



MARKET RECAP REPORT 8/6/2020

Sector Leaders

Silver

Bonds

Transports

Stock Gainers

DNLI 42%

OTRK 25%

TVTY 25%

CVNA 20%

VSTO 19%

MAXR 19%

PLUG 18%

Volatility Gainers

- LILAK
- FNKO
- WLL
- CCXI
- BLMN
- DVAX

High Call Volume

- PEAKNDI
- CCXI
- HPE
- KBR
- GDDY
- FISV

Bullish Options

- AXTA
- WYNN
- SQ
- ATVI
- LVS
- HPE
- WORK
- TWTR
- COST
- SPOT
- DOCU

Market Review: Stocks were fairly quiet overnight and a bit lower into Jobless Claims as the next round of stimulus talks continue to stall. Earnings continue to beat expectations but price-reactions muted in a number of strong Tech reports given the pre-earnings run-up. Stocks rolled over into midday with Bonds climbing as well as Precious Metals, the flight to safety trade continues. Tech lagged again as momentum names saw further profit taking while Banks, Retail, and Biotech also sold off. Overall it was another slower choppy day without a lot of incremental news. Bulls took over in the afternoon and the reopening of International travel allowed markets to hit highs, and price-action remains strong closing the February gap and sitting at our initial upside target. All eyes now on the Jobs Report and some growth tech reports tonight before the calendar slows next week.

S&P Chart:



Resistance	Support
3,335	3,200
3,400	3,130
3,500	3,110

Options Action Trends: We saw bullish activity in casino leaders **LVS**, **WYNN** on vaccine hopes and the **PENN** report. Banks like **GS**, **JPM** saw more near-term call buying. Opening put sellers continued to be active in Gold Miners.

What's On Tap: Jobs Report. Earnings from **DISH**, **EOG**, **MGA**, **CNNE**.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **WDAY** September \$190/\$200 Call Spreads \$3.25
- 2) **Earnings Flow Trade:** Long **DDOG** August \$100/\$105 Call Spreads \$1.30

Sector Laggards

Software

Retail

Banks

Stock Losers

OSUR -40%

FSLY -20%

APRN -20%

INSG -20%

CWH -16%

TEN -16%

SONO -15.7%

Volatility Losers

- CRON
- BHC
- HMHC
- ARLO
- INFN
- SONO

High Put Volume

- PBI
- XRAY
- ADT
- ATH
- RUTH
- ZIXI

Bearish Options

- MRVL
- KWEB
- PTON
- PBI
- TSN
- ZS
- EOG
- CLVS
- VIAC
- ILMN
- ET



FEATURED OPTIONS RADAR REPORT



Bulls Position for Raytheon Resurgence

Ticker/Price: RTX (\$59.65)

Analysis:

Raytheon Tech (RTX) with some large call buying flow on 8/5 as 1200 of the November \$55 calls bought \$6.75 offer and 700 January \$50 ITM calls with buyers at \$10.70. RTX has also seen large opening sales in September \$50 puts and November \$50 puts. RTX also has a lot of call open interest currently OTM in November. RTX shares have lagged the recovery due to its Aerospace exposure RTX did dip outside last week's low and reversed higher, so a nice candle to trade against and moving back over the 50% retracement of the rally off the March lows. The \$89B Company delivered solid performance in the defense business last quarter while challenges were persistent in commercial Aerospace and is planning cost and cash savings this year while still delivering synergies from the Raytheon and Rockwell Collins mergers with United Tech. RTX currently trades 10.8X FY21 EBITDA and 15.4X Earnings with a 3.3% yield, a name that has become very cheap and a combination of three former best-in-class operators. RTX forecasts see revenue growth of 8-10% in FY21 and 33% EPS growth. Analysts have an average target near \$77 and short interest low at 1.2% of the float.

