



MARKET RECAP REPORT 7/6/2020

Sector Leaders

China Internet

Semi's

Solar

Stock Gainers

NIO 25%

ACMR 25%

GGAL 21.8%

ACH 19.75%

BMA 19%

CRTO 18%

WB 18%

Volatility Gainers

- OXY
- FCEL
- SOLO
- SMPL
- TLRD
- FSLY

High Call Volume

- WKHS
- D
- TME
- ANGI
- BLDP
- FSLR

Bullish Options

- TDOC
- CAT
- SQ
- AZN
- APA
- ALLY
- PINS
- LYFT
- LRN
-

Market Review: Stocks opened the weekly sharply higher on optimism with China commentary on stimulating markets and Financials led the rally around the globe. In the morning stocks held onto gains led by momentum groups while Utility, Bonds and Energy lagged. The S&P worked out of its 3000/3150 base and holds firmly above all key moving averages though breadth started to roll over to lows right at Noon and did not make much upward progress outside of filling the gap from 6/10 and now dislocated a bit from potential headwinds from COVID as we near a key Q2 reporting season. Overall it was a very quiet day despite the strong gap higher and nothing major on the schedule tomorrow.

S&P Chart:



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

Options Action Trends: Options action was relatively slow which is to be expected into gap ups and a quiet week as we near earnings season, not a lot of new exposure being put on. We saw July short puts adjust to August in volatile Energy names like **VNOM**, **LPI**, **PUMP**. **MTDR**, **SM**. Some August put spreads opened in Software names **SMAR**, **NEWR**, **WDAY**.

What's On Tap: Fed Speakers.

Trade Tracker Portfolio Changes:

- 1) Closed **FB** Call Spreads \$3.30 (Opened \$2.75)

Sector Laggards

Coffee

Energy

Bonds

Stock Losers

PSXP -13.3%

ET -12%

CEQP -12%

MAXR -9.7%

PRTY -8.5%

NKLA -8.5%

IDEX -8%

Volatility Losers

- NKLA
- BHC
- CCXI
- APT
- MITT
- EPD

High Put Volume

- VICI
- CVA
- SINA
- WU
- D
- WY

Bearish Options

- MGM
- CXO
- BLDP
- OKE
- COF
- TLRY
- FIZZ
- SPWR
- MCRB
- HLT



FEATURED OPTIONS RADAR REPORT



ZTO Express Seen Hitting New Highs

Ticker/Price: ZTO (\$37.50)

Analysis:

ZTO Express (ZTO) with 1,500 January \$41 calls bought in the afternoon, \$3.30 to \$3.40, and follows buyers earlier in the day in the January \$39.71 calls around \$3.75 to \$3.80 that ran up over 3,850X. ZTO had sellers in the January \$32 puts on 7/1. Shares have pulled back to the rising 21-MA and the early June breakout level at \$35 and putting multiple small reversal candles last week. A move back above \$38.65 targets a run to \$42 in the near-term but name that continues to hit new highs and into space it can run. The \$29B company trades 29X earnings, 9.5X sales, and 13.5X cash with estimates for high-teens EPS growth and revenues up 25% in FY21. ZTO is a leading express delivery company in China with partnerships with some of the country's leading providers like Alibaba, JD, and Pinduoduo. They have grown rapidly over the last decade as a beneficiary of the booming e-commerce market as well as investments in infrastructure and logistics across transportation, sorting, and last-mile. ZTO has also benefitted from more favorable government regulations as they have expanded their network into more rural areas of China where there are higher barriers to entry for small firms. ZTO saw 17% growth in parcel volumes in 2018 and sees huge market opportunities from the near 16% CAGR growth in GMV as well as growth in micro-merchant shipping. In the near-term, ZTO has potential catalyst from exploring a dual listing in Hong Kong to raise funds. Analysts have an average target for shares of \$31, albeit limited coverage. JP Morgan downgrading to Neutral in late May citing valuation. Short interest is 1.5%. Hedge fund ownership rose 3.3% in Q1. Hillhouse Capital a top buyer of 3.4M shares, a new position.

