



MARKET RECAP 8/30/2021

Sector Leaders

Solar

Med-Tech

Retail

Stock Gainers

AFRM 43.5%

MNDY 10.75%

HRC 10.5%

IRDM 8.5%

DV 7.5%

MQ 6%

Volatility Gainers

- CLDR
- AFRM
- VALE
- AMC
- CCXI
- EDIT

High Call Volume

- BURL
- RXT
- GSAT
- BBIG
- OTRK
- STM

Bullish Options

- NVDA
- LPX
- AAPL
- STM
- ARKG
- UBER
- DISH
- CTAS
- LLY
- GRMN
- BILL

Market Review: Stocks opened the week modestly higher as the Fed comments from last week were digested while the Delta variant continues to weigh on global economic growth prospects. It was a quiet start to the week for news, Dallas Fed missed estimates sharply. In the morning strength was led by Solar, Consumer Discretionary, Med-tech, and Biotech while tech was relatively strong as well. Weakness was seen in value/cyclicals like Financials, Energy, Metals and Industrials. Stocks were strong to new highs into the early afternoon but breadth started diverging negatively and not a lot of conviction on the move to new highs. Heading into tomorrow we have a real quiet schedule yet again while a few key growth Tech reports coming this week but volumes expected to be light into the Holiday weekend.

S&P Chart:



Resistance	Support
4,500	4,370
4,550	4,315
4,600	4,225

Options Action Trends: We saw early put buyers in value names like **BAC, INTC, MU**. Flows were modest overall with a lot of the bull flow back focusing on large cap Tech names.

What's On Tap: House Prices. Earnings from **CRWD, FUTU, PLAN, PVH, AMBA**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Metals

Financials

Stock Losers

ASTR -21%

TSP -9.8%

BEKE -6.5%

DLO -6.6%

NTES -5%

MARA -5%

Volatility Losers

- KRE
- MANU
- SAVA
- JOBY
- PBR
- NEGG

High Put Volume

- SPRT
- ATER
- AFRM
- GIS
- TSP
- CIEN

Bearish Options

- BAC
- PINS
- SPCE
- TSP
- MU
- INTC
- SAVA
- HWM
- M
- DKNK
- ALKS
- ARNA



FEATURED OPTIONS RADAR REPORT



Calls Accumulate in Undervalued Large Cap Tech for Key Analyst Meeting Catalyst

Ticker/Price: DELL (\$96.95)

Analysis:

Dell Technologies (DELL) with a lot of bullish positioning last week with December \$105 calls seeing 3850X bought and added to open interest and October \$100 calls with 4000X bought and added to open interest on Friday. DELL has also seen buyers in September \$105 calls while selling the \$97.50 and \$95 puts and has a lot of large bullish positioning in September, October and December expirations. DELL pulled back last week following earnings to near the rising 144-day moving average, a level that held as support into July weakness and near the low-end of a multi-month range for shares consolidating below the \$104 level. DELL needs to clear \$101.50 to get momentum to push to new highs out of this long consolidation. DELL has positioned itself as a leader in the digital transformation trend with a portfolio of traditional infrastructure and multi-cloud technologies. DELL has been actively reshuffling its businesses with news in April it will spin out its 81% interest in **VMware (VMW)** which will close in Q4 and in May announced the sale of its Boomi cloud integration platform for \$4B in cash. DELL noted on its earnings call last week it was the best Q2 in its history as it sees unprecedented demand for technology. DELL cited strength in software, peripherals, storage, and other areas. IDC data shows DELL has gained more than 700 basis points of share for mainstream servers and approximately 200 basis points of share for external storage over the last 5 years. DELL markets total \$1.3 trillion today with core markets growing in the low single digits and adjacent markets growing faster through 2024 as widespread digital transformation drives sustained technology investment. DELL currently has a market cap of \$72B and trades 11X Earnings, 0.75X Sales and 5.9X FCF with revenues seen rising 10.7% this year and EPS gaining 12.5%. Analysts have an average target of \$118 and short interest is low at 2.9% of the float. Goldman sees plenty of room for DELL value unlock after the VMW spin considering it trades 5X FCF versus comps ranging 9X to 15X. DELL is also likely to be active with capital returns and M&A in 2022. RJF lowered its target to \$115 last week noting PC strength continues to surprise to the upside. Citi raised its target to \$130 as a top stock pick. MSCO raised its target to \$133 noting strong scale and supply chain execution in a robust demand backdrop. DELL will have a key catalyst coming up with its Analyst Day on 9/23.

