aluminum fishing, utility, pontoon boats, and deck boats; and Thunder Jet heavy-gauge aluminum boats. BC has a market cap of \$5.37B and trades 15.8X Earnings, 1.3X Sales, 12X EV/EBITDA and 33.6X FCF with a 1.42% dividend yield. BC sets up very well into this quarter with strong Boating commentary from leading distributor/retailer **Marine-Max (HZO)** as well as **Polaris (PII)** and industry data. June boating registrations jumped 20%. Analysts have an average target of \$63.50 and short interest low at 4% of the float. KeyBanc raised its target to \$72 in early July expecting meaningful restocking in 2021 and sees strong boat demand. CL King raised its target to \$79 with consumer flocking to recreational activities. Hedge Fund ownership rose 5.7% in Q1 filings with Cantillon and Lakewood notable top holders.

Hawk Vision:



Hawk's Perspective: BC looks like an obvious long into results, if it can pull back in to \$65 that would be a good entry level.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Keysight Calls Position for New Highs As 5G Cycle Surges

Ticker/Price: KEYS \$99.18

Analysis:

Keysight Tech (KEYS) with 2,000 September \$100 calls bought up to \$6.40 yesterday and follows buyers in the Aug. \$95 calls last week on 7/17. KEYS is popular with put sellers and recent activity at the Aug \$100, \$97.50, \$87.50 and \$85 strikes. The Aug. \$100 calls have 2,000 in OI from a buyer in June. KEYS has bounced back strong since late March when we last looked at the name and now setting up in a weekly bull flag under \$105 which has explosive longer-term potential up to \$140. Shares are also forming the right shoulder of an inverted head-and-shoulder pattern. The \$18.28B company trades 19.66X earnings and 4.35X sales with a strong cash position and limited debt. KEYS sold off in March/April as fears that the 5G cycle would be delayed or pushed back due to COVID-19. But KEYS noted just a 3% decline in orders Y/Y in May with book-to-bill over 1 for the eight straight quarter and they continue to set new records in 5G customer solutions processing. The resiliency in their growth verticals shows that large tech is prioritizing next-gen tech like 5G, 400G and other advanced process nodes during times of cost-cutting. They also continue to see strong order growth from aerospace and defense demand, an area which should get reaffirmed with the upcoming DoD budget. KEYS will report in late August and likely posts further upside as services/software gains adoption and commentary from 5G operators remains positive. Analysts have an average target for shares of \$118 with 8 buy rating and 1 hold. JP Morgan upgrading to Overweight on 6/1 with a \$127 PT as a top 5G growth play. KEYS offers the opportunity to participate in "robust growth" for test and measurement equipment in the communications end-market with "strong leverage" to the 5G cycle. Jefferies positive on 6/4 calling KEYS a 'cash flow darling' which generated more than a 10% increase in operating cash flows in Q1 despite the pandemic. Short interest is 4.6% and down a bit from our last focus piece in late March when it was 6.2%. Hedge fund ownership rose 7% with KCL Capital and Holocene both buyers.

Hawk Vision:



Hawk's Perspective: KEYS has run a bit since we last wrote on it in late March but remains one of the preferred plays on 5G given their exposure and above \$102 has a clear path back to new highs

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Blackstone Calls Buy the Dip As Alternatives Investing Shines

Ticker/Price: BX \$55.80

Analysis:

Blackstone (BX) down around 2% after earnings and buyers stepping in for 3,000 August \$57 calls up to \$1.45 and name with a lot of longer-term positioning including buyers this week in the Jan. 2022 \$65 calls and June 2021 \$40 calls. BX also has seen buyers in the Aug. \$57 calls, Aug. \$52.50 calls recently. Shares are consolidating in a nice multi-week range above the 200-MA and trying for an early hammer reversal today. A move above \$58 sets up for a run to \$65+ and new highs. BX has significantly outperformed the broader financial sector up 1.3% on the year vs XLF down over 20%. The \$66.5B company trades 19.2X earnings and 7X book with a 3.5% yield. BX is thriving in the current environment with strong realizations in both the private and public markets, ample opportunities across asset classes for deployment, and raising \$20B last quarter. They have over \$150B in dry powder for deals and continually seeing low-to-mid single digit AUM growth which is supportive of fees growth into the 2H. BX likely continues to see fundraising outperform with their alternative asset investing with low yields in fixed income and rates at zero as investor look for other areas to allocate capital. Analysts have an average target for shares of \$61. UBS starting a Buy in late June citing their resilient growth, robust inflows and meaningful sector tailwinds. BX has the best fundraising capabilities in the sector and their fee structure sets them up for strong FCF visibility. Short interest is 1.8% and near two-year lows. Hedge fund ownership rose 9.25% in Q1. Artemis a top buyer of 2.8M shares.

