



FEATURED OPTIONS RADAR REPORT



Bulls See Upside in DIY Home Repair Leader

Ticker/Price: MAS (\$59.70)

Analysis:

Masco (MAS) traded more than 13,500 options on 7/30 which is 30X average as October \$60/\$50 bull risk reversals opened 6000X at net debits of \$1.15 to \$1.40 and becomes the only notable open interest in the name. MAS shares pulled back to its 200-day moving average in June and have based for a few weeks now setting up a nice reward/risk versus \$57 while the longer-term chart shows plenty of room to run above \$60. Masco Corporation is a global leader in the design, manufacture and distribution of branded home improvement and building products with key brands such as BEHR paint, DELTA faucets, Kichler outdoor lighting, Liberty hardware and Hot Spring spas. MAS reports results across two segments now after divesting the cabinetry business, Plumbing Products and Decorative Architectural, with the majority of business tied to Repair/Remodel. MAS has been innovative on the product front with 30% of revenues from products introduced in the past three years. MAS has a market cap of \$14.9B and trades 14.85X Earnings, 10.7X EBITDA, 1.96X Sales and 24.3X FCF with a 1.57% dividend yield. MAS revenues are seen rising 14.5% in 2021 with EBITDA growing 11.7%. MAS has dealt with some operational headwinds but management expects to raise prices to exit the year price/cost neutral, is gaining market share via new products, and accelerating trends in plumbing and pro paint. International plumbing sales grew 50% ex-FX in 2Q as Hansgrohe rebounded sharply while Watkins grew 75% and exited the quarter with a record backlog. DIY paint declined double digits in 2Q, while the pro business posted double digit gains, as consumers grow increasingly comfortable allowing contractors into their home. Analysts have an average target of \$70 with short interest at 3.4% of the float. Wells Fargo started shares Overweight with a \$68 target on 7/15 seeing DIY slowdown fears as overblown. JPM cut shares to Underweight on its higher DIY exposure and upcoming tough comps with a lack of upside catalysts. Goldman upgraded to Buy with a \$73 target in June positive on its correlation with pro spending and a strong housing market. Hedge Fund ownership jumped 2.88% last quarter, Fiduciary Mgmt. a concentrated holder as its second largest position.

Hawk Vision:



Hawk's Perspective: MAS is a quality name trading less than 15X Earnings which is rare to find in a bull market at this stage, and do like the reward/risk of shares at these levels.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Put Seller Confident in Value in Williston Basin Producer

Ticker/Price: WLL (\$46.90)

Analysis:

Whiting Petroleum (WLL) with unusual action on 7/30 as 2000 November \$45 puts were sold to open for \$4.60 to \$4.40, near its current price of \$46.80. WLL also has 6000 November \$35 short puts in open interest from activity in April & May. WLL was a name that in May 2019 screened as an optimal M&A target after a slew of deals in the Oil & Gas space given its attractive FCF, margins, and valuation so it is worth taking a closer look. Back in November Simmon Energy speculated that **Continental (CLR)** and **Marathon (MRO)** may be potential acquirers in the Bakken with WLL a potential target. WLL will report results on 8-4. WLL is in a strong uptrend since emerging out of bankruptcy and recently tested and held the 21-week moving average and the 38.2% retracement of the 2021 range. WLL needs to get back above \$50 for upside momentum. WLL is an independent oil and gas company engaged in development, production and acquisition activities primarily in the Rocky Mountains region focused on developing its large resource play in the Williston Basin of North Dakota and Montana. WLL is under new leadership and is looking to take advantage of its leading acreage in the Williston Basin. WLL has a market cap of \$1.88B and trades 3.3X EBITDA with a leading 0.4X Debt to EBITDAX ratio to peers. WLL expects more than \$300M FCF in 2021 and has an oil-weighted commodity mix. On 7/21 it announced a \$271M deal for more Williston Basin assets while divesting the Denver-Julesburg Basin asset. Analysts have an average target of \$61 and short interest is low at 4.4% of the float. Truist raised its target to \$86 from \$55 on 7/1 with a more bullish forecast on oil prices. RBC with an interesting note on 5/27 on WLL's cheap valuation to peers a result of investor concerns with the limited inventory depth and expects management to address this concern by looking for consolidation.