Hawk Vision:



Hawk's Perspective: DELL looks great into this dip and to play the late September catalyst, the October \$100 calls below \$2.50 look like a solid play.

Confidence Ranking: \$\$\$



FEATURED OPTIONS RADAR REPORT



Upside Calls Accumulate in Under-Valued Play on Reopening, Consumer Spending

Ticker/Price: SEAS (\$50.85)

Analysis:

SeaWorld (SEAS) strong setup with shares flagging just below recent highs and size buyers on 8/27 for 7,000 October 8th (W) \$51 calls for \$3.50, a more than \$2.5M buy. SEAS has seen a lot of bullish positioning recently including the Set. \$55/\$60 call spread, October \$50/\$65 call spread, and December \$46 calls, the latter over 10,000X. Shares tested the top of monthly value on Friday and forming a nice range under \$52.50 with a break higher measuring to \$59-\$60. The bigger weekly range has a measured move to \$75. The \$4B company trades 17X earnings, 4.6X sales, and 6.5X cash. SEAS is coming off a strong quarter with strong consumer demand driving elevated guest spending and record revenue per capita. The company is also seeing better cost controls and pricing power which is helping expand margins while the rollout of their new mobile app should help support higher average ticket and in-park spending, much like we've seen from other theme park operators recently. SEAS should continue to benefit from the improving COVID situation while a strong consumer with pent-up demand for experiences should keep demand elevated. They are also expanding overseas with their first park outside the US set to open in 2022 which should be a positive driver. Analysts have an average target for shares of \$54 with a Street High \$77. B Riley positive on 8/6 noting that the demand rebound and monetization opportunity has been well ahead of even management's recent target levels which gives them confidence into 2022. Keybank positive noting that SEAS has posted two strong quarters in a row despite lingering restrictions, evidencing the early cost saving/yield improvement success, coupled with attendance recovery momentum. Short interest is 9.25%. Hedge fund ownership fell 2.8% last quarter. Melvin Capital a big buyer of stock and now holds 4.25M shares while they also added call options.

Hawk Vision:



Hawk's Perspective: SEAS sets up great above monthly value and the 21-EMA with the 200-MA below; alert set for \$52 with a run back to \$57 a solid risk/reward

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Call Buyers Target Long-Term Upside in Emerging Pet Health Leader

Ticker/Price: ELAN (\$33.55)

Analysis:

Elanco (ELAN) buyers of 1,000 January 2023 \$35 calls for \$4.80 to \$5 today and volume now over 1,850 on the morning. ELAN has seen sellers in the Sept. \$29 puts recently and buyers of 2,250 October \$33 calls and 2,450 October \$32 calls. Shares gapped lower recently but big rebound and now pushing back above yearly value in a sign of strength.