Hawk Vision:



Hawk's Perspective: BX remains a top financial to own given their alternatives exposure and think the current pullback gives a nice r/r versus the 200-MA if we start to see a stronger rotation into financials

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Biotech (IBB) with 5,900 September \$132 puts bought to open for \$4.90. **IBB** also seeing 5,900 Sept. \$147 calls sold for \$2.05

NASDAQ (QQQ) next week \$260 calls being bought 14,500X up to \$2.32 here

Treasury (TLT) seeing nearly 4000 September \$169 puts open into morning rally

High Yield (HYG) multi-leg spread sold 5000 December \$88/\$91 call spreads to open for \$0.37 credit and bought the \$81/\$77/\$73 put fly for \$0.62, net \$0.25 debit

S&P (SPY) with 11,000 November/December \$338 calendar call spreads opening. **SPY** also 50,000 March \$290 puts bought \$16.69 as October \$260 puts start to adjust

Gold Miner (GDX) buyer 9000 January 2021 \$47 calls to open \$2.94. **GDX** also with 17,000 October \$40/\$45 call spreads bought today for \$1.07

Software (IGV) with 4,450 August \$250/\$235 put spreads bought today for \$1.40, likely hedge with some weakness in the group this week

Brazil (EWZ) with 3,000 December \$33 puts sold to open for \$3.90 to \$3.85

Gold (GLD) with 5,400 September \$170 puts sold to open this afternoon for \$1.86

ARK ETF (ARKK) seeing 5,000 December \$50 deep ITM calls close and roll out to buy the March \$50 calls for \$31.23, exposed to a lot of high-growth themes and names including Tesla

Consumer Discretionary/Services

VF Corp (VFC) with 800 August \$60 puts sold to open for \$3.30 to \$3.10, shares basing above the \$58 level for the last couple weeks; **VFC** could move in sympathy with strong **SKX** numbers

Lululemon (LULU) with 825 each of the Sep. 4th (W) \$320 and \$325 calls opening as July 24th (W) adjust

Home Depot (HD) opening sellers of 600+ November \$215 puts for \$4.60 today, home improvement likely remains strong in Q2 earnings and had the positive **Kingfisher** comments this week

Tilray (TLRY) large spread sells 16,000 December \$9 calls to buy the September \$6/\$4 put spread for a net 5 cent debit

MGM August \$16.5/\$18 call ratio spreads trade 2500X5000. **MGM** also a buy-write with 3500 December \$20 calls at \$1.43 and August spreads up to 5000X10000

Activision (ATVI) with 1250 Aug. 7th (W) \$81 calls bought and 3000 of the \$87 calls sold

Burlington (BURL) Aug. 14th (W) \$190/\$200 call ratio spreads open 500X1000

Churchill Downs (CHDN) with 350 March \$130 puts sold to open \$21.50

NY Times (NYT) buyers of 3,000 August \$44 puts up to \$2.15 to open, second big put buy this week after 5,500 August \$43 puts bought into earnings on 8-5

Bloomin' Brands (BLMN) with 800 October \$12.50 puts bought \$2.65 to \$2.75 into the 4% move higher today on earnings

Avis Budget (CAR) spread now sells the Aug. \$27 puts to buy the \$30/\$8 call spread 2,500X for a net debit of \$0.10 and follows the Feb. put sales earlier

Take-Two (TTWO) buyers of 3000 OTM August \$190 calls for \$0.55 to \$0.75

Starbucks (SBUX) with 1,100 June 2021 \$67.50 puts sold to open for \$5.70 into earnings, stock replacement strategy

Under Armour (UAA) another 3,000 January \$10 calls being bought up to \$2.68, Deutsche Bank positive this morning as a 'short-term buy' seeing Q2 beating somewhat muted expectations due to an overall "healthy" lifestyle trend elevating the brand

Capri (CPRI) with 1300 November \$17.50 calls sold to open \$1.89 to \$1.88

EW Scripps (SSP) unusual volume this afternoon with 750 December \$10 calls bought from \$2.95 to \$3.10 to open, name that averages less than 10 calls per day. Shares are working out of a small bull flag and back above the 200-MA into earnings on 8-7 and reached a deal recently to sell Stitcher to SIRI