Hawk Vision:



Hawk's Perspective: ZTO put in a great reversal candle to be long against last week and continues to be an excellent growth story in China that sees less attention.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



In-Mode Bulls Position for Return of Momentum

Ticker/Price: INMD (\$30)

Analysis:

In-Mode (INMD) strong early and buys 350 ITM August \$25 calls for \$6, and previously seen bullish positioning in November with over 4000 of the \$25 puts sold to open and buyers of the \$30/\$40 and \$35/\$40 call spreads active back in early June. INMD the past few weeks pulled back to a rising 55 MA and former breakout before basing, setting up very nicely now as it starts to work out of the base and pullback trend. The \$995M maker of minimally-invasive aesthetical medical products using RF for procedures like liposuction and body contouring. The company markets minimally invasive medical devices within the women's health and aesthetics market with a focus on deep subdermal RF, collagen remodeling, and skin tightening. INMD is a leader in RF energy which they use for a variety of procedures including assisted lipolysis or fat reduction. They can generate a much more focused, efficient energy system than a laser and the result is significant shrinkage of tissue. Their BodyTite platform and FaceTite handpiece have been used in over 55,000 successful procedures. They also used subdermal RF for wrinkle reduction, skin tightening, and cellulite reduction where they can reshape tissue under the epidermis. On the non-minimally invasive side they use intense pulsed light (IPL) in procedures like permanent hair removal. INMD has 18 FDA approvals in the US and widespread approval in EU, Argentina, Brazil, and more. INMD expects to continue studies and expand indications for use across muscle restoration, post-partum, snoring treatments, and dry eye. The global aesthetics market is sizable with US consumers spending \$8.5B on more than 7.5M procedures last year. According to the ASAPS, procedure volumes were up 6% with surgical up 11% and non-surgical up 4%. The biggest areas of interest were liposuction, eyelid surgery, abdominoplasty, face and neck lifts, and women's health. Facial rejuvenation and hair removal are the top noninvasive markets. INMD sees secular tailwinds going forward from an aging global population, growing instances of obesity, reduction of procedure costs, and better reimbursement from managed care. They expect to grow within the non-traditional physician channels like ENTs, ophthalmologists, GPs and aesthetic clinicians. INMD trades 6X Sales and has a clean balance sheet while growing revenues 87% and 56% the last two years before a recent COVID slowdown in elective procedures, temporary. Analysts have an average target of \$39 and short interest at 11% of the float is down 59.5% Q/Q. Barclays raised its target to \$48 in February though analysts have been quiet the last few months. Hedge Fund ownership surged 54% last quarter.

Hawk Vision:



Hawk's Perspective: INMD is a favorite growth med-tech name and love the set-up and future potential, good long versus last week low.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

China (FXI) buyer 10,000 September \$45 puts for \$2.19. FXI also buyer 3500 December \$45 calls \$2.70 and sweep buy 5000 August 45 puts for \$1.85 offer. **FXI** seeing nearly 10,000 January 2022 \$50 calls with buyers today near \$2.45

Russell (IWM) buyer 4200 November \$125 puts to open \$5.91, also seeing 3000 December \$170/\$150 collars put on

S&P (SPY) opening hour put buyers active in July 24th (W) \$300 puts over 10,000X while August \$302 puts actively bought 7,350X for over \$4.6M

NASDAQ (QQQ) with 5000 Sep. 30th (Q) \$220 puts opening \$4.09, while August \$234/\$218 put spreads active 13,500X as September \$200 puts adjust. **QQQ** block 5000 March 2021 \$245 puts open \$17.77 as September \$250 adjust. **QQQ** buyer 5850 August \$255/\$231 put spreads here

Emerging Markets (EEM) stock buyer sold 21,000 September \$43 calls and bought 21,000 of the \$41 puts, another trade sold 15,000 November \$44 calls \$2.13 in a buy-write

Treasury (TLT) large opening sale 10,000 December \$162 at-the-money puts for \$7.20

Consumer Discretionary/Services

Children Place (PLCE) opening seller 800 December \$25 puts \$3.20 to \$3.10

MGM (MGM) buyers here coming in 5000 July \$17 puts \$0.79 to \$0.82

Domino Pizza (DPZ) with 435 OTM August \$430 calls bought \$3.95 to \$4

Carnival (CCL) sale of 5000 September \$15 calls \$2.54 in a buy-write

Electronic Arts (EA) with 350 August \$125 calls opening \$13.05 to \$13.25

Decker Outdoor (DECK) with 700 January \$230 calls sold \$13.60 in a buy-write

K-12 (LRN) strong on highs with 1000 August \$33 calls bought \$3.10 to \$3.30 as more schools moving to Online only

L brands (LB) with 1375 September \$15 puts sold to open \$2.09

Liberty (LBTYK) with 7500 October \$25/\$17.5 bull risk reversals that look to be adding today

Hilton (HLT) buyer 2000 October \$72.5/\$60 put spreads as it moves to day lows

Disney (DIS) with 2000 August 14th (W) \$115 calls opening as July 20th (W) \$115 are sold against

Altice (ATUS) running this afternoon after 1000 August \$25 calls bought \$1.13

Marriott Vacation (VAC) with 1000 October \$90/\$100 call spreads opening

Consumer Goods

I-Robot (IRBT) speculative action early with 300 December \$110 OTM calls being bought near \$6.75

McDonald's (MCD) with 2000 July 24th (W) \$180 puts sold to open \$2.21

Coca-Cola FEMSA (KOF) unusual 2220 August \$45 at the money puts being sold to open down to \$1.70

Tilray (TLRY) buyer 10,000 August \$6/\$4 put spreads, adjusts July \$7

National Beverage (FIZZ) large opening buy 3000 October \$70 puts \$9.90 as July \$60 and Oct \$55 adjust

Anheuser (BUD) stock replacement opens 1000 August \$55 calls \$2.28, name with over 10,000 Sep \$50 calls in OI from buyers into May weakness

ConAgra (CAG) interesting trade buys 2000 weekly \$35.50 calls \$0.45 and sells 2000 July \$34.50 puts at \$0.30

Hanes (HBI) buyer 4000 August \$12 calls as July adjust and look to sell 6000 Aug. \$14 against

Energy

Apache (APA) buyers 4000 August \$17.50 calls \$0.60 offer

ONEOK (OKE) weak and 2500 July \$29 puts bought \$0.65/\$0.70 to open

Plug Power (PLUG) buyer 1200 September \$13 calls \$0.99

Hess (HES) opening sale 3500 July 31st (W) \$43 puts \$0.86

SunPower (SPWR) large buyer of 10,000 September \$9 puts \$1.73 offer

Laredo Petro (LPI) deep ITM August \$19 puts sold to open as July \$19 adjust

Viper (VNOM) similar with 2000 August \$13 puts sold to open as July adjust ITM

Canadian Natural (CNQ) opening seller 1000 August \$17 puts \$1.15

Matador (MTDR) with 7500 August \$10 short puts opening, similar to other Energy July short put rolls

SM Energy (SM) another with 10,000 August \$5 short puts opening as July adjusts

Hess (HES) with 2750 August \$47.5/\$40 put spreads opening

Financials

VICI Properties (VICI) with 3000 August \$20/\$15 bull put spreads opening as July \$20 short puts adjust

Zillow (ZG) buyer 800 August \$65/\$70 call spreads. **Z** now with a buyer 3500 July \$61/\$56 put spreads and sells the \$67 calls, may be collaring a stock holding

Square (SQ) buyer 200 January 2022 \$165 max strike calls to open \$18.10. **SQ** with 1400 September \$97.5 deep ITM calls opening as July \$95 adjust

Ally Financial (ALLY) buyers 4450 August \$21 calls today \$1.55 with July adjusting

American Express (AXP) basing and 1200 ITM January \$97.50 puts sold to open near \$11.75 today

Bank America (BAC) opening sale 3000 February \$21 puts \$1.91

Capital One (COF) buyers of 1000 August \$62.50 puts \$5 to \$5.25

ProLogis (PLD) buyer 300 February \$95 calls \$10.60 to \$10.80

Healthcare

TelaDoc (TDOC) early action in October \$230 calls with 1000X bought near \$18.50, will confirm OI tomorrow. **TDOC** buyer 200 October \$250 calls now \$14 offer

ChemoCentryx (CCXI) spread sells 940 September \$50 puts to buy the September \$65/\$75 call ratio spreads 940X1880

AstraZeneca (AZN) buyer 1000 August \$52.50 calls \$3.60 as well as the hot near-term activity