There's a short-term gap back to \$35 but the broader setup is targeting \$37.50 and all-time highs with a breakout measuring to \$45. The \$15.5B company trades 26.65X earnings, 3.4X sales, and 26.5X cash. ELAN recently closed on their deal for Kindred and raised synergy targets given the pipeline additions and expanded R&D capabilities in biologics and monoclonal antibodies. The deal adds to their Bayer acquisition a year ago and further expands ELAN into more areas like atopic dermatitis as well as multiple emerging therapeutic areas within the industry like parasiticides, pain and osteoarthritis. They see a significant long-term opportunity given that 500M pets are unmedicalized and higher pet ownership rates and the significant ramp in spending on pet health seen over the last 3-5 years will continue. Analysts have an average target for shares of \$36.50 with a Street High \$42. JP Morgan recommending shares on 8/24 into weakness. The firm expects modest sales and more significant EBITDA growth for the company over the next two years followed by accelerating topline growth over time as Elanco's pipeline comes to fruition. ELAN announced an SEC subpoena in August over sales practices relating to channel inventories. JP Morgan thinks the investigation likely creates more headline risk than carries actual risk given historical precedent. Short interest is 1.75%. ELAN has seen a lot of insider buying this year including a \$315K buy on 8/13 from a director at \$31.30 and a \$500K buy from the CEO on 8/11 at \$29.70. Hedge fund ownership fell 10% last quarter. Eli Lilly a shareholder while Sachem Head, Aristotle Capital, and Starboard all top holders.

Hawk Vision:



Hawk's Perspective: ELAN has run a lot recently and these calls give a lot of time to work out of the broader weekly range to new highs, so one to keep on the radar for a better entry. The company is developing a strong portfolio of drugs in a massive, steadily growing market and should be a long-term winner

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Ark Genomics (ARKG) aggressive buyers of 1700 June 2022 \$100 calls \$10.53 to \$10.90

Uranium (URA) buyer 5000 January \$24 calls \$0.55

Oil & Gas (XOP) buyer 5000 January \$92 calls \$4.20/\$4.25 as September \$85 adjust

Nasdaq (QQQ) with 4000 October \$372/\$352 put spreads being bought

S&P (SPY) with 6000 October \$457 calls being bought to open, also 2450 November \$458 calls bought \$8.60. **SPY** opening sale 7500 Oct. 1st (W) \$453 calls this afternoon \$5.38

Consumer Goods

Harley (HOG) spreads are selling the January \$35 puts to buy the \$42.50/\$50 call spread for a small net credit, 3500X

Lamb Weston (LW) with 1750 October \$60 puts sold to open \$1.10 to \$1.15

P&G (PG) opening seller 1000 January \$140 puts for \$5.60 bid

Church & Dwight (CHD) with the September \$85/\$80 bull risk reversal bought 2250X for \$0.44

Polaris (PII) stock replacement opens 1000 December \$145 calls \$2.75

Beyond Meat (BYND) with 825 September 2022 \$90 puts sold to open for \$8.40

Garmin (GRMN) highs of the day and buyers of 1000 September \$180 calls for \$1.30 to \$1.80

La-Z-Boy (LZB) buyer of 700 April \$40 calls for \$2.05 to \$2.10, basing after a recent pullback

Foot Locker (FL) with 3500 January \$70 calls bought into day lows as the \$75 look to be adjusting

Alto Ingredients (ALTO) a \$340M maker of specialty alcohols and ingredients seeing IV30 up 65% with shares flat as October \$7.50 calls hot here trading 15,000X.

Constellation (STZ) buyer 400 April \$215 calls \$14.70 to \$14.80

Consumer/Business Services

Pinterest (PINS) fading early with 2,000 September \$56 puts bought \$1.57 to \$1.60

TripAdvisor (TRIP) buyers of 1,400 December \$35 puts for \$3.70 to \$3.75

Doordash (DASH) with 10,000 September \$165 puts sold to open \$0.90

Dish (DISH) buyer of 3000 December \$45 calls \$3.14 as Sep. \$40 calls start to adjust, shares coiled nicely here

Activision (ATVI) opening sale 1500 February \$65 puts \$1.85

The Gap (GPS) off the early lows with 2,000 September \$26.50 calls bought up to \$1.02

Cintas (CTAS) coiled bull flag seeing 400 October \$400 calls bought \$11 to \$11.30 this morning, reports late September

Williams Sonoma (WSM) buyers of 1000 September \$185 calls this morning from \$6.80 to \$7.10, gapped higher on earnings last week and pulling back to re-test the range breakout at \$183.50

Burlington (BURL) with over 1,750 October \$310 calls bought today up to \$10.30 in stock replacements, weak move after earnings but approaching the 200-MA at \$292.85

DraftKings (DKNG) with 3900 September 24th (W) \$60 calls being sold to open near \$3

American Eagle (AEO) buyer 5000 weekly \$33 puts to open here \$2.08 into earnings 9-2

Hall of Fame Entertainment (HOFV) IV surge with 15,000 October \$5 calls active with buyers, IV30 up 55%, a \$290M resort and entertainment Co. for the Pro Football Hall of Fame. HOFV been included in NFT speculative plays.