Mattel (MAT) with 5,000 October \$10 puts sold to open for \$0.55 in a stock replacement

ANGI Homeservices (ANGI) with 1265 January 2022 \$30 calls sold from \$1.25 to \$1.10

Consumer Goods

Mondelez (MDLZ) with an opening seller of 1,000 March 2021 \$50 puts for \$2.63

Kraft (KHC) opening sale of 2,000 January 2022 \$30 puts for \$3.40 in a stock replacement, earnings next week

Lamb Weston (LW) with 1,000 August \$60 puts opening \$1.15 to \$1.20 today ahead of earnings on 7-28, lower three of the last four

Energy

Teekay Tankers (TNK) strong out of base and 1700 Nov. \$15 calls active with buyers

Valaris (VAL) buyers of near 2,000 December \$2 puts today for \$1.65, oil name likely heading towards bankruptcy given their leverage and liquidity issues

Financials

Square (SQ) buyer 1000 next week \$117 puts up to \$3.80

Green Dot (GDOT) with 600 December \$40 puts sold to open between \$2.85 and \$3 today into the earlier lows, narrow range forming near new highs

Deutsche Bank (DB) with 3,000 January \$11 calls opening for \$0.73 as the \$8 calls roll higher into earnings next week

Visa (V) with 500 June 2021 \$175 puts sold to open for \$12.70, continue to see strong bullish flows in both Visa and MasterCard into earnings

Healthcare

Immunomedics (IMMU) with 2,000 November \$45 calls bought \$4.20 to open today, lots of bullish flows lately and name that likely is a hot M&A candidate. **IMMU** also with 850 January \$42 calls opening up to \$6.07, adjusting some August \$36 calls up and out

E-Health (EHTH) opening seller 1000 August \$70 puts \$4.10 to \$4 into 32% decline

Intra-Cellular (ITCI) 500 Aug \$25 straddles sold to open which lean positive Delta w/ stock at \$21

DENTPLY (XRAY) with 1,275 January \$52.50 calls sold to open today \$1.70 to \$1.50

Inovio (INO) a vaccine play with 1800 September \$30 calls sold near \$4.15 to open in buy-writes

Mednax (MD) seller of 1,500 February \$25 calls for \$2.75 in a buy-write with stock

Novavax (NVAX) holding 8 EMA and reversing higher, the Aug. 7th (W) \$140 calls with 550X bought \$16 to \$18 today, a top vaccine play

Gilead (GILD) also with 1,000 September \$70 calls bought today between \$5.70 and \$6.10

Edwards Lifesciences (EW) IV continuing to rise as the August \$85 calls now trading over 2895X up to \$0.65

Mylan (MYL) opening seller of 2,500 December 2021 \$12.50 puts for \$1.83

Repligen (RGEN) with 2,000 November \$145 calls sold to open for \$7.90 to \$7.70 this afternoon, similar to call sales in other bios this week

Mirati (MRTX) buyers of 2,000 October \$100 puts in size for \$11.70 to \$12.00, name popular with call sales as well

Industrials

Triton (TRTN) strong on results seeing 1000 October/January \$35 calendar call spreads open

Parker Hannifin (PH) with 400 August \$175 puts bought \$5.00 to \$5.10 into early Aug. earnings

Pulte Homes (PHM) with 5,000 OTM August \$48 calls bought \$0.35 to \$0.45

General Electric (GE) opening seller of 5,000 March \$7 puts for \$1.22, stock replacement into earnings next week

TransDigm (TDG) with 650 August \$430 puts bought today for \$20.20 and follows some size put buying yesterday, could be impacted by more fleets being parked for longer

Greif (GEF) with 900 October \$35 puts sold to open today for \$2.45, not a name that sees a lot of volume but small-cap packaging name which saw a lot of insider buying in March

Norwegian Cruise (NCLH) sellers of 2000 August \$14 puts for \$1.20 ahead of early August results, popular strategy in the name

Materials

Barrick (GOLD) opening sales 1000 January 2022 ITM \$30 puts \$6.95. **GOLD** also with 1,500 March 2021 \$30 calls sold for \$3.31 in a buy-write

Dow Chemical (DOW) with 1,000 January 2022 \$52.50 calls bought \$3.35 as well today

Yamana (AUY) with 8000 September \$7 calls bought for \$0.30 to \$0.32

Targa Resources (TRGP) with 1200 January \$14 puts sold to open or \$1.60

Wheaton Metals (WPM) with 1,500 September 4th (W) \$53.50 calls bought from \$3.35 to \$3.40

