



Sector Leaders

Energy

REITS

Bonds

Stock Gainers

GAN 13%

SPCE 10.2%

SPNE 10%

APT 10%

OTRK 7%

RRC 6.5%

Volatility Gainers

- SPCE
- QFIN
- LU
- TRUE
- PAGS
- STLA

High Call Volume

- HST
- OTRK
- EAF
- FGEN
- APLS
- CUK

Bullish Options

- GM
- IBM
- EXPE
- CZR
- SQ
- SPWR
- TSLA
- GM
- AA
- LVS
- DDD
- MET

Market Review: Stocks sold off sharply overnight and Bonds rallied, the same signals we saw the prior day with flows in safety groups and all the red flags of breadth/participation starting to play out. Volatility rose with multiple fronts of concern, the Delta variant of COVID adding worries to economic growth, Fed tapering and potential Jackson Hole commentary next month, and China continues to crackdown on Tech. Jobless Claims came in a bit above expected levels. Stocks bounced early after an extreme low TICK on the open, the low coming just above the rising 21-day MA. The moves gained some momentum moving back above 8-day moving averages but also ran into one week and month VWAP resistance in the futures market. We started to roll back over late day as breadth weakened to lows. The schedule is quiet tomorrow and next week we start earnings season, it will be interesting to see how the weekly candle closes and remain cautious due to breadth/sentiment/participation red flags.

S&P Chart:



Resistance	Support
4,350	4,235
4,385	4,170
4,450	4,110

Options Action Trends: Into early weakness we saw some large bullish flow into Travel/Reopening plays **EXPE, LVS, CZR**. We also saw some large put buys in Tech large caps like **ORCL, ROKU, DASH, TWTR**. Call buyers were also active in the Metals names like **FCX, AA, CCJ, EAF**.

What's On Tap: Wholesale Inventories.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long the **W** August \$290/\$270 Put Spreads at \$7

Sector Laggards

China Internet

Solar

Transports

Stock Losers

QFIN -25%

NEGG -25%

PAGS -14%

LX -12%

CAN -9%

FUTU -7%

Volatility Losers

- ENDP
- NEGG
- GPRO
- ATOS
- WDFC
- BTU

High Put Volume

- IGT
- ADS
- QSR
- BEKE
- PAGS
- DUK

Bearish Options

- TWTR
- IGT
- BEKE
- ORCL
- AMAT
- ADS
- DASH
- ROKU
- CAR
- WMT
- CACC



FEATURED OPTIONS RADAR REPORT



Bulls Position for Morgan Stanley Positive Numbers

Ticker/Price: MS (\$90)

Analysis:

Morgan Stanley (MS) notable trade on 7/7 as September \$87.50 puts were sold to open 2950X at \$3.35 bids with the stock just below \$90 seeing limited downside this quarter and after Banks have pulled back recently. MS sees a lot of trading and has a lot of open interest with earnings coming next week on 7-15. MS has a strong history of closing higher on results but lower its last two reports. MS has some size sitting in July \$80 and \$90 calls, saw size buys in August \$85 calls on 6/22, and has plenty of bullish longer-dated positioning. MS shares have consolidated under recent highs at \$94.40 and look destined for a run to \$100. The \$168B investment bank trades 12.8X Earnings, 1.64X Book and yields a 1.55% dividend. MS has been building via acquisitions, and expanded their customer-facing business with their Eaton Vance (EV) deal as well as their E-Trade (ETFC) buy last year. MS sees the two deals as key to expanding their market share and scale in both wealth management and investment management. Both deals also accelerate their digital strategy. MS expects around \$250M in synergies from funding and \$550M from cost cutting. MS has doubled its total fee-based assets since 2015 and stands at \$1.6 trillion in stable, higher-earning assets. MSCO is focused on growing assets and sees surpassing 30% pre tax margins in the wealth business over time. Relative to other wirehouses, it is the only firm focused on investment in the core advisory channel, resulting in better technology and a better service offering, which has driven faster growth. Analysts have an average target of \$98 and short interest low at 1.5% of the float. RBC raised its target to \$97 this week expecting higher net interest income and lower expenses. KBW started at Outperform with a \$115 target seeing higher rates coming as a positive catalyst for banks. Evercore noted on 6/29 that **MS** was the standout on its capital plan. Jefferies started shares Buy with a \$108 target on 6/9 calling it a compelling compounder with leading market shares across its three business segments.

