



MARKET RECAP REPORT 8/17/2020

Sector Leaders

Gold Miners

Biotech

Housing

Stock Gainers

OSTK 21%

GRWG 19%

RTX 14%

MESO 13.7%

GOLD 11.8%

LL 11.7%

GAN 10%

Volatility Gainers

• WLL

• HCI

• CLVS

• FLDM

• SOLO

• ALLT

High Call Volume

• GRWG

• HALO

• ARNA

• AAP

• REGI

• GDOT

Bullish Options

• MU

• QSR

• MCD

• ZM

• NET

• PENN

• GOLD

• CSCO

• PDD

• CRM

Market Review: Stocks opened the week modestly higher despite some negative news flow with US/China tensions increasing and Europe seeing a 2nd wave of COVID hit its major economies. Stocks held gains through the morning though with a lot of breadth strength or upward progress, led by growth groups while Precious Metals and Housing continued strength. Banks & Energy continued to be laggards while Industrials cooled off as well. It was a quiet day to start the week though price-action remaining firmly bullish. We get some housing data along with Retail earnings tomorrow and then look ahead to FOMC Minutes while US/China tensions remain in focus.

S&P Chart:



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

Options Action Trends: We saw size strategies use January bullish covered risk reversals in consumer leaders **DIS**, **SBUX**, **CMCSA** as well as in **RTX**. We also continued to see large long-term bull call spreads in large cap Tech like **GOOG**, **FB**, **ADBE**, **CRM**, **AMZN**, **MSFT**.

What's On Tap: Building Permits and Housing Starts. Earnings from **WMT**, **HD**, **SE**, **A**, **AMCR**, **JKHY**, **GDS**, **CREE**, **AAP**, **KC**, **JLL**, **KSS**, **DQ**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Open **REGN** November \$600/\$585 Bull Put Spreads at \$7 Credit

Sector Laggards

Banks

Energy

Industrials

Stock Losers

UBX -60%

JMIA -10%

ENV -9.2%

REV -9.2%

CARS -8.1%

DDS -9.1%

PSN -8.7%

Volatility Losers

• PRNB

• UBX

• DISH

• CODX

• SDC

• RVLV

High Put Volume

• CLNY

• CPRI

• BHR

• MESO

• NUS

• FE

Bearish Options

• BC

• MCRB

• LYFT

• HCI

• M

• SYF

• ANAB

• AON

• GLW

•



FEATURED OPTIONS RADAR REPORT



Unusual Call Buyer in Allot Communications

Ticker/Price: ALLT (\$12.15)

Analysis:

Allot Communications (ALLT) trading 30X daily calls with 4,400 September \$12.50 calls being bought \$0.55 to \$0.70, a spot with 1900X in OI. ALLT previously on 8/4 with 1000 March \$12.5/\$10 bull risk reversals opened. Shares are nearing a key breakout of a cup and handle pattern above \$12.50 that measures to a \$15 target. Formula Systems was exploring a potential takeover of ALLT back in 2016 and ALLT based in Israel where unusual options activity tends to be suspicious. The \$400M maker of network intelligence and security solutions trades 3.3X Sales and revenues rose 16.9% and 14.9% the last two years with 23.4% growth seen in 2020 with the company also reaching profitability. ALLT target markets are CSPs and Mid-Large Enterprises and it has \$109M in cash and investments, a strong balance sheet. ALLT sees its addressable market as \$6B. Analysts have an average target of \$14.50 with short interest low at 0.6% of the float and coming off a solid quarter with strong guidance. Lake Street started shares Buy in April noting recent wins and expanding margins while a sharp rise in bandwidth demand at its service provider customers is a positive tailwind. Hedge Fund ownership jumped 13% in Q2 filings.

Hawk Vision:



Hawk's Perspective: ALLT looks interesting on the chart with some recent volatile moves, a speculative name I think could be a buyout target.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Comcast Spreads See Strong Reward/Risk in Shares

Ticker/Price: CMCSA (\$43.80)

Analysis:

Comcast (CMCSA) spreads this morning are selling the January \$37.50 puts to buy the \$45/\$52.50 call spread for a net \$0.65, over 12,000X. CMCSA has seen those January \$45 calls accumulate over 35,000 with buyers recently around \$1.89 while the September \$42.50 and \$45 calls both with size buyers in late July and the October \$37.50 calls with a big buyer in late June. CMCSA shares are consolidating in a bull flag above the rising 21-EMA and the short-term 8-day support at the lows this morning. A breakout above \$44.25 targets \$46-\$48 range and could run with MACD nearing a bull cross. The \$198B company trades 14.77X earnings, 1.88X sales, and 14.2X cash with a 2% yield. CMCSA is coming off a strong quarter as Work-from-Home continues to draw more high-speed internet adds with cable hitting an all-time quarterly high for adds. CMCSA has been hit in multiple ways from the pandemic with advertising slowing and both global theaters and theme parks running at minimal capacity, although the former should improve as live sports has returned. The company did note in July they see this as an opportunity to lean into next-gen areas of spending like OTT streaming and monetizing their content. Their Peacock platform launched in late Q2 and already had 10M subs while their scale should give them an advantage in ramping further into year-end. They're also investing further in broadband where only 50% of homes/businesses are currently taking their data products. Analysts have an average target for shares of \$49. Deutsche Bank raising their PT to \$53 in early August citing continued strength in broadband subscriber growth, cable margins, and cable capital intensity. Bernstein upgrading to Outperform in early July with a \$52 PT. The firm thinks CMCSA needs to take bold moves given their leadership position and sees a path to \$4/share in earnings power and \$60+ stock in three years. Nomura noting that green shoots are emerging for the stock despite their advertising, film, and theme park exposure. Short interest is 1.9% and climbing a bit recently. Hedge fund ownership fell 1.5% in Q2, Viking Global a big buyer of 10M shares and now has over 28M total. Soroban with a new 10M share position. Activist Corvex also with a small new position.

Hawk Vision:



Hawk's Perspective: CMCSA remains a high quality leader and these spreads have a strong structure for one willing to own CMCSA back near June levels.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



GreenDot Upside Call Spreads Bought into Momentum

Ticker/Price: GDOT (\$54.15)

Analysis:

Green Dot (GDOT) smaller action today with 1,000 September \$55/\$65 call spreads today for \$2.25 but name which has seen consistent accumulation in bullish positions since mid-June including over 1,600 September \$60 calls, 1650 December \$35 short puts, and 1,100 December \$40 short puts. GDOT has run a lot since we last wrote up the name in March and now consolidating in a narrow flag under \$56 looking to take another leg higher towards \$70. GDOT broke a long downtrend in June and traded up as high as \$90 in 2018. The \$2.8B company trades 23.66X earnings, 2.39X sales, and 24.85X FCF with over \$36/share in cash on hand.

GDOT has raised estimates this year and now sees mid-20% EPS growth in both FY21 and FY22 with revenues up mid-to-high single digits. GDOT is coming off of a strong quarter, the best in terms of revenue and profitability in years with ADV jumping due to stimulus funds deposited through their programs. GDOT expects medium and long-term success from a new direct-to-consumer digital offering aimed at helping low-to-moderate income consumers. Longer-term, they see growth in their BaaS partnerships transforming the company as they can create a higher recurring revenue base using a more traditional subscription model for fees. Analysts have an average target for shares of \$51. JP Morgan raising estimates this morning as digital winners should continue to thrive during the pandemic with uncertainty around stimulus and the election remaining at the forefront of investor minds. BTIG a \$56 PT as they see new CEO Henry executing well on his turnaround plan with a focus on making operations simpler and creating value by improving business practices. Short interest is 4.8% and down from 11.7% in February. Hedge fund ownership fell marginally in Q2, Contour Asset Management, Brahman Capital, and Point72 all buyers. Insiders active in May as well with two directors buying stock, one Jeffery Osher acquiring 75,000 shares between \$34.64 and \$36.76.

Hawk Vision:



Hawk's Perspective: GDOT an interesting strong chart and story that is relatively unnoticed and I wonder if FLT could look at them as an acquisition target.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Homebuilders (ITB) unusual early buying 4000 Aug. \$55 calls and selling \$53 puts 4000X into Housing data this week

Silver (SLV) with 3,000 March \$23 puts sold to open for \$2.71

S&P (SPY) buyer 15,000 March \$350 calls to open today for \$22M spread with January \$350 calls sold, also seeing 15,000 October \$315 calls open for \$40M spread with sales of September 315, and the January \$320 calls bought 10,000X for \$31M spread with sales of Dec. \$320 calls

Brazil (EWZ) October \$29/\$26/\$22 put butterfly spreads trading 14,000X35,000X21,000

Gold (GLD) replacement trade opened 3000 March \$186 calls today at \$12.50

Consumer Discretionary/Services

Penn (PENN) with 3500 September \$60/\$70 call spreads opening as August \$50 calls adjust

Ralph Lauren (RL) with 500 January 2022 \$60 puts sold to open for \$11 today

Macys (M) buyer of 3,500 January \$7 puts for \$1.74, adjusting out some August \$9 puts. **M** Sep \$7 puts buyers 3000X as well

Capri (CPRI) spread here buys 7,500 September \$17.50 puts for \$1.80 and sells the January \$15 puts for \$2.18 to open

Match (MTCH) with 1200 September \$105 puts sold to open \$2.78

Dicks Sporting Goods (DKS) with 3,000 August 28th (W) \$52 calls sold to buy the \$45/\$41 put spread into earnings, likely protective given the big run lately

Disney (DIS) trade sold 4000 January \$110 puts to buy \$140/\$155 call spreads

Starbucks (SBUX) spread sold 6,825 January \$67.5 puts to buy the \$82.5/\$92.5 call spreads, covered bull risk reversals popular today

Stitch Fix (SFIX) with 3,000 March \$24 calls bought \$4.40 to \$4.90 today to open, pulled back to the 200-day and forming a nice base lately

FarFetch (FTCH) with 1,000 October \$30 calls bought for \$3.25, closing the August \$16 calls for \$14 and rolling out

Ruth's (RUTH) seeing 1680 February \$5 puts sold to open

MGM buyer 1500 January \$27/\$37 upside call spreads

Kohl's (KSS) with 3500 Aug. 28th (W) \$23.50 calls bought \$1.28 to \$1.35, earnings tomorrow

Activision (ATVI) with 1,000 September \$70 calls opening for \$12.15 as the August calls adjust

eBay (EBAY) trading 4,750 of the October \$60 calls versus 5,893 in OI, look to be adds and will confirm tomorrow

CarGuru (CARG) with 725 November \$30 puts sold to open ITM \$4.80 bid

Groupon (GRPN) with 500 ITM January \$27 puts being sold to open \$7.50 as shares test the 21 MA after recent pop

Carvana (CVNA) block of 6600 September \$200 calls bought \$12.60 offer, have to see if adds to OI tomorrow

Marriott (MAR) sellers of 1200 January 2022 \$70 puts today \$9.05

Consumer Goods

Restaurant Brands (QSR) with 1,500 September \$57.50/\$50 bull risk reversals bought for \$0.13 debit

Advanced Auto (AAP) with 1,275 August \$160/\$180 call spreads bought for \$5.90 into earnings tomorrow, strong history higher eight of the last ten

McDonald's (MCD) size buying 5000 next week \$207.50 calls up to \$4.50. **MCD** now a spread sells 2850 December \$180 puts to buy the \$220/\$240 call spreads

Foot Locker (FL) with 2,000 of this week's \$27.50 puts sold to open for \$1.02 into 8-21 earnings

Peloton (PTON) with 1,350 September 11th (W) \$70/\$85 call spreads opening for \$2.40, targeting 9-10 earnings

Walmart (WMT) with 7700 August \$141/\$143 call spreads bought for \$0.40 into earnings this week

Leggett (LEG) buy-write with 900 January \$45 short calls at \$2.70

Beyond Meat (BYND) with 650 next week \$100 deep ITM calls opening near \$25.75

Kroger (KR) with 800 ITM January \$33 calls bought \$4.65 to \$4.70 with shares breaking out

Ollie's Bargain (OLLI) with 3,000 ITM January 2022 \$120 puts bought today from \$33.50 to \$35

Costco (COST) strong name seeing 700 July 2021 \$340 calls open today for around \$2M and also 325 Jan. \$365 calls bought

Yum Brands (YUM) with 2500 September \$90 puts sold to open \$1.62

Big Lots (BIG) with 2,000 September \$55 calls bought \$2.70 today as the August \$50 calls from last week start to roll out

Energy

Occidental Petro (OXY) with 10,000 November \$16 calls sold to open \$1.125. **OXY** seeing buyers in September \$13 and \$14 calls at 1000X and 4300X

Pioneer (PXD) opening sale 400 Mar. \$100 puts today \$12.10

Financials

Bank of NY (BK) opening sale of 2,850 January \$35 puts for \$2.20

Homeowner's Choice (HCI) unusual buy 2500 October \$30 puts \$0.60

Healthcare Trust (HTA) with 1,350 October \$25 puts sold to open for \$1.10 to \$1.05, small-cap REIT with a focus on Medical Office Buildings (MOBs) and did see a number of insider buys in March and May into weakness

Synchrony (SYF) with 1,000 March \$25 puts bought \$4.25 today to open

Morgan Stanley (MS) stock buyer sells 10,329 January \$62.5/\$44 strangles at \$3.13

KKR & Co (KKR) with 3,251 August \$35 short calls close and roll out to open the March \$41 / December \$35 collar on shares 3,952X3,652

Red Rock (RRR) with the October \$20 calls bought for \$1 this morning, over 1600X as shares jump to the highs

Aon (AON) buyers of 1,380 October \$190 puts for \$5.00 to \$5.30 this afternoon. **AON** also seeing 500 August \$200 short calls buy back and roll to the January \$230 calls that are sold 1280X for \$2.80

MasterCard (MA) buyers 2300 Sep. 4th (W) \$340 calls today \$3.80 to \$3.95 to open

Intercontinental (ICE) trader closing 1742 August \$95 short calls and rolling out to open the January 2022 \$115 / December \$97.50 collar, 2,460X for a net credit

JP Morgan (JPM) 1500 January 2022 \$140/\$90 bull risk reversals trade at a credit of \$8.15

FleetCor (FLT) with another 2,300 November \$260 calls bought \$12.80 to \$13.80

Goldman (GS) seller of 1000 January \$205 puts for \$19.60

MetLife (MET) opening sale 1000 June 2021 \$35 puts \$3.75 to \$3.80

Healthcare

Seres Therapeutics (MCRB) with 2,000 September \$35 calls sold to open for \$1.30 into the recent pop higher

Arena Pharma (ARNA) another 1,650 October / December \$70 call calendar spreads trading for \$5.41, spot where buyers active on 8/13

Moderna (MRNA) opening sellers of more than 3,275 September \$75 calls this morning from \$5.70 down to \$5.30

Pfizer (PFE) seeing November \$40 calls active with buyers up to \$1.40 offer for over 4000 contracts

Halozyme (HALO) September \$24 short calls adjust to a March \$32 / December \$27 collar on shares 4838X

Bristol Myers (BMY) opening sale of 1300 November \$60 puts for \$2.34, name which has drawn a lot of call buying lately

EXACT Sciences (EXAS) with 370 January \$75 calls bought \$17.50 to \$17.65 today

Axonics (AXNX) buyer of 1,500 October \$50 calls for \$1.85, nice consolidation lately

CytoKinetics (CYTK) with 3000 January \$25/\$32 call spreads opening against 3000 November \$20 short puts

Opko (OPK) buyer 5000 January 2022 \$10 calls for \$1.20

Industrials

Tesla (TSLA) adjustment of 1000 September \$1750 calls to October \$1940 likely extending a buy-write. **TSLA** September 25th (W) \$2000 calls trading 1200X with size buys midday \$101.90 to \$105.45

Union Pacific (UNP) buyers of September \$195/\$210 call spreads with August \$195 calls adjusting

Raytheon (RTX) also seeing January covered risk reversals with the \$55 puts sold to buy \$65/\$75 call spreads 6000X

Aptiv (APTV) high-quality name with 500 January \$80 puts sold for \$6.40 in a stock replacement

Group 1 (GPI) with 500 October \$100 calls bought for \$7.61 and spread with sales of the \$115 and \$120 calls, 500 each. GPI has bullish Sept. spreads and 1000 October \$90/\$115 call spreads in OI

General Motors (GM) rising here and 2000 March \$40 OTM calls bought

Ford (F) opening sale 5000 October \$7 puts for \$0.51

Richie Brothers (RBA) with March \$70/\$80 call spreads bought 2500X adding to the 1000X last week

Delta Air (DAL) with 1700 March \$23 puts sold to open \$3.15 earlier today

Materials

Barrick (GOLD) opening buys 3000 Ot. 2nd (W) \$30 calls \$1.88 offer where Buffett started a new position

Sherwin Williams (SHW) opening sale 100 January 2022 \$530 puts for \$40.30

Ball Corp (BLL) with some August short calls closing and rolling out to open the February \$91 / November \$75 collar 3,339X for \$3.00 debit, similar to **KKR, HALO** earlier

Martin Marietta (MLM) trader closing 1,300 August \$220 short calls and rolling out to open the June 2021 \$250 / January \$210 collar 1,150X for \$2.25

Freeport (FCX) with 2000 February \$15 puts being sold to open 42.50

Tech and Telecom

Micron (MU) seeing buyers active in Aug. 28th (W) \$50 calls early with 12,000X trading

Shopify (SHOP) with 1635 next week \$900 puts sold to open for \$5.01

Cloudflare (NET) near-term Aug \$42 calls hot 6500X. **NET** buyer 500 February \$45/\$50 call spreads today as well

Lyft (LYFT) with 1800 Sep. 4th (W) \$27 puts opening \$1.33/\$1.34

Alibaba (BABA) with 2,000 December \$235 puts sold to open \$14.15 to \$14.10 in stock replacements this morning

Cisco (CSCO) with 1,500 November \$38 puts sold to buy the \$44/\$49 call spread. **CSCO** spreads jump to 8000X

Pinduoduo (PDD) sweep buys of 1000 January \$140 far OTM calls \$3.25 to \$3.65 range, earnings 8-21

Salesforce (CRM) buyer of 11,000 February \$200/\$220 call spreads for \$7.85 as size bullish spreads in large-cap tech continue. **CRM** also with 1,690 February \$195/\$230 call spreads bought today. **CRM** 5000 October \$200 straddles bought to open

JD.com (JD) up 3.2% on earnings off morning highs and nearly 3000 November \$62.5 calls are bought here \$6.55 to \$6.75

HP (HPQ) with 1,400 November \$15 calls being bought \$3.60 to \$3.65 this morning into late August earnings

Baidu (BIDU) with over 1,200 October \$130 calls being bought this morning up to \$3.60 to \$3.65, shares gapping down to the 200-Ma on Friday and holding

Wayfair (W) size opening seller of 2,000 January 2022 \$280 puts for \$74.20 in a stock replacement

Rackspace (RXT) with 1,065 November \$17.50/\$22.50 call spreads bought for \$2.25 following the Amazon stake news

VMware (VMW) with 800 January 2022 \$100 puts sold to open \$8.50. **VMW** Jan. 2022 \$100 short puts up to 2400X after block of 1600X sold to open \$8.50. **VMW** also small buyer 250 Sep \$135 calls today \$8.20 to \$8.30

Dynatrace (DT) with 1,350 December \$29 puts sold to open from \$1.35 down to \$1.05 into the recent pullback

Dropbox (DBX) with 2,000 January \$19 puts bought \$1.86 with stock

Xerox (XRX) with 1,200 ITM October \$15 calls bought \$3.40 to \$3.50 with **HP (HPQ)** earnings upcoming on 8-27

Qualcomm (QCOM) buyers 7000 Aug. \$117 OTM calls up to \$0.51

Amazon (AMZN) 500 lots of January \$3550 puts opened for \$542.85 against the \$2860 puts in a bear put spread. **Amazon (AMZN)** another large cap Tech with upside call spreads again today, the February \$3180/\$3800 call spread 1000X and the July 2021 \$3200/\$4100 call spread 1100X. **AMZN** also December \$3180/\$3490 call spreads 765X

Google (GOOG) buyer of 2,275 March \$1580/\$1720 call spreads to open today

Slack (WORK) opening sales 1000X each in Sep. 25th (W) \$26 and \$25 puts

Zen-Desk (ZEN) opening seller 1200 January \$70 puts today \$3.60 to \$3.50

II-VI (IIVI) opening seller of 500 January \$45 puts for \$5.50

Adobe (ADBE) more large call spreads opening today with the February \$455/\$540 bought 3100X and the July \$455/\$600 bought 3100X to open

Alteryx (AYX) opening sale 1000 September \$110 straddles for \$14.70

Corning (GLW) buyer of 1100 January 2022 \$30 puts to open \$4.70 offer

Service-Now (NOW) January \$450 calls bought 560X this morning as August \$330 adjusted in to risk reversals also selling the January \$410 puts

Facebook (FB) buyer 7500 July 2021 \$270/\$330 call spreads to open at \$19.55

Splunk (SPLK) with 300 Aug. 28th (W) / Sep. 4th (W) \$200 call calendar spreads opening, earnings 8-26

ACM Research (ACMR) strength continues and 640 September \$105 calls opening today for \$750K as August adjust from \$85

Spotify (SPOT) working to highs, seeing January \$260/\$220 bull put spreads open 500X today

Uber (UBER) trading 9000 January \$32 calls to open today with buyers active near \$3.10

Ping Identity (PING) with 1,000 July 2021 \$35 calls sold to open for \$7.70 into strength

Bill.com (BILL) buyers of 500 September \$105 calls \$4.90 to \$5.05, nice move off of the 50-MA after a small consolidation last week

Microsoft (MSFT) with 5,000 February \$215/\$255 call spreads bought for \$12.45

Utility

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