Hawk Vision:



Hawk's Perspective: WLL is a put sale play, so no guarantee in upside, but value seen at this level, a potential event-driven consolidation move may be coming.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Positive on Department Store Operator into Key Long-Term Support

Ticker/Price: JWN (\$33.65)

Analysis:

Nordstrom (JWN) with 2,000 October \$32.50 calls bought for \$4.15 to \$4.20 and follows sellers in the October \$32.50 puts 2900X in April. The January \$42.50/\$55 call spread remains in OI over 4000X from January while JWN has seen a lot of near-term bullish buying in the August \$31.50 calls over 3000X and the August 33.50 calls 2000X. The August \$37 calls were bought 3000X. JWN shares rallied in late 2020 up above \$40 and now pulling back in a narrow weekly wedge to cloud support and the 200-day MA. A move above \$37.50 has room to run and a longer-term measured move up to \$52+. The \$5.2B company trades 14.4X earnings, 0.45X sales, and 13.7X cash. JWN is focusing on a revamped strategy of unique partnerships with DTC brands looking for a retail/distribution footprint including upscale luggage brand Away, Casper mattresses, men's apparel brand Indochino and women's shapewear company Skims. The moves come as JWN looks to attract a reinvigorated consumer with the reopenings. JWN was at the Evercore conference in mid-June positive on the yield in 2021 from their tech investments, especially on the supply chain side, as they are utilizing more data-driven analytics to help maximize their inventory choices for local markets. They also continue to see margins improvement in the 2H and into 2022, a key area where they have lagged peers. Analysts have an average target for shares of \$35 with a Street High \$48 from Jefferies. The firm starting at Buy earlier this year as recovery estimates look achievable and even beatable if new strategies uptake more quickly. Short interest is 11.8% and down from over 30% in October. Hedge fund ownership rose 8.75% in Q1, Tremblant Capital a buyer of 2.3M shares.

Hawk Vision:



Hawk's Perspective: JWN is making some interesting moves and think they have a place long-term as a niche, high-end department store and shares up well on both the daily and weekly view with a move above \$37.25 key to shifting the overall trend but overall prefer to play individual brands or the off-price names

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Spread Positions for Long-Term Breakout in Semi-Equipment Leader

Ticker/Price: AMAT (\$143.50)

Analysis:

Applied Materials (AMAT) with sellers active at the September \$135 puts today for \$3.65/\$3.60, over 2500X and larger a large bullish spread sold 1000 November \$180/\$115 strangles for \$4.55 and bought 2000 June 2022 \$125 calls for \$29.65. AMAT has been popular with put seller recently including the January \$92.50, June \$105, June \$95, and December \$120 strikes. AMAT has some bullish open interest in the August \$135 and \$150 calls also from buyers in early July. Shares are gapping higher today after strong results from ON Semi and breaking out of a two-month range that has room to \$155-\$160. Longer-term, AMAT has been holding up well in a bull flag that stretches back to mid-March and a run has a measured target of \$180. The \$125.5B company trades 19X earnings, 6.3X sales, and 18.5X cash with a small yield. AMAT is coming off a strong quarter given their leadership in materials engineering and surging demand for new chip technologies given the current shortage and now catch-up play. AMAT continues to see long-term opportunity given secular shifts towards data centers, AI computing, and more which require highly complex chips utilizing new technologies and support the semi-equipment markets. AMAT was at the Bernstein conference in June and forecasting longer-term growth for the semi market of \$1T by 2023, growing 8-9% annually driven by industries like transportation, healthcare, and more inflecting higher. Analysts have an average target for shares of \$154 with a Street High \$195. Susquehanna positive in late May as the firm continues to see strong growth, some driven by structural changes in the industry. The analyst believes the current cycle could sustain itself into 2023 and said the stars are lining up for a path to \$8+ of earnings. JP Morgan positive with a \$160 PT citing strength in semiconductor demand, strong margins and growth in display and services. Short interest is 1.5%. Hedge fund ownership fell modestly in Q1. Point72 a big buy of 1.9M shares, their 8th largest position.

Hawk Vision:



Hawk's Perspective: AMAT is a top name with exposure to so many emerging secular trends within tech and looks primed to continue the longer-term trend higher above \$145; shares have run a bit the last three sessions but a back-test of the rising 8-EMA could setup a nice risk/reward

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Gold (GLD) with 36,300 October \$170/\$187 call spreads bought for \$3.48

Nasdaq (QQQ) buy-write sold 4000 October \$378 calls \$6.81. **QQQ** midday buyer 2000 November \$350/\$325 put spreads at \$5.15

Treasury (TLT) opening sale 10,000 March \$130 puts for \$2.05, willing to be long well under the March lows

S&P (SPY) with 18,000 October \$447 calls opening \$7.08 today as August \$436 and \$437 adjust

Consumer Goods

Performance Foods (PFGC) stock replacements opening 1050 December \$50 calls \$3.25

Kraft (KHC) with 5,000 weekly \$38.50/\$36 put spreads bought to open into 8-4 earnings with a number of CPG companies talking about higher cost inflation in the 2H

Monster Beverages (MNST) earnings on 8-5 and buyer active in the weekly \$94 puts today over 2500X for \$2.25, looks spread with 3,000 of the \$89 puts sold for \$0.57, shares lower in two of the last three

Tesla (TSLA) early buyers active in 2000 November \$1125 far OTM calls \$7.15 to \$7.65. **TSLA** Aug. 13th (W) calls active, the \$730 calls with buyer flow for 2000X while the \$750 calls trading over 6500 seeing mostly seller flow

Ferrari (RACE) with 400 November \$220 calls bought today into weakness for \$9.50 to \$9.80, shares holding the 8-EMA well this morning. **RACE** calls up over 4000X now as the \$210 calls bought recently adjust higher

Callaway (ELY) covered risk reversal sells 5000 August \$30 puts to buy \$33/\$37 call spreads, earnings this week

Colgate (CL) buyers of 3000 weekly \$78.50 calls here

Pepsi (PEP) with 3500 January \$175 calls sold to open \$1.035

Tyson (TSN) large buy of 2000 January 2023 \$60 puts for \$4.10

Consumer/Business Services

Kelly Services (KELYA) with 2,500 November \$25/\$30 call spreads bought for \$0.90, small-cap provider of staffing solutions that has pulled back to YTD VPOC

Under Armour (UAA) weekly \$21.50 calls with 8850X bought here as the \$20 calls start adjusting

eBay (EBAY) fading green-to-red early and 1000 August \$75 ITM puts bought for \$7.55

Chewy (CHWY) with 1300 August \$82 calls bought up to \$4.10 to open with shares back at the 21-EMA today

Heidrick & Struggles (HSII) unusual 1500 January \$50/\$60 call spreads bought to open \$1.72

Foot Locker (FL) buyer 750 August \$56 calls to open \$3.16 after its two acquisition moves

Match (MTCH) 3000 weekly \$145 puts sold \$1.35 to buy 2500 of the \$162.5 calls \$4.80 into earnings, also sells 2000 of the \$177.50 calls

News Corp (NWSA) shares pop with 4750 August \$25 calls bought between \$0.80 and \$1, made a \$1B+ deal for S&P Global's OPIS business today. **NWSA** reports on 8-5

Lyft (LYFT) fading with buyers active in September \$52.50 puts 4000X into earnings tomorrow

Boyd Gaming (BYD) coming off a strong report seeing September \$60/\$70 call ratio spreads open 2000X4000

MGM with over 3800 August \$38 puts bought today from \$1.70 to \$1.73, rejected at the declining 21-MA again today; **MGM** earnings on 8-4

Royal Caribbean (RCL) with 10,000 December \$45 puts bought for \$1.65, stock tied

Avis (CAR) options active into earnings tomorrow, September \$85/\$90 call spreads 1500X as August adjust, and 12250 November \$75/\$60 bull put spreads opening

Ulta Salon (ULTA) with 550 March \$325 puts bought \$29.60 to open, reports 8-25

Starbucks (SBUX) offer buys into lows of 1600 November \$110 calls \$12.70

Unity (U) with another large opening put sale as 500 January \$115 ITM sell to open \$18.50, earnings 8-10

Energy

Green Plains (GPRE) strong on earnings and more bull flow today with 500 December 2022 \$30 puts sold to open \$7 and 1000 of the January \$40 calls bought to open \$5.05

Halliburton (HAL) with 1200 June 2022 \$20 puts sold to open \$2.95

Valero (VLO) with 725 November \$60 calls bought for \$9.15

Enbridge (ENB) with 3,250 January 2023 \$40/\$30 bull put spreads opening today for \$4.40, another Canadian name seeing large longer-dated bull put spreads

First Solar (FSLR) with 1000 January 2023 \$87.50 puts being sold to open for \$15

Financials

Preferred Apartments (APTS) buyers active 1050 January \$10 calls \$1.60

Fair Isaac (FICO) the August \$530 calls being bought 600X for \$16.20 and spread with 1150 August \$560 calls sold for \$5.30 into 8-3 earnings

Metlife (MET) another 2,450 September \$57.50 puts being sold to open today for \$1.98 to \$1.96

KKR (KKR) more bull flow with 1500 December \$70 calls bought \$1.95, has seen size Dec. \$60 calls bought

Blackrock (BLK) spreads today are buying 1400 October \$880 puts for \$41.70 and selling the September \$840 puts for \$15.50

Citi (C) opening buyers of 2000 March \$70 calls today for \$4.80 with shares above the 200-day recently

Toronto Dominion (TD) opening sale 6500 Jan. 2023 \$65/\$45 put spreads and **Royal Bank (RY)** opening sale of 6000 January \$100/\$75 put spreads as these bull put spreads in Canadian Banks continue

Affirm (AFRM) shares up 15% after the Square deal for Afterpay, putting BNPL in focus as the future, Layaway 2.0, trading 35,000 calls the opening three hours across multiple strikes and expirations, including 1000 March \$100 calls opening, IV30 up 13% today

Truist (TFC) with 5000 January \$62.50 calls sold to open today for \$1

Travelers (TRV) opening sale of 1000 January \$170 calls for \$2.05 to \$2.08

Zillow (Z) stock replacement sells 1200 September \$95 puts to open \$3.30 into earnings this week

Global Payments (GPN) now with 2500 August \$175/\$185 call spreads bought into weakness for \$2.50. **GPN** buyer 4075 November \$185/\$120 call spreads for \$5.40

B Riley Financial (RILY) unusual buy 200 January \$65/\$80 call spreads, potential takeover target in a consolidating group

One Main (OMF) with 500 November \$51.5 ITM calls bought for \$10.30, adjusting higher the \$40 calls

UpStart (UPST) with 2000 August 13th (W) \$130/\$140 call spreads bought for \$3.50 ahead of 8-10 earnings

Healthcare

Pfizer (PFE) early buy of 3000 January \$41 calls \$3.70 offer. **PFE** buyer 2500 OTM Dec. \$49 calls \$0.60 as well

Moderna (MRNA) with 1000 September \$380 calls sold to open \$26.50 to \$25.35. **MRNA** with 2000 September \$500/\$210 strangles being sold to open

AbbVie (ABBV) with 500 January 2023 \$120 puts sold to open \$18.75

Baxter (BAX) with nearly 2500 February \$65 puts sold to open \$1.60/\$1.55 into this recent weakness

Arcturus (ARCT) with 500 March \$45 ITM puts sold to open for \$17.09 today, adjusting some September short puts

Repros (RPRX) with 2500 January \$45 calls sold to open \$0.925

Celldex (CLDX) flagging tightly since positive data forming a bull flag, seeing 2000 Nov. \$60 calls sell to buy the \$30 puts here at a \$0.95 credit, likely collaring a stock holding

CVS (CVS) stock buyer sold 1250 February \$82.50 straddles for \$11.55

Alnylam (ALNY) spreads this afternoon are selling the Aug. \$125 puts to buy the \$210/\$250 call spread for \$2.47 debit, 590X into 8-3 earnings

Industrials

Virgin Galactic (SPCE) buy writes selling 3500 January \$41 calls \$4.48 to \$4.35. **SPCE** also with 1000 March \$32 calls sold for \$8. **SPCE** now buyers 2000 Aug \$35.50 calls \$1.39