Hawk Vision:



Hawk's Perspective: MS remains a favorite Financial for its growth profile and like the strategy it has undertaken with its transformation.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Risk Reversal Sees Travel Demand Boosting AerCap

Ticker/Price: AER (\$50.35)

Analysis:

AerCap (AER) large bullish trade on 7/7 opened 1500 January 2023 \$60/\$35 bull risk reversals at a \$3.50 debit, the only notable large trade in open interest outside of some short January \$60 calls (2275X). AER shares have been selling off the last few weeks and shares are just +9.8% YTD but back near key support and near the 38.2% retracement level at \$47.50 of the September 2020 low to the 2021 highs. AER is a top aircraft leasing company that was hit hard by the pandemic and looking to recover with travel demand and earlier this year announced plans to merge with **GE's** aircraft leasing unit and the increased scale and network effects should be a positive. This transaction creates an industry leader across all areas of aviation leasing, aircraft, engines and helicopters. The combined company will have a broader revenue base, greater customer diversification and a larger base of unencumbered assets that will generate around \$7 billion of revenue and around \$5 billion of operating cash flow annually. AER is coming off a solid quarter with encouraging data points and 100% of deliveries are under contract through 2022 and it signed 60 leases last quarter while this morning announced it 51 leases signed in Q2 and also sold some aircraft. The \$33.8B company trades 5X FY22 expected EBITDA with EBITDA seen rising 32.5% in 2021 and 88.8% in 2022. Analysts have an average target of \$70 with short interest low at 2.6% of the float. On 4/29 Stephens announced AER as a Best Idea seeing \$100/share value by the end of 2022 as a fundamental improvement in aircraft leasing will drive earnings upside, an \$88 target. Greenlight Capital's Einhorn discussed AER in early May as an attractive name.

Hawk Vision:



Hawk's Perspective: AER has some ugly price-action lately and not an overly fun options name but more of a longer term value investment with a clear opportunity in a depressed aircraft market in the midst of a multi-year turnaround.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Metlife Calls Target Reversal into Year-End as Macro Environment Improves

Ticker/Price: MET (\$57.40)

Analysis:

Metlife (MET) buyers of 5,000 January \$57.50 calls for \$4.15 to open into weakness. MET has seen buyers recently in the September \$65 calls, over 4000X, while sellers active across the September, December, and January \$65 puts. Shares have traded well since the March 2020 lows and now pulling back to the 23.6% Fibonacci retracement at \$57. MET broke out of a big monthly range earlier this year above \$53.60, a key area if we pull back further with long-term upside to \$80. The \$51.6B company trades 8.33X earnings, 0.8X book and 5.4X FCF with a 3.26% yield. MET is coming off of a strong quarter and should continue to benefit as the pandemic eases, the external environment continues to strengthen, and they execute on their Next Horizon strategy. The company has been busy with asset sales as they simplify their overall structure and recent report they are selling some EU assets to NN Group for \$740M. MET's Retirement solutions business has been a strong performer with higher underwriting and volumes growth and they highlighted recently a 'robust' pension risk transfer pipeline into the 2H. Analysts have an average target for shares of \$63 with a Street High \$74 from RBC. The firm was out in May noting that MET should be a big beneficiary of waning pandemic effects while they should continue to see upside from variable investment income and return to normalcy for their employee benefits business. UBS starting coverage at Buy in April seeing a clear path to portfolio simplification after their recent divestitures and further actions would be a driver for more upside. Short interest is 2%. Hedge fund ownership rose 4.85% in Q1,

Hawk Vision:



Hawk's Perspective: MET is putting in a nice hammer reversal today which gives an easy level to trade against short-term but overall ugly trend and would prefer to see it base around the \$53.50 level to establish a better long-term risk/reward