Deciphera (DCPH) with 700 January \$40 puts sold \$4.60 to buy the \$65/\$75 call ratio spreads 700X1400, similar structure to CCXI

Seres (MCRB) large trade buys 7000 August \$5 puts \$2 as the October \$5/\$10 call spreads sold to open for \$1 credit as well

Immunomedic (IMMU) with 1670 August \$35 puts sold to open into strength near \$1.05

Quest (DGX) with 1740 July \$120 OTM calls being bid up to \$1.75 as IV jumps and **Lab Corp (LH)** July calls seeing some activity as well

Industrials

Tesla (TSLA) September \$1710/\$1700/\$760/\$750 Iron Condors opening 1480X this morning

Thor (THO) opening sale 1400 January \$65 puts near \$4

Boeing (BA) January 2022 \$190 ITM puts with 735X opening as sales at \$53.50

Nio (NIO) faded early highs but still up 20% today, the Aug. 14th (W) \$11 calls seeing fresh 10,000X trade to open as sales \$2.75

Materials

Amcor (AMCR) a \$16B packaging name unusual 2300 August \$10 calls active buyers \$1.10 to \$1.40

Clearwater (CLW) buyer 500 August \$40/\$50 call spreads with July \$35 adjusting

Ball Corp (BLL) with 700 February \$70 puts sold to open \$6.85

WestRock (WRK) unusual 1470 August \$30 calls bought \$1.40 to \$1.45, seeing some unusual action in packaging space today

Tech and Telecom

Momo (MOMO) buyer 800 January 2022 \$29.26 calls \$3.70

Pinduoduo (PDD) opening seller 500 October \$95 puts \$12.40

Baidu (BIDU) with 6000 August \$150 calls being sold to open into strength near \$1.95

Uber (UBER) sellers coming in for 1480 December \$37 calls at \$3.10 to open

Alibaba (BABA) after a large close in September \$210 calls 18,600X at \$32.10 also seeing the \$235 puts now sold to open 3,350X \$12.30. **BABA** also 4000 September \$230 puts sold to open. **BABA** buyer 5100 September \$225 puts \$8.36. **BABA** block of 14,000 September \$240 calls opens \$14.30 as the \$225's adjust a block

Amazon (AMZN) buyer 100 June 2022 \$2700 calls \$711.12 for over \$7M as January 2022 \$2600 adjust. **AMZN** more bullish call rolls with 1000 of the August \$2820 moving to \$3000

Lyft (LYFT) with 1250 January \$30 calls bought \$7.50

Pinterest (PINS) early morning range breakout trigger moving to highs here midday up 6.8% with another 4,125 August \$25 calls active with buyers. **PINS** now 1500 Augusts \$25 puts sold to open \$2.08

Microsoft (MSFT) with 7000 August 14th (W) \$222.50 calls being sold to open \$3.25 today, likely writing versus stock holding

Apple (AAPL) buyer 1,550 December \$410 calls for \$14.95, and later 900 of them sold in a buy-write

DocuSign (DOCU) with 1000 September \$175 short puts opening as the \$145 adjust. **DOCU** also a buyer 575 January 2022 \$240 calls \$32

Slack (WORK) with 1400 January 2022 \$27 puts sold to open today near \$6. **WORK** with 5000 August \$26/\$23 put spreads bought

Oracle (ORCL) opening sale 1500 March \$57.50 straddles for \$10.40

Taiwan Semi (TSM) big mover today and August \$65 calls active with over 6000 trading while July \$64 calls 9850X as the \$61's adjust higher

WorkDay (WDAY) buyer 1000 August \$175/\$155 put spreads for \$2.80

New Relic (NEWR) sliding to lows with 3300 August \$60/\$55 put spreads bought for \$0.95, name that is cheap to peers but also lagging behind competitors on technology

Apple (AAPL) with 4000 July 31st (W) \$380 puts opening for \$16 today, captures next report

Zoom (ZM) with a \$14M position opened in February \$200 calls with 1700X trading, adjusting the Nov. \$200 calls from 5/29

Utility

Dominion (D) opening seller 1000 August \$75 puts \$1.55 into weakness. **D** also with 1000 January \$70 puts sold to open down to \$4.10

Duke Energy (DUK) into weakness with 2500 August \$82.5/\$72.5 bull risk reversals opening for \$0.49 debit

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