Argus downgraded to Hold on 7/29 noting while RTX's business mix appears favorable compared to that of most defense industry peers, near-term earnings trends are murky at best. SIG raised its target to \$74 saying the Defense industry remains healthy, with a 2021 budget and bi-partisan support for stable spending and optimistic that travel levels will continue to steadily recover. Hedge Fund ownership fell 2% in Q1 filings, Dodge & Cox a large holder as are Boston Partners, Third Point and Laurion Capital.

Hawk Vision:



Hawk's Perspective: RTX looks good versus Monday low from a longer term investor stance, not the most exciting name for options nor seeing near-term catalysts.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Adjustment in ChemoCentryx into Key Data

Ticker/Price: CCXI (\$54.40)

Analysis:

Chemocentryx (CCXI) buyer of 2,500 October \$65 calls for \$9.70, adjusting out of some August \$55 calls bought back in February and biotech which has consistently drawn bullish flow including 1,000 September \$40 puts sold to open on 7/29 and the Sept. \$80/\$90 call spread bought 4500X in mid-July. The Sept. \$65/\$95 call spread is still in OI over 7500X as well from June. CCXI shares rallied strong from the March lows around \$30 and the current pullback is basing at the 38.2% Fibonacci of the move. A break out of this downtrend above \$60 has room back to \$65 and then measured move out to \$80.

The \$3.86B biotech trades 21X cash with little debt and a strong lead candidate in Avacopan which is in late stage development in AAV. The company submitted their NDA on 7-9 and on trade to file a MAA by year-end with partner Vifor outside of the US. CCXI focuses on complement inhibitors, specifically targeting C5aR, a unique approach where activated proteins selectively target the disease while leaving the rest of the immune system intact which helps limit typical consequences. They should have Phase 2b data for avacopan in hidradenitis suppurativa in Q3 and data in C3 Glomerulopathy by year-end. CCXI will present at two conferences next week on 8/11 and 8/12, the BTIG Biotech forum and Canaccord Growth conference. Analysts have an average target for shares of \$70 with Raymond James a Street High \$102.

BTIG with a \$70 PT noting that avacopan has potential to deliver another upside surprise with commercial success, estimating peak U.S. sales of \$1.2B in 2035. Short interest is 7.2% and up from around 3.3% in May. Hedge fund ownership rose 6.85% in Q1, a bit of a hedge fund hotel with buys from RA Capital, Mangrove, Great Point Partners, Polar Capital, Baker Bros., and Point72.

Hawk Vision:



Hawk's Perspective: CCXI has been quiet but a Biotech I have grown to like with its options positioning. The reward to risk is looking great for those September call spreads with shares basing above \$51.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Smith and Wesson Calls Heat Up as Gun Sales Stay Strong

Ticker/Price: SWBI (\$25.90)

Analysis:

Smith and Wesson (SWBI) buyers active September \$30 calls this afternoon over 3,765X near \$1.85 looking to add to OI and follows buyers of 1,000 January 2022 \$35 calls for \$3.50 on 7/14 while the January \$27 calls also with recent buyers over 1200X. SWBI shares are near recent highs riding the 8-EMA since mid-July. SWBI has key support below around \$22, the June/July VPOC, which also aligns with the rising 20-MA and potential for a pullback with shares a bit extended. The \$1.47B company trades 22.4X earnings, 2.17X sales, and 11.75X cash with estimates jumping recently with gun sales remaining strong and now seeing 25% Y/Y revenue growth in FY21. SWBI will report earnings in late August and likely posts a strong quarter given positive commentary from outlets like VSTO, SWPH, BGFV, and HIBB in the last two months. Meanwhile, NICS background checks continue to soar up 79% Y/Y in July with the social unrest driving demand. The company approved a split in November and board approved on 8/3 with the two companies trading alone on 8/10. The new structure will have SWBI house their firearms business while **American Outdoor Brands (AOUT)** will be their outdoor products and accessories. The company sees the split as a positive driver for both brands as it separates a largely political undertone from the camping/outdoors products as well as any legal liability issues the firearm business could face. Analysts have an average target for shares of \$19.25, Lake Street a Street High with \$28. The firm notes that both FBI NICS background checks data and his own recent channel checks point to significant sales of firearms that increased beginning in late April. They also think the "high demand" for firearms will continue with the election a positive driver given the concern over Biden's stance on gun laws. Short interest is 6.7% and near multi-year lows. Hedge fund ownership was flat in Q1. SWBI saw a lot of insider buying in March at much lower prices, the CAO and other directors adding stock around \$6.

Hawk Vision:



Hawk's Perspective: SWBI has been on a big run and riding momentum not a bad idea here as fundamental line up with the move, though 2021 will face tough comps so likely a short-term idea.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Russell Growth (IWF) buyer of 5,000 September \$220 calls this morning for \$2.00 to \$2.05

Silver (SLV) up another 5% seeing 12,000 Dec. 31st (Q) \$35 calls bought this morning already. **SLV** buyers of 6000 June 2021 \$30 calls as well today for over \$2M. **SLV** highs, buyer of 25,000 Jan \$39/\$45 call spreads today as well

Biotech (XBI) buyer 5000 November \$110 puts for \$8.15 against the \$100 puts which may be adjusting protection

Volatility (VXX) buyer 3500 October \$27 puts to open \$4.44

S&P (SPY) with 3,000 November \$290 calls bought \$47.55 in a stock replacement today

Energy (XLE) with 2,800 December \$38 calls bought \$3.04 today, laggard group that is basing under the 50-day

Gold (GLD) with 3,250 November \$185 puts sold to open today for \$5.95, confident trade willing to own shares on a small dip despite the extended run

NASDAQ (QQQ) seeing some opening put buying this morning, September 4th (W) \$257.5 puts with 3375X and October \$270 puts 1,695X. **QQQ** 8000 January \$283/\$223 put spreads bought ITM to open, also 5000 Dec \$275/\$225 put spreads bought

Bonds (LQD) with 10,000 Dec \$141 calls sold in buy-writes

Ultra Gold (UGL) rare trade bought 1000 January \$75 calls ITM \$14 to \$14.20

Consumer Discretionary/Services

Wynn (WYNN) with 1,000 December \$70 puts sold to open \$10.25

MGM also some bullish flow with hot casino action, next week \$18 calls 3250X bought

Las Vegas Sands (LVS) with 2400 October \$45 calls bought in sweeps \$3.55 to \$3.95 this morning on vaccine hopes

Fox (FOXA) with 3,670 September \$22 puts sold to open for \$0.50, popular this week

Hilton (HLT) buyer 1000 September \$82.5/\$90 call spreads

Glu Mobile (GLUU) buyer of 1,000 January \$8/\$13 call spreads for \$1.17 into weakness

Farfetch (FTCH) buyer of the August \$32 calls for \$0.97, 3000X into earnings next week

TJX Co (TJX) with 750 January 2022 \$50 puts sold to open \$7.20 today, working out of long base

Capri (CPRI) with 750 January 2022 \$15 calls sold to open for \$4.35

L Brands (LB) opening sellers of 1,300 February \$14 puts for \$1.01 to \$1.02

OverStock (OSTK) with 2300 September 25th (W) \$110 calls opening \$11.20 to \$11.60 today

Tapestry (TPR) opening sale of 825 February \$12.50 puts for \$2.05. **TPR** now with 6400 September \$15 calls bought for \$1

Callaway (ELY) into earnings tonight a spread sells the August \$24 calls to buy the \$20/\$17 put spread 4000X for \$0.87, likely protective

Viacom (VIAC) buyers 8000 December \$15 far OTM puts \$0.45 to \$0.,47

Comcast (CMCSA) with 7500 January 2022 \$52.5/\$37.5 collars put on

William Sonoma (WSM) spread buys 1,070 September \$92.50 calls for \$4.80 and sells the November \$80 puts for \$4.90

Wyndham (WH) with 3,000 September \$50 calls opening for \$2.10, closing out the August \$47.50 calls bought recently 2,000X

Consumer Goods

Costco (COST) new highs after strong comps, the January \$345 calls bought 700X at \$20.60 as the \$340 adjust