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bull Spread Positions for New Highs in XPO Ahead of Investor Event, Split

Ticker/Price: XPO (\$138)

Analysis:

XPO Logistics (XPO) big hammer reversal today and seeing spreads sell 1000 November \$125 puts for \$6.65 to buy the \$140/\$160 all spreads at \$7.30. XPO has seen buyers recently in the August \$130 and \$155 calls and July \$140 calls while the November \$135 calls have 1100 in open interest from buyers in March/April. XPO also has 3,000 August \$130 short puts in open interest from mid-June. Shares pulled back today to April VPOC and the 21-week MA and bouncing with room above back to \$45 near-term. A breakout to new highs has a measured move to \$160 and the high-end of a rising channel. The \$15.3B company trades 19.45X earnings, 0.9X sales, and 24.3X cash. XPO is in the process of spinning off their GXO Logistics business, which is expected in Q3, a move that will simplify the business and help shares re-rate to a better multiple. The RemainCo will be focused on their LTL offerings and truck brokerage transportation services and a top provider of freight transportation at a time when the industrial recovery is reopening and driving significant tonnage growth. GXO will be a top logistics platform with significant room for expansion as demand for supply-chain management grows. Analysts have an average target for shares of \$153.75 with a Street High \$183 from Wells Fargo. The firm out positive on 6/18 as consolidation among the carriers has resulted in improved pricing discipline and positions the LTL sector favorably for tonnage growth, pricing dynamics, and return metrics such as the evolution of FCF and ROIC. Short interest is 3%. Hedge fund ownership fell 8.5% in Q1. XPO will host an Investor Day on 7/13 to outline growth plans for GXO.

Hawk Vision:



Hawk's Perspective: XPO is one of my favorite ways to play growth in ecommerce and logistics and the split should be a positive driver for both businesses; the investor day next week a potential short-term catalyst and today's low gives a strong risk/reward

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Ark Innovation (ARKK) August \$112 and \$111 puts active with buyers 2400X and 3275X respectively for nearly \$2M

Russell (IWM) size Aug. \$214 and \$210 puts closing out this morning over 50K contracts combined, 6800 Aug 211 puts bought to open

S&P (SPY) some far OTM puts bought with 3000 December \$358 puts for \$1.9M, November \$366 puts 6000X for \$3.55M, also sweep buyers 10,000 August \$408 puts for over \$4.6M and 14,000 Aug. 2nd (W) \$401 puts for \$2M. SPY also with 55,000 July 30th (W) \$433 calls opening for near \$20M as the \$436 calls adjust back from 6/29 and 6/30 which had rolled from July 2nd (W) calls

Treasury (TLT) reversing to lows with 10,000 July 23rd (W) \$147 puts opening \$1.19. **TLT** spread sold 5000 Sep. \$155 calls to buy the \$145/\$138 put spreads

Regional Banks (KRE) buyer 30,000 August \$60 puts \$1.43

Industrial (XLI) opening sale 3000 June 2022 \$90 puts for \$3.75

Consumer Goods

Canada Goose (GOOS) with 975 October \$46 calls bought today for \$2.05, back at volume support from May and June

Estee Lauder (EL) with 200 October \$330 puts sold to open today for \$25

Helen of Troy (HELE) seeing 1,427 August \$200 puts sold to open for \$1.75, shares down 5% now on earnings, nice bounce from the morning lows

WalMart (WMT) with 6500 September \$130 puts bought near \$1.75 today

Tyson (TSN) with 3000 July / July 23rd (W) \$72.5 put calendar spreads opening

Dollar Tree (DLTR) buyers 1400 January \$105 calls \$5.40 to \$5.50

I Robot (IRBT) buyers of 1000 July 30th (W) \$90 puts for \$7.90 to \$8.40, targeting earnings on 7-28

Consumer/Business Services

Caesars (CZR) into weakness a buyer of 1000 January \$100/\$80 bull risk reversals for \$3.70 debit, continues to see bull flow