Academy Sports (ASO) with December \$50 calls closing 7500X and 10,000 October \$43 calls open \$3.55 with 12,500 of the Oct. \$55 sold \$0.55

Energy

Financials

JP Morgan (JPM) with 1000 January 2023 \$160 puts sold down to \$20.95, will confirm OI tomorrow

Moneygram (MGI) pops with 2500 Sept. \$9 calls bought for \$0.65

Global Payments (GPN) with 925 January \$180 calls bought for \$4.90 to \$5 into recent weakness

Bottomline (EPAY) with 1000 March \$40 puts sold to open \$3.20

Wells Fargo (WFC) with 2000 April \$52.50 puts bought \$6.80 to open

Go Health (GOCO) IV jumping with 22,000 October \$7.50 calls being bought \$0.19 to \$0.25

Hut 8 (HUT) highs of the day and 1000 April \$12.50 calls bought for \$2.10

Synchrony (SYF) with 950 January \$60 ITM puts sold to open for \$11.15, adjusting back some \$40 short puts

Healthcare

Viatis (VTRS) spread is selling 8000 November \$15 calls for \$0.62 and buying the December \$12.50 calls for \$2.27

CVS Health (CVS) buyer of 1,965 June 2022 \$105 calls for \$1.20, interesting story today about expansion into in-person mental health services, a huge market

Moderna (MRNA) with 1000 January 2023 \$450 calls sold to open down to \$81.50 after latest woes with its vaccine

Agilent (A) opening sale 250 January 2023 \$175 puts for \$20.10

Eli Lilly (LLY) strong with a positive Cowen note pre-market and seeing buyers 1275 October \$270 calls up to \$7.50

Neurocrine (NBIX) with 200 November \$110 ITM puts sold to open for \$17.80 to \$17.70

Perrigo (PRGO) buyers of 2,500 October \$45 OTM calls for \$0.30 to \$0.40

Iveric Bio (ISEE) fresh highs and a write up a few weeks ago with bull flows consistent, today the March \$17.50 calls bought 500X at \$1.75

Alkermes (ALKS) buyers of 1000 October \$30 puts for \$1.10 to \$1.15 today

Arena Pharma (ARNA) with 1,000 December \$50 puts sold for \$5 to buy the April 2022 \$40 puts for \$7.80 today

United Therapeutics (UTHR) with 400 November \$220 calls bought from \$10.60 to \$11.70 this morning with shares flagging under recent highs and above the rising 21-EMA

Invitae (NVTA) with 1,070 March \$22.50 puts sold to open for \$1.80 today and spread with 400 March \$30 calls bought for \$4.80 to \$4.90

Immunogen (IMGN) spread today buys 2,000 January \$5 puts for \$1.13 and sells the \$14 calls for \$0.28

TelaDoc (TDOC) spread today sells 986 April \$120 puts for \$8.05 and buys 346 of the \$145 calls for \$19.85, similar structure to the NVTA trade

Gilead (GILD) IV rising this afternoon with another 3,500 November \$75 calls bought for \$1.85

Industrials

TuSimple (TSP) with 3,000 September \$50 puts bought \$7.30 to \$7.40 to open this morning

General Motors (GM) opening sale 1300 February \$45 puts for \$2.73

Navios Maritime (NMM) sellers of 1000 March \$20 puts to open for \$2.25 to \$2.00

KC Southern (KSU) with 3000 weekly \$300/\$320 call spreads bought for \$4.20 in a stock replacement, special meeting of stockholders on 9-3 to vote on the merger with CN

Alaska Air (ALK) buyer of 1000 April 62.50/\$70 call spreads for \$2.15, basing under the 200-MA and \$60.50; ALK would be a beneficiary of higher leisure travel volumes

Raytheon (RTX) with 1000 February \$80 puts selling to open \$3.60 bid

Materials

Louisiana Pacific (LPX) buyers in September \$65 calls 2250X \$2.43 to \$2.52 sending IV higher

US Steel (X) with 2,400 April \$24 puts sold to open today for \$3.15

Balchem (BCPC) breaking out of a weekly flag today with 450 February \$140 calls bought for \$7

Carpenter Tech (CRS) buyers of 775 October \$35 calls today around \$1.87, some spread with the \$40 calls

Packaging Corp (PKG) buyers of 1200 September \$150 puts for \$2.60 to \$2.80, tied to stock

Tenaris (TS) with 1000 December \$20 puts sold to open today for \$1.50

Tech

Micron (MU) buyers of 2,000 September \$74 puts for \$1.94 this morning to open

ST Micro (STM) with over 2,450 February \$45 calls bought this morning for \$3.90 to \$4 into new highs, big weekly breakout recently has a measured move to \$55

Nvidia (NVDA) buyer 1000 September \$228.75 calls for \$7.20 into new highs. **NVDA** with 3500 January \$210 puts being sold to open \$14.10 as the \$180 short puts adjust

Intel (INTC) buyers 5000 weekly \$54.50 puts

Apple (AAPL) strong after early morning trigger and 20,000 Sep. 10th (W) \$152.50 calls being bought, many rolling from \$150

Monday (MNDY) spreads selling February \$430 calls to buy the \$360/\$250 put spreads 500X, likely protective into this massive run

Fiverr (FVRR) IV rising with calls heating up on this base breakout, the Sep. \$200 calls active 1500X

Rackspace (RXT) shares ramping higher with 5000 September \$15 calls bought for \$0.25 to \$0.30

Coupa (COUP) seeing 1200 September \$280 calls sold to open for \$2.45 into the recent run, earnings on 9-7

Ciena (CIEN) with 2500 weekly \$54.50 puts bought into earnings up to \$1.19

Facebook (FB) buyers of 1,000 June 2023 \$400 calls for \$56.70 to \$57, looks to be adding to open interest

MagnaChip Semi (MX) spread sells 2000 December \$15 puts \$1.15 and buys the \$20/\$25 call ratio spreads 2000X4000 at \$0.70

NetEase (NTES) buyer of 1,250 March \$85 puts for \$10.80 today, tied to stock with the recent regulatory issues from Beijing

Amazon (AMZN) September 24th (W) \$3500/\$3600/\$3700 call fly trading 2000X4000 to open, saw similar strategy active when **NFLX** was bottoming

SentinelOne (S) with 400 March \$65/\$95 call spreads bought for \$8.40, nice run recently breaking out of its IPO range

C3 AI (AI) with 1000 October \$50 calls bought this morning for \$6.30 to \$6.40

Ironnet (IRNT) with 1000 October \$14 puts sold to open for \$5 today, recent SPAC deal that focuses on cybersecurity

Bill.com (BILL) seeing the October \$190 puts sold for \$1.69, over 1350X for \$1.59 and spread with the \$330 calls bought 485X for \$5.57. **BILL** also with 200 January 2023 \$210 puts sold to open for \$31.70

Cloudflare (NET) with 300 February \$150 ITM puts bought \$32.75 to \$32.85

Snowflake (SNOW) buy-write sold 500 March \$400 calls for \$13.25

Atlassian (TEAM) stock replacement sells 250 March \$380 ITM puts for \$49.78

Pure Storage (PSTG) opening sale of 1,600 January \$22.50 puts for \$1.50

Workday (WDAY) with 5,000 December \$230 puts sold to open this afternoon for \$4.50, follows the Sept. \$250 short puts last week that opened 6000X

Telecom/Utilities

Disclaimer:

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