



MARKET RECAP REPORT 8/12/2020

Sector Leaders

Software

Semi's

Energy

Stock Gainers

CBMG 35%

XPEL 25%

PNTG 23%

AOSL 22.5%

TWST 13.5%

BLDR 11%

EGAN 10%

Volatility Gainers

- RKT
- NVAX
- CRBP
- TZOO
- PTON
- CF

High Call Volume

- DK
- LPX
- QRTEA
- AN
- JMIA
- CS

Bullish Options

- TRIP
- MLCO
- JPM
- BIG
- SQ
- GOLD
- SONO
- JD
- DBX
- PINS
- STM

Market Review: Stocks rebounded overnight into Wednesday's open with stimulus progress in focus and Biden picked Kamala Harris as VP. There were some positive earnings out of Europe with Asos, Leoni, and JustEat while also a large M&A deal by Liberty for Sunrise Communications. Market sentiment also continues to receive a boost from vaccine progress and hope. In morning data CPI showed inflation coming in hot once again. Stocks moved higher through the morning with a shift back to growth, momentum, and Tech names. Bonds continued to show weakness while Biotech and Banks also lagged. Breadth was not as strong as last week and we stalled out near yesterday's high in the S&P. The schedule remains fairly light with jobless claims in focus tomorrow and continue to monitor geopolitical and stimulus news as the market shifts its focus back to Macro with earnings season over for the most part.

S&P Chart:



Resistance	Support
3,365	3,300
3,400	3,245
3,500	3,200

Options Action Trends: Bullish action seen early in Semiconductors like **NVDA, AMD** and then in bulk retailers **BIG, BJ**. We also saw bullish call action in a few lesser followed Payments names like **GPN, FLT**. Call buyers also returned to a number of Tech momentum growth favorites like **FB, ADBE, SQ**.

What's On Tap: Jobless Claims. Earnings from **AMAT, NTES, BIDU, IQ, FTCH, GLOB, ZLAB, AZEK, TPR, ENS**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Aerospace

Bonds

Biotech

Stock Losers

OSPN -35%

NVAX -15%

SMCI -14.7%

RRGB -13%

SRNE -12.5%

OMER -12%

PSNL -11.2%

Volatility Losers

- VSTM
- AEO
- CRON
- RRGB
- LMND
- GPS

High Put Volume

- OMER
- LW
- GPN
- TRGP
- MLCO
- ANGI

Bearish Options

- PTON
- UBER
- INO
- WPM
- BJRI
- PWR
- SIG
- YPF
- PRU
- CL
- DFS



FEATURED OPTIONS RADAR REPORT



Papa John's Bulls Bet on Move Back to Highs

Ticker/Price: PZZA (\$93.6)

Analysis:

Papa John's (PZZA) IV rose late with buyers of 1800 September \$90 ITM calls \$7.20 to \$7.50 and becomes the only real notable positions in open interest. PZZA shares have been on a strong run since March as a business seeing less impact as delivery/take-out is preferred for its products. PZZA broke out of a long range in June and pulling back this week to a 38.2% retracement of the run since March while a 50% retrace and 55 MA sits lower near \$90. PZZA's CEO was recently on Mad Money touting its turnaround and on 7/27 reports it was looking to hire 10,000 more people, a good sign of demand. The \$3B company is trading 42.5X Earnings and 1.8X Sales with a 0.96% yield. PZZA forecasts see 11% revenue growth this year and 21.9% EPS growth. The Pizza industry did \$100B in global sales in 2018 and a highly fragmented market with room for PZZA to take share and also leverage its digital capabilities. Starboard invested in PZZA to support growth and margin expansion. Analysts have an average target of \$103 and short interest down to 14% of the float at a multi-year low. CSFB named it a new Top Pick in early July as an underappreciated multi-year comp story with strong unit development leading to powerful upside earnings potential. It says new CEO Rob Lynch will leverage his experience to improve franchisee relationships and profitability, enhance the marketing strategy, increase the pipeline of new menu innovation and leverage data analytics to drive decisions. CL King raised its target to \$110 last week noting scarcity value in the restaurant industry of names strengthening in the current environment. BTIG upped its target to \$115 saying to set aside valuation concerns and focus on the fundamentally improving business model. Hedge Fund ownership fell nearly 7% in Q1 filings, Jackson Square a top holder.