Expedia (EXPE) with 2,200 October \$160 calls bought for \$12.03 to \$12.12 as the \$170 calls adjust back into weakness. **EXPE** now the November \$165 calls being bought 4500X for \$13.15 as the \$170 calls adjust back, spot with 13K

Las Vegas Sands (LVS) buyers of 4000 September \$45 calls to open up to \$6.58

Carvana (CVNA) large stock replacement sold 2,500 December \$250 puts for \$15.25

Avis Budget (CAR) buyer of 1000 August \$75 calls for \$4.75 to \$4.80 as the \$85 calls start to adjust back in strikes

Chewy (CHWY) with buyers of nearly 1500 August \$75 calls as the \$80 strike roll back

Carnival (CCL) with another 5000 March 2022 \$22.50 puts sold to open \$3.05. **CCL** 200-MA bounce here today

Kohls (KSS) with 1000 August \$52.50 puts bought for \$4.65, tied to long stock

DoorDash (DASH) trade closes 1000 August \$180 puts and buys 500 each of the \$175 and \$170 puts

News Corp (NWSA) buyers of 1,300 October \$26 calls for \$1.30 to \$1.50 to open today, aggressive buys with shares tightly coiled on the weekly timeframe

Hilton (HLT) buy-write with 1500 January \$135 calls sold \$6.10

Overstock (OSTK) strong day and seeing 600 Dec. \$75 puts sold to open \$8.55 to \$8.65 bids

Starbucks (SBUX) with 1,000 November \$125 calls sold to open this afternoon for \$3.05 into the extended move higher

Lowe's (LOW) with 1,500 August 13th (W) \$190/\$175 put spreads bought this afternoon for \$3.15, earnings expected in mid-August

TJX (TJX) rallying since this morning when 4000 ITM January \$60 calls bought the \$8.75 offer, shares recently tested and held its 200-MA

AMC Entertainment (AMC) today with 10,000 August 6th (W) \$40 puts bought to open \$7.30 to \$7.55

Ralph Lauren (RL) with 1,100 August \$115 calls bought today for \$5 to \$5.10, hammer reversal today off of January volume support

Electronic Arts (EA) with 3750 July 23rd (W) \$142/\$150 call spreads opening for \$1.55, adjusting the \$144 calls bought last week

Grupo Televisa (TV) buyer 11,900 August \$13 puts \$0.75

Electronic Arts (EA) with 3750 July 23rd (W) \$142/\$150 call spreads opening for \$1.55, adjusting the \$144 calls bought last week

Energy

SunPower (SPWR) with 1000 September \$25 ITM calls bought \$4.20 to \$4.50

First Solar (FSLR) buyer 1000 January \$72.50 puts \$3.65 offer

Viper Energy (VNOM) with 1500 August \$19 calls bought \$0.80 to \$0.90 with the bullish reversal day setting up

Occidental (OXY) with opening sales of 1,650 September \$26 puts for \$1.48

Petrobras (PBR) into weakness with a buyer 20,000 January \$14 calls for \$0.42

Financials

KE Holdings (BEKE) with 6,000 August \$30 puts bought for \$1 as the \$35 puts adjust down into further weakness. **BEKE** buyer 1450 Aug. \$40 calls \$2.45 offer with that put adjustment

Square (SQ) buyer 1000 August 13th (W) \$250 calls \$8.25 to \$8.30 into early weakness, earnings 8-5

Synchrony (SYF) opening seller 1150 Dec. \$40 puts \$1.70

UpFintech (TIGR) with 1400 August \$20 calls bought today for \$3.10

Alliance Data (ADS) buyers of 7500 January \$80 puts \$6.10 to \$6.20

Blackstone (BX) with 1250 January \$97.50 calls bought for \$6.95, stock replacement today with shares coiled around its 21-day MA and near new highs

Blackrock (BLK) opening seller 500 October \$920 calls for \$21.70

Ally Financial (ALLY) a favorite financial hammering and 2000 August \$50 calls bought \$2.01