CF Industries (CF) with 1,200 February \$27.50 puts sold for \$2.75 to open, follows put sellers recently out in January and positive comments from Yara

US Steel (X) with 3,000 August 7th (W) \$8 calls bought up to \$0.44, adjusting some July 31st (W) calls

Tech and Telecom

Yandex (YNDX) with 1850 August \$52.5 puts sold to open this morning \$1.35/\$1.40

Microchip Tech (MCHP) opening seller 1000 August \$85 puts and **NXPI** with 850 Aug. 14th (W) \$100 puts sold to open into Semi weakness

Pinduoduo (PDD) buyer 1000 next week \$79.50 calls \$1.56 to open

Ubiquiti (UI) with 500 August \$185 puts bought \$14.80 to \$16.00 into earnings in early August

Amazon (AMZN) with \$15M in next week \$2900 calls opening into lows, many spread with \$3100, earnings 7-30 (trading 1200X). **AMZN** with \$13.5M in next week \$2920 calls also opening this morning, some spread with \$3020

KeySight (KEYS) opening sale 1000 September \$85 puts for \$1.75

Intel (INTC) buyer 10,000 September \$45 calls \$6.15 offer, spot where 10K bought on 3/24 at \$10.55. **INTC** also with 1750 June 2021 \$42.50 puts sold to open for \$3.10 into weakness

Qualcomm (QCOM) stock buyers with 2000 August \$87 puts at \$2.94, likely carrying long into 7-29 earnings, name seen bullish positioning

Lyft (LYFT) buyer 1000 Aug. 14th (W) \$30 calls \$2.19

Trade Desk (TTD) bouncing, August \$345 puts sold to open 200X at \$11.10, and buyers 200 July 31st (W) \$425 calls

Twilio (TWLO) 200 Jan \$240 puts sold to open \$39.40 to \$39. **TWLO** nearly 700 Jan. 2022 \$190 puts being sold to open as well today near \$33.50

Advanced Micro (AMD) buyer 6300 September \$70 calls at \$4.14 as those August \$59 calls close \$8.33

Tencent Music (TME) with 3,000 October \$16 puts sold to open for \$1.64, adjusting back some Oct. \$12 short puts

Scientific Games (SGMS) with 800 January \$9 puts sold to buy the \$16/\$20 call spread, very coiled name around its 50-MA

Cloudera (CLDR) buyers of 625 September \$10 calls for \$2.05 to \$2.10 with the recent M&A talk

Ambarella (AMBA) buyer 440 February \$37.50 puts \$3.70 offer

Elastic (ESTC) with 420 September \$90 calls being bought \$7.40 to \$8.20

Bilibili (BILI) opening sale 1000 January 2022 \$35 puts for \$7.75

Seagate (STX) buyers of 2,950 July 31st (W) \$50.50 calls up to \$1.05, earnings 7-28; positive commentary from **SK Hynix**

Autodesk (ADSK) with 500 September \$230 puts bought \$14.95, tied to stock

Blackbaud (BLKB) IV climbing mid-day with 1,125 September \$45 puts bought \$1.40 to \$1.80 into earnings next week, 7-29, and breaking down on the chart here

Calix (CALX) with 600 January \$24 calls bought to open today for \$2.10 to \$2.20, follows call buyers this week into the big earnings move higher

Zynga (ZNGA) opening 2,500 August \$8 calls for \$1.64, adjusting back some positioning into 8-5 earnings and shares right back at the rising 50-MA today. **ZNGA** working higher, Dec 10 calls bought 2000X today

Uber (UBER) spread sells 1,500 March 2021 \$30 puts for \$4.75 and buys the August 7th (W) \$34 calls for \$0.78 ahead of 8-6 earnings

Shopify (SHOP) the October \$820 ITM calls being bought 500X today for \$167.57 to \$168.85, over \$8.4M

DocuSign (DOCU) IV rising this afternoon with another 2,750 September \$195 calls trading, buyer flow from \$16.80 to \$17.60, looks to add to large buys from last week

NetApp (NTAP) the August \$43 puts sold to open for \$1.81 today, 1200X

Utility

PG&E (PCG) buyers active early 9500 December \$9 puts up to \$1.21 from \$1.09

First Energy (FE) with 2,000 January \$35/\$28 strangles sold for \$6.90 with the big move this week on the Ohio actions

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