Dollar General (DG) with 2350 August \$195 calls opening

Beyond-Meat (BYND) opening sale 1000 Sep. 4th (W) \$120 puts \$3.60

Peloton (PTON) buyers 2000 next week \$71 puts \$2.60+ this morning, would be the anti-vaccine theory play. **PTON** also opening sales of 1500 Sep. \$90 calls this morning

Funko (FNKO) pops with unusual 3500 Sep. \$7.50 calls bought \$0.45 to \$0.55, reports tonight

Coty (COTY) opening sale of 2,500 February \$3 puts for \$0.46, long-time laggard but couple big headline deals with Kim Kardashian and Kylie Jenner

Tyson (TSN) with 1200 January \$57.50 puts bought \$3.80 offer

Cronos (CRON) with 5000 October \$6 puts sold to open from \$0.85 to \$0.79

BRF SA (BRFS) with the December \$5 calls bought 4550X today around \$0.40, positive note pre-market from Bradesco BBI

Kellogg (K) with 720 January 2022 \$50 puts sold to open today for \$1.95, shares back near highs for the year with pantry stocking tailwinds

US Foods (USFD) spread buys the September \$25 calls and sells the \$22.50/\$20 put spread 1000X ahead of peer **SYF** earnings next week, 8-11

AutoZone (AZO) with 100 January \$1020 puts sold to open today \$100.50

Energy

Hess (HES) with 2000 November \$52.5 calls opening near \$6.45 as August \$47.5 adjust short calls

Enphase (ENPH) with 1100 January 2022 \$100 calls sold to open \$17.35 bid

Petrobras (PBR) with 10,000 January \$9 calls bought for \$1.15 today

EOG Resources (EOG) with the August \$48/\$45 put spreads bought 2,000X for \$0.70 into earnings tonight

Devon Energy (DVN) opening sale 1500 January \$10 puts for \$3.01 with shares \$11.67

Sun-Run (RUN) with 400 March 2021 \$55 calls bought today for \$7.50, stock replacements into strength

Energy Transfer (ET) with 8340 Aug. 28th (W) \$7 puts opening as August adjust

Financials

Square (SQ) with another 1,500 June 2021 \$160 calls bought \$27.50 to \$29 today

Genworth (GNW) with 4000 September \$2 puts sold to open \$0.35

MasterCard (MA) with 1800 October \$345 calls opening \$9.20 as August \$325 adjust

Wells Fargo (WFC) September 11th (W) with 33,000 of the \$24.5/\$23.5 strangles bought

Aegon (AEG) with 2,300 August \$5 puts bought \$1.95, earnings next week and some mixed reports out of insurers

Meta Financial (CASH) with 450 March \$17.50 calls bought for \$4.20 to \$4.60, small-cap regional bank that trades 0.85X book

Morgan Stanley (MS) with 1700 March \$47 puts sold to open today near \$4.50

Fiserv (FISV) with 1,000 September \$100/\$90 bull risk reversals bought for \$3.27 as some August \$101 calls adjust

Simon Property (SPG) with 2,000 September \$55 puts sold to open for \$2.70 to \$2.58 this afternoon

Vornado (VNO) with 2,000 December \$40/\$35 bull risk reversals bought for a \$2.26 net credit

Pag-Seguro (PAGS) tightly coiled nearing breakout and 2000 September \$40 calls bought \$3.20 to \$3.30 and 2000 of the \$50 calls at \$0.50

Walker Dunlop (WD) buy-write with 1000 February \$65 calls \$4.40

Zillow (Z) afternoon buyer of 3,500 September \$60 puts for \$2.14 to \$2.15 into earnings. **ZG** buyer 500 Feb \$80 calls \$9.80

Healthcare

DentSply (XRAY) with 2800 September \$40 puts sold to open for \$0.83

Global Blood (GBT) opening sale 2000 December \$80 calls for \$4. **GBT** now with 2000 September \$70/\$80 call spreads bought for \$2.80

PetIQ (PETQ) buyer of 500 August \$38 puts for \$1.80 to \$1.90 ahead of earnings tonight, strong run lately and weak history down each of the last five

Dynavax (DVAX) buyer 1900 January \$20 far OTM calls \$1.45 to \$1.85, name with recent write-up on bullish options action

Change Healthcare (CHNG) buyers of 5,825 August \$14 calls for \$0.35 as front-month IV climbs, near a long range breakout

Medtronic (MDT) with 4,500 September \$90 puts sold to open today for \$1.50

Principia Bio (PRNB) trying to work out of a nice flag after M&A rumors sent shares higher in July, and 250 September \$90 calls opening today \$11.43 and September \$95 calls at \$10.65 as August adjust

LHC Group (LHCG) with 500 September \$230 calls bought or \$3.25, stock replacement into strength, healthcare name that is seeing higher volumes with hospital and health system patients diverting to home health

Illumina (ILMN) buyer 100 January \$400 puts \$43 to \$43.30 into earnings tonight

Prothena (PRTA) with 1,000 September \$14 calls for \$1.00 to \$1.05, nice flag forming above the 50- and 200-day and big multi-month base forming

VapoTherm (VAPO) whacked on earnings this week after seeing bearish positioning, but today September \$35/\$40 call spreads opening 1500X

Immunomedics (IMMU) buyers of the September 25th (W) \$50 OTM calls today for \$1.75 to \$1.90, 1000X, and name with plenty of longer-term call open interest as positions adjust recently

GenMark (GNMK) ugly day and 1750 October \$15/\$7.5 put spreads opening

Shockwave Medical (SWAV) spreads this afternoon are buying the October \$50 calls for \$5.15, 365X, and selling the September \$45 puts for \$1.30 with earnings on 8-11.

Thermo Fisher (TMO) opening sale 850 September \$380 puts \$5.20

Industrials

Camping World (CWH) down 5% on a sell the news reaction on expected strong results, and seeing 1185 September \$36 ITM calls opening sales. **Camping World (CWH)** with 10,000 August \$40 calls sold to open \$1.40 after earnings, stock down 14.5%

Raytheon (RTX) buyers 1295 November \$60 calls \$4.80 look to add to OI

DXC Tech (DXC) with 500 December \$15 calls bought \$5.40 today, earnings tonight with shares in a big base under \$20

CH Robinson (CHRW) with 1000 February \$82.5 deep ITM calls opening with August adjustments

General Electric (GE) earlier with 60,000 next week \$6 puts bought \$0.06 to \$0.08

JB Hunt (JBHT) buyer of the Sept. \$135/\$145 call spread 1,500X3,000 for \$2.00

Copa (CPA) with 500 November \$65 calls bought this afternoon up to \$2.50, working out of a downtrend today from the June highs

Materials

Axalta (AXTA) buyer 1000 October \$26 calls \$0.50, frequent M&A talk

Corteva (CTVA) opening sale 3550 September \$23 puts \$0.40 to \$0.45. **CTVA** also with 800 January \$26 calls bought \$2.85 to \$2.90, adjusting back some \$32 calls into weakness

Newmont (NEM) opening sale 1000 January 2022 \$55 puts for \$6.15

Barrick (GOLD) with 1000 December \$28 puts sold to open \$2.70

Rio Tinto (RIO) opening seller 1000 October \$60 puts into day lows. **RIO** Oct \$60 short puts up over 3000X now

Century Aluminum (CENX) to highs on volume as 6400 September \$12 calls open \$0.25 to \$0.30

Tech and Telecom

Western Digital (WDC) opening sales 1350 September \$35 puts into weakness

Marvell Tech (MRVL) bearish flow early with 3500 weekly \$36 puts and 3700 next week \$36 puts bought, likely WDC read-through

Ichor (ICHR) with 725 January \$35 calls bought today between \$3.90 and \$4.40, positive quarter recently and B Riley with a \$42 PT citing healthy end-market demand

Bilibili (BILI) with 1,000 January 2022 \$65 calls bought \$7.10 to \$7.42 today, name which has had some