Credit Acceptance (CACC) bear flow with 400 August \$430 puts bought \$24.40

Mr Cooper (COOP) with 5,500 August \$35 calls sold to open for \$1.50 this afternoon

PagSeguro (PAGS) the August \$50 calls bought 1575X for \$2.50 today, adjusting the \$55 calls back 3000X

Fair Isaac (FICO) with 1000 August \$540 calls bought for \$15.40 with the \$580 calls sold 1250X for \$4.90, some July calls adjusting higher

AON (AON) pulling back the last few weeks to retest a breakout level and today 1150 August \$240 calls bought \$7.55 as June calls adjust

Paychex (PAYX) opening sale 500 January 2023 \$110 puts for \$11.30

Affirm (AFRM) with the November \$60/\$50 put spread bought 3650X for \$4.40 with the \$80 calls sold for \$4.70/\$4.80

Metlife (MET) also with 550 January 2023 \$57.50 puts sold to open for \$9.55, stock replacement

Lending Club (LC) today with 400 January \$30 puts sold to open for \$13.50/\$13.60

Lending Tree (TREE) with 750 August \$210/\$240 call spreads bought to open for \$8.65

Lending Tree (TREE) with 750 August \$210/\$240 call spreads bought to open for \$8.65

Healthcare

Ontrak (OTRK) unusual buyers of 8000 August \$55 OTM calls today from \$0.60 to \$0.80, a \$560M AI-driven telehealth company

Regeneron (REGN) with 1000 August \$550 puts sold to open today from \$14.85 to \$15.25 as the \$500 short puts from February adjust back taking big profits. **REGN** also with 350 August \$570 calls bought for \$27

Alector (ALEC) buyers active again today for 1000 August \$40 calls from \$6.10 to \$6.50, spot where over 800 bought yesterday

Fibro-Gen (FGEN) with 8000 July \$35 calls opening \$1.55 as the \$30 calls adjust and spread with some \$40 calls

Iveric Bio (ISEE) hot mover recently seeing 5000 July \$10 calls bought \$0.90 to \$1.05

Intersect ENT (XENT) buyers of the August \$20 calls for \$1.20 to \$1.25, 3000X, working well out of a rounded base

BioMarin (BMRN) IV jumping with 700 October \$85 calls bought here \$4.10 offer

DexCom (DXCM) nearly 500 December \$330 puts sold to open \$10.20 to \$10.10

Medtronic (MDT) with 2,000 July 23rd (W) \$127 puts bought \$1.65 to \$1.75 this afternoon to open

Eli Lilly (LLY) with 1000 January \$210 puts sold to open this afternoon for \$7.45 to \$7.40, continues to trade in a narrow flag above the 8- and 21-day

BioNTech (BNTX) with 700 December \$170 puts sold to open for \$16.00 to \$16.30, stock replacements

Seres Therapeutics (MCRB) with 600 August \$22.50 calls bought today up to \$5.30, biotech profiled this morning with a near-term event with Phase 2b UC data

Industrials

Tesla (TSLA) with 2,000 January \$490 ITM calls bought this morning from \$186.05 to \$190, sizable trade around \$37M. **TSLA** also 4500 September \$490 calls opening as the \$500 adjust. **Tesla (TSLA)** big red to green move off its 200-MA and 500 November \$520 puts sold \$39.75 into morning weakness. **TSLA** with 10,000 December \$650 calls opening \$87.15 as the \$690 calls adjust

General Motors (GM) into weakness a buy of 1000 October \$55 calls \$3.80. **GM** September \$57.50 calls being bought 5500X up to \$2.85 now

Canadian National (CNI) buyer of 1800 October \$110 calls this morning for \$2.90/\$2.95, some July calls adjusting from May buys

3-D Systems (DDD) buyers of 3,000 February \$33 ITM calls for \$8.80 this morning into weakness, moving red-to-green now off of the prior breakout level from June

Union Pacific (UNP) with 10,000 August \$200 puts sold to open for \$1.93 to \$1.83 into the morning lows

Boeing (BA) today with 10,000 January \$290 calls bought \$7.40 to \$7.65, will confirm OI tomorrow, shares working on a nice red to green reversal after a gap fill