Hawk Vision:



Hawk's Perspective: PZZA makes a lot of sense to emerge a winner with a lot of smaller shops shutting down, and think the story has plenty of room to run at just a \$3B market cap.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Blackrock Call Buyer Looks for Momentum to New Highs

Ticker/Price: BLK (\$586.50)

Analysis:

Blackrock (BLK) buyer of 525 October \$600 calls for \$20.90 into late day weakness, a name that does not see a lot of large positioning and has minimal open interest of note. BLK has stood out recently on chart scans with shares emerging out of a tight bull flag with room to run to \$625 and take out 2018 and 2020 highs. BLK is coming off another stellar quarter where it saw \$100B of inflows driven by fixed income and cash management. It continues to see record inflows to its iShares products as the passive management theme grows. Technology services revenue increased 17% year-over-year reflecting continued momentum in Aladdin and the impact of the eFront acquisition. The \$87.5B Asset Manager trades cheap at 17.75X Earnings, 2.73X Book and yields 2.5%. BLK forecasts see revenue growth accelerating to 7.2% in 2021 with nearly 10% EPS growth. Analysts have an average target of \$645 with share interest minimal at 1.3% of the float. Argus raised its target to \$640 seeing shares undervalued and Citi to \$685 after the Q2 beat. BMO noted Blackrock will continue to steal market share from traditional managers. Hedge Fund ownership rose 2.55% in Q1 filings.

Hawk Vision:



Hawk's Perspective: BLK remains a favorite Financial name that tends to outperform peers and has such a strong business model, while the chart sets up very nicely as well.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



TripAdvisor Bullish Positioning Accumulates Across Expirations

Ticker/Price: TRIP (\$22.40)

Analysis:

TripAdvisor (TRIP) early action today buying over 6,500 September \$23 calls and now volumes running over 12,750X on the morning up to \$1.45. TRIP has seen buyers in the September \$22 calls and sellers in the March \$18 puts recently with plenty of longer-term bullish flow out into January from April. Shares are slowly working out of a multi-week base and above the downtrend from the late 2018 highs and back around the 200-day at \$23.75, a big potential inflection with room back to \$30. The \$3.04B company trades 33.5X earnings and 2X sales with limited near-term debt and plenty of liquidity after recent actions by management. TRIP has seen all of their near-term estimates slashed due to COVID but expects to be back on track for mid-20% revenue growth in FY22. TRIP has seen Y/Y monthly unique visitors inflect higher since April and positive linearity through July as US travel trends continue to improve. They're also seeing better booking activity on their restaurant side with consumer demand in Europe back near January levels and experiences traffic rising strong in countries where lockdown measures were better enacted than the US – placed like Germany, Italy, and Japan. Analysts have an average target for shares of \$25. Needham starting coverage recently at Buy with a Street High \$26 PT. RBC positive on 8-10 as the worst is over for the company. Short interest is 8.9% but steadily trending down since 2018. Hedge fund ownership rose 4.3% in Q1. Soma Equity Partners, a rather concentrated fund, big buyers of call options. TRIP CEO bought \$1M in stock in March near \$21.75, the first open market buy in years.

Hawk Vision:



Hawk's Perspective: TRIP is interesting with the large January bull risk reversals in OI though overall always been lower quality name, once to keep smaller and more alluring for its M&A potential.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



J&J Longer Term Call Buys Look for Breakout

Ticker/Price: JNJ (\$149.85)

Analysis:

Johnson & Johnson (JNJ) with over 3,400 March \$150 calls being bought today up to \$9.25 in the afternoon and spot where 1,300 were bought in early August. JNJ has 2,500 December \$155 calls in OI as well from large buys in mid-May and further out buyers in the Jan. 2022 \$200 calls from earlier this year that remain looking for a major multi-year run. JNJ shares are in a narrow multi-month range under \$155 and looking to clear a cup-and-handle base above \$151.50 with a targeted run to \$175. MACD is crossing over bullish and RSI set to run with the short-term moving averages starting to inflect higher. The \$384B healthcare leader trades 16.25X earnings, 4.77X sales, and 20X cash with a 2.75% yield. JNJ has broad exposure to a lot of growth areas within pharmaceuticals (which includes a COVID vaccine), consumer, and med-tech. The latter has seen some pressure in 2020 due to delayed procedures but they expect a big snapback into 2021 and a major long-term growth engine as they continue to see new products approved (four in Q2, two more on deck) which will drive share gains. Their head of Medical Devices spoke at a Citi event in July and noted that the next 2-3 years set up well for the company as they've invested in some major gaps in their procedure libraries in areas like cementless knee, revision, dual mobility hips, and more which are high-growth areas they can win market share. Analysts have an average target for shares of \$164.25 and Barclays a Street High \$182. Goldman positive in July noting that the valuation gap between JNJ and the SPX was too wide given the company's 6% and 10% top and bottom line growth. Short interest is 0.5%. Hedge fund ownership rose 2% in Q1 with a notable buy from Senator Investment Group, a new 1.35M share position. JNJ has also seen insiders active recently with a lot of buyers in 2019 around the \$135/\$140 level.

Hawk Vision:



Hawk's Perspective: JNJ has a choppy long-term chart and like the company as a quality name with cheap options but also does not tend to make big trend moves, so passing on it.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

South Africa (EZA) unusual with nearly 2000 January \$40 calls bought \$2.50 offer

Dividend ETF (DVY) unusual activity with 4500 Dec. \$69 puts sold to open \$1.65/\$1.60

Silver (SLV) opening sales 5000 March \$24 puts \$4.05

Emerging Bonds (EMB) with 6500 January \$108 ITM calls bought to open \$6.60 offers

Consumer Discretionary/Services

Melco (MLCO) with 8750 September \$18 puts sold to open \$0.75 to \$0.70

BJ Restaurants (BJRI) with 1500 September \$20 puts opening \$0.95

Signet (SIG) spreads are selling the September \$17 calls to buy the \$14 puts today, 750X for \$0.47 into earnings on 9-3

Penn National (PENN) session highs with 500 September \$50 puts sold for \$5.42 to open

Norwegian Cruise (NCLH) with 2000 March \$25 OTM calls bought today \$2.06 to \$2.20

Burlington (BURL) with 640 December \$195/\$175 bull risk reversals opening today for \$4.15, positive comments recently on re-opening traffic

Marriott (MAR) with 1000 Aug. 28th (W) \$100 puts opening ITM near \$6.45

Cinemark (CNK) with 1675 September \$10 calls sold to open for \$2.10, group that likely remains under pressure as more places move to OTT over theatrical debuts

Glu Mobile (GLUU) with 10,000 December \$8 calls bought \$1.09 and 12,500 of the \$10 calls sold \$0.49

Dicks Sporting Goods (DKS) buyers of 800 September \$49 calls for \$2.25 to \$2.35, earnings on 8-26 and likely follows peers with a big quarter

Consumer Goods

Peloton (PTON) with 3,000 August 28th (W) \$60 puts bought up to \$1.78 into recent strength, earnings not until 9-10

Lamb Weston (LW) opening sale 1500 September \$55 puts for \$0.65

Big Lots (BIG) buyers of 2500 August \$50 calls to open up to \$1.25, seen strong trends since pandemic. **BIG** now with 1000 Jan. \$65 far OTM calls sold to open \$2.70 to \$3 after the Aug. call buys

Sonos (SONO) shares pop with 3,750 October \$15 calls bought up to \$1.60 into the recent pullback; **SONO** right at the 38.2 Fibonacci of the rally, as well as cloud support

Yum Brands (YUM) with 2500 August \$91.50 puts sold to open for \$0.90 to \$0.85

Primo Water (PRMW) breaking out to highs and unusual 1350 January \$15 calls opening today up to \$1.70

BJ Wholesale (BJ) nice multi-week consolidation into 8-20 earnings and seeing 1500 September \$40/\$50 call spreads bought

Celsius (CELH) with the January \$20 calls sold to open today from \$4.40 to \$4.00, over 1100X into recent strength

Beyond Meat (BYND) looking weak and 1300 September \$115 short calls opening ITM, adjusting from August

Dollar Tree (DLTR) with 450 January 2022 \$130 calls far OTM opening \$5.70 to \$5.90

Energy

Delek (DK) buyers of 7500 September \$20 calls up to \$0.40

Targa (TRGP) opening sale of 4,000 January 2022 \$12 puts for \$2.50

YPF (YPF) with 10,000 January \$4 puts bought for \$0.35

Enphase (ENPH) buyer of 1,000 OTM September \$85 calls for \$2, nice run lately and pulling back yesterday to the 8-day

Helmerich & Payne (HP) seller of 1,000 September \$20 puts for \$1.95

Penn Virginia (PVAC) with 1000 September \$12.50 puts sold to open for \$1.40 to \$1.30

Occidental Petro (OXY) November \$15 puts open 10,000X at \$2.21 with the Sep \$20 puts adjusting

Financials

JP Morgan (JPM) 1450 June 2021 \$120 calls being bought \$6.45 to \$6.60

Axis Capital (AXS) with 500 September \$45 puts sold to open for \$1.40 to \$1.35, still has 1000 October \$45 calls in OI and considered a potential deal target in the space after the recent NGHC/Atlantic deals

Square (SQ) sweep buy 1600 Aug. 28th (W) \$157.5 calls for \$2.57. **SQ** with 4200 June 2021 \$160 calls being bought where 5500X have accumulated from buys, will confirm OI tomorrow

PayPal (PYPL) with 1200 October \$170 puts sold \$4.25 bids

Wells Fargo (WFC) buyer 2000 Sep. 25th (W) \$25 calls \$1.57

Credit Suisse (CS) with another 5,000 March \$12 calls bought today for \$1.20

Global Payments (GPN) with 3,000 November \$185/\$155 bull risk reversals being bought today for \$2.20 debit

FleetCor (FLT) with 2300 November \$260 calls opening \$8 to \$8.55 range as August \$250 and \$260 calls adjust

Walker & Dunlap (WD) buyer of 2,000 September \$60/\$65 call spreads for \$1.75 with the \$55 puts sold 1,000 for \$1.80, adjusting the August \$50 calls which close from 7/8

Discover (DFS) with 1675 September \$50 puts opening \$1.70 to \$2.05 as shares fade from a recent jump

Zillow (Z) with 1000 January \$85 calls being sold to open \$9.05 to \$8.80

Healthcare

ThermoFisher (TMO) stock replacement sells 500 January \$400 puts for \$25

HCA Health (HCA) with 2,370 December \$145 calls opening for \$7.40, adjusting a buy-write from late June in the August expiration

Cardinal Health (CAH) with 565 January 2022 \$55 calls bought \$7.10 to \$7.40 to open today

Invitae (NVTA) shares and IV jumping with 2,500 March \$30 calls bought up to \$7.30, nice pullback highlighted this morning to the 50-day and setting up again after the jump from the Archer deal in July

Boston Scientific (BSX) opening seller 1000 September \$40 puts \$1.40

Zoetis (ZTS) with 625 January \$145 puts bought \$5.70 to \$5.80

Danaher (DHR) with 500 January \$210/\$195 collars opening for \$3.40 credit with stock

BioHaven (BHVN) with 1500 November \$45 puts sold to open \$2.90 to \$2.80 into the recent pullback, shares just above the 38.2% Fib retracement of the April/May run

Agilent (A) spreads selling 3000 September \$105 calls and buying the \$95 puts, earnings 8-18

Regeneron (REGN) with 900 November \$545 calls opening \$94.82 and 500 November \$600 calls at \$62.90 as some August positions adjust

Elanco (ELAN) with 5000 October \$20 puts sold to open \$0.20

Industrials

Workhorse (WKHS) buyers early 1830 September \$15 calls \$2.85 to \$3 into weakness

Fed-Ex (FDX) with 1000 October \$210/\$250 call spreads bought

Group 1 Auto (GPI) spread sells 500 September \$85 puts to buy the \$95/\$100 call spread as some Aug. \$80 short puts adjust, recent Oct. call spreads bought as well

Boeing (BA) trading another 3440 June 2021 \$80 deep ITM calls, be interesting to see OI tomorrow

CH Robinson (CHRW) with 750 January \$110 calls bought \$2.00 to open in a stock replacement, a lot of size Feb. calls opening this week in adjustment trades

Ritchie Brothers (RBA) on a strong run and seeing unusual 1000 March \$70/\$80 call spreads open, recently profiled the name and its big opportunity and strong operations

WABCO (WAB) with 2000 October \$75 short calls opening \$2.19 as September \$65 adjust

Middleby (MIDD) buy-write with 300 March \$120 calls at \$8.95

Deere (DE) the September \$185/\$165 put spread bought 1650X for \$4.30, same spread bought 1000X yesterday

Union Pacific (UNP) with 500 June 2021 \$200 calls bought \$16.65 in a stock replacement today

Carrier (CARR) with 2000 December \$33 calls sold to open as the Sep. \$26 adjust a buy-write position that keeps rolling

Lennar (LEN) spreads selling 1900 January \$65 puts to buy the \$75/\$90 call spreads at \$0.2 net credit

Sonic Automotive (SAH) with 450 August \$45 calls bought for \$2.95 to open with the September \$40 puts sold for \$1.00, strong move today to new highs

Materials

Barrick (GOLD) with 4500 December \$28 calls bought into weakness, follows size Dec. call buys yesterday. **GOLD** also seeing 5000 December \$26 puts sold to open near \$2.70

Ball Corp (BLL) with 565 January 2022 \$60 puts sold to open for \$5.20

Cornerstone Building (CNR) big jump on earnings and today seeing 400 September \$10 puts sold to open for \$1.50

Pan American (PAAS) seller of 700 January \$28 puts for \$3.05 into weakness and the 50-MA, name with a lot of bull positioning recently

Advansix (ASIX) small cap chemicals name trading cheap on valuation with unusual 485 March \$20 calls bought and 150 of the \$15 calls

Franco Nevada (FNV) with 1000 September \$135 puts sold to open for \$2.90, name with a lot of bullish October open interest

Wheaton (WPM) with 5500 January 2022 \$35 puts being sold to open \$3.75. **WPM** 1270 March \$41 puts sold to open \$3.25 as well

Tech and Telecom

JD.com (JD) with 1000 March \$50 puts sold to open this morning for \$3.60. **JD** now with 1400 March \$55 puts sold to open \$5.25 as well

TSMC (TSM) volume continuing and now over 2,000 September 4th (W) \$83 calls being bought on the morning from \$1.33 to \$1.43

DropBox (DBX) recent weakness back near 200 MA and has size October calls in OI seeing 1400 January \$20 calls bought today \$2.60 and 2500 of the \$15 puts sold to open

Pinterest (PINS) November \$30 ITM calls with buyers active 1700X

Juniper (JNPR) pops with August \$25.50 calls hot trading 6700X into Cisco report

ST Micro (STM) calls hating up again with 5900 October \$35 calls, and 4000 September \$35 calls

Microsoft (MSFT) opening sale 1000 February \$190 puts \$14.62

Facebook (FB) with 5500 January \$315 calls selling to open \$10.25 to \$10.15. **FB** now a block of January \$315 calls is bought 8000X at \$8.55. **Facebook (FB)** trading a lot of size today, the July 2021 \$325 calls opening 3900X and June 2021 \$325 calls 2990X that look to be calendar spreads with January \$315 call sales. **FB** also with 4000 November \$320 calls sold to open. **FB** also seeing sales to open in October and December \$265/\$260 strangles

Zoom (ZM) September \$250 calls active with buyers up to \$17.10 offers this morning for 1500X

Etsy (ETSY) buy-write with 300 March \$170 calls at \$9.05

CrowdStrike (CRWD) with 425 June 2021 \$97.50 puts sold to open \$19.60

Netflix (NFLX) opening seller 700 September \$505 ITM puts down to \$38.15

Alteryx (AYX) sale to open 500 June 2021 \$120/\$100 strangles for \$38.20

Micron (MU) climbs with 4000 August 28th (W) \$50 calls bought up to \$1.02. **MU** opening sale 5000 June 2021 \$42.5 puts at \$4.99 adjusting Jan. \$40 short puts

Intel (INTC) with 2500 June 2021 \$52.5 calls bought \$4.30 offers, also buyers active 7500 of the \$50 calls \$5.20 to \$5.60. **INTC** June \$52.5 calls up over 7000X now

Sea (SE) buyer 1300 August \$142 calls for \$3.60, earnings 8-18 and should be a blowout number

NetApp (NTAP) with 5000 Aug. 28th (W) \$43 calls opening for \$2.35 with August positions adjusting, captures earnings 8-26

Pinduoduo (PDD) with 300 January 2022 \$80 puts sold \$18.20 to open and 400 of the Sep. 25th (W) \$85 puts sold to open \$7.05

Splunk (SPLK) holding near 55 MA and earnings 8-26, opening sale today 400 January \$180 puts for \$15.90

Groupon (GRPN) with 500 January \$30/\$35 call spreads bought for \$1.08, coming off a strong quarter and announced a restructuring

ON Semi (ON) buyer October \$23/\$27 call ratio spreads 2000X4000

Adobe (ADBE) with 1000 Sep. 25th (W) \$500 calls opening \$4.60 to \$4.90 range

Analog Devices (ADI) with 1,000 September \$130 calls bought \$1.10 to \$1.25 this afternoon, narrow multi-week range. **ADI** also with buyers in the September \$125 calls \$2.50 to \$2.60, more than 2500 trading

DocuSign (DOCU) trading 2750 September \$200 calls for over \$3.6M, a lot of smaller lots and seems a lot of August adjustments, earnings early September

Z-Scaler (ZS) unusual trade sold 100 November \$150 deep ITM puts to open for \$34

Utility

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Not Investment Advice or Recommendation

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