API Group (APG) buyer of 1000 September \$22.50 calls for \$1.55 ahead of earnings on 8-11, recently did a nice M&A deal with Carrier for their Fire & Security business

PACCAR (PCAR) buyer of 500 February \$80 puts at \$5 offer

Caterpillar (CAT) morning buyers of 1000 August \$207.50 calls for \$5.90 to \$6.15

American Air (AAL) opening sale 3000 October \$20 puts for \$1.51

Axon Enterprise (AXON) with 880 September \$190 calls sold for \$12.10 in a buy-write

Ford (F) buyer of 4750 September 2022 \$25 calls today \$0.36 offer

Hawaiian Air (HA) fading a bit with 2000 January 2023 \$20 puts bought for \$4.90 and 1000 January 2023 \$17 puts bought for \$3.30, could face pressures as more airlines boost routes to Hawaii

Materials

Celanese (CE) with 285 March \$165 calls bought early for \$10.60, working out of a wide base

Mohawk (MHK) with 495 November \$210/\$180 bull put spreads opening today for \$13.80, adjusting some Aug. bull put spreads from early July

US Steel (X) seeing 1,475 September 3rd (W) \$25 calls bought for \$1.90 as the \$23.50 calls close and adjust higher

Nucor (NUE) with 1000 August \$104 calls bought today from \$3.60 to \$3.70

Bunge (BG) with the January 2023 \$67.50 puts being sold to open here for \$5.60, over 3000X

Chemours (CC) with 2,500 October \$33 puts bought for \$2.45, tied to stock

Cliffs (CLF) with 3500 August \$29 calls sold to open \$0.29 in a buy-write

Tech and Telecom

Nvidia (NVDA) trading 4500 Aug. 27th (W) / September \$210 call calendar spreads in early trade, earnings 8-18

Advanced Micro (AMD) with 3500 August \$102 calls opening \$4.95 to \$5.10 early. **AMD** weekly \$108 calls active as well w/ buyers 6500X. **AMD** with 1250 Sep. 3rd (W) \$107 puts sold to open \$4.45 to \$4.15

Commscope (COMM) buyer of 2,500 August \$22 puts for \$1.55/\$1.60 early ahead of 8-5 earnings

Western Digital (WDC) the September \$67.50 calls bought for \$3.70 today, over 1000X, with shares basing above the 200-day

Coursera (COUR) buyers of 1000 September \$35 puts for \$3.10 to \$3.40 early, earnings tomorrow afternoon and lower by 8% last quarter in their only public report

Pinterest (PINS) buyers active this morning for the November \$60 calls at \$6.20, over 1700X, into the big gap down on earnings. **PINS** also now 1400 November \$67.5 calls bought \$3.70 offer

Netflix (NFLX) seeing October \$500 calls open 3000X spread with 2000 of the \$520 calls while 500 Oct. \$465 puts sell to open \$6.57 and 1000 Oct. \$510 calls bought \$27.13 to \$27.45

Tenable Holdings (TENB) shares strong early with buyers of 1850 August \$45 calls for \$0.75 up to \$1.20 while the \$50 call also seeing 1000 bought

TI (TXN) opening sale 5000 January \$230 calls for \$1.79

IBM opening sale of 1000 February \$140 puts for \$10.30

ACM Research (ACMR) continues to see bullish flow and today the September \$105 ITM puts sold to open 150X for \$15.80/\$15.90

Coupang (CPNG) with 1700 February \$32.50 puts bought for \$4.20 looking for a move under the May lows and earnings on 8-11. **CPNG** also with 1400 January \$32.50 puts bought for \$3.80. **Coupang (CPNG)** spreads selling 8000 January \$40/\$55 call spreads to buy the \$27.50 puts

Sea (SE) with 300 October \$270 puts sold to open \$15.95

VMware (VMW) with 300 January 2023 \$160 calls sold to open for \$20.30

Adobe Systems (ADBE) with 240 October \$625 puts sold to open for \$30.95 this afternoon

Digital Ocean (DOCN) into its much anticipated earnings 8-5 pre-market seeing a lot of buyers active August \$60 and \$65 calls

Telecom/Utility

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