WorkHorse (WKHS) with 1000 January 2023 \$8 deep ITM calls opening today \$7.80 to \$8

Materials

Alcoa (AA) with 1,800 August \$36 calls bought for \$2.01, spread with the \$43 calls sold for \$0.48 today as some \$40 calls adjust. **AA** also with 1750 September \$32 puts sold to open for \$2.10

Freeport (FCX) with 1000 September \$34 calls bought into morning lows

Cameco (CCJ) buyer of the September \$21/\$26 call spread 5,000X10,000 for \$0.16

Livent (LTHM) over 1000 December \$15 puts sold to open for \$1.35

Endeavor Silver (EXK) with 3300 December \$7.50 calls sold \$1.50 to open

Graftech (EAF) IV higher today with 5,000 August \$12.50 calls bought \$0.35 and also seeing 3,000 January \$15 calls bought

First Majestic (AG) buyer of the August \$14/\$17 call spreads 3000X6000 for \$0.40

Pan American (PAAS) with 1000 August \$28 puts bought for \$2 today, shares rolling under major support

Masonite (DOOR) unusual volume continuing all day and the October \$125/\$150 call spread now being bought on the day 1000X for \$2.80, strong longer-term trend that has pulled back to the 200-EMA

Tech and Telecom

Amazon (AMZN) July 23rd (W) \$3550/\$3600/\$3650 call butterfly 1000X2000 early trade looking for move back to \$3600 the week ahead of earnings

Apple (AAPL) buyer 5000 November \$155 calls \$4.25 as the August \$140 adjust

IBM early bull flow into market weakness short-term in nature with 1950 July \$138 calls \$1.95 offer

Oracle (ORCL) buyers coming in for 2500 September \$85 puts \$3.70 to \$3.80

Twitter (TWTR) sweep buys 2000 August \$65 puts \$3.70 offer

Applied Materials (AMAT) buyers of 2,000 July 30th (W) \$125 puts for \$2.23 to \$2.25 this morning with shares back at June support

DynaTrace (DT) opening sale 2000 August \$55 puts \$1.75, quality Software name in monitoring

Nvidia (NVDA) buyer of 1250 August \$740 puts for \$27, tied to long stock

Snowflake (SNOW) sale to open 300 June 2022 \$200 puts today \$21.30/\$21.20

UiPath (PATH) strong candle today seeing 1000 August \$80 and 1500 August \$90 calls with buyers

Roku (ROKU) buyer 1000 August \$380 puts \$17.55. **ROKU** now also with 1000 August \$390 puts bought up to \$19.60

Pinduoduo (PDD) unusual buys 2250 October \$160 calls far OTM \$1.60 offer

Verizon (VZ) buyers 2000 July 30th (W) \$55 calls near \$1.31, earnings on 7-21

ZenDesk (ZEN) mid-day buyer of 1000 August \$125 puts for \$2.65, earnings 7-29

Snap (SNAP) with 35,000 August \$50 puts being sold to open down to \$0.91

Pinterest (PINS) with 2,000 September \$67.50 puts sold to open for \$3.60, stock replacements

DoubleVerify (DV) with 1,250 August \$35 puts opening this afternoon for \$2.10, some July \$40 puts bought last week adjusting

Workday (WDAY) with 1,500 March 2023 \$210 puts sold to open for \$28.90 in a stock replacement

Pinduoduo (PDD) spreads are buying 3800 July 30th (W) \$122 calls for \$1.67 and selling the July \$100 puts for \$0.57

Baidu (BIDU) buy-write sold 800 January 2023 \$220 calls for \$21

Rapid7 (RPD) strong cyber security name with 200 November \$90 calls bought \$17.20

Utility

Duke Energy (DUK) 1425 October \$97.5/\$92.5 bull put spreads opening early

Disclaimer:

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

Content is for informational and educational purposes only, and is not to be construed as specific investment advice or recommendations. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek qualified professional financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, OptionsHawk has not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information does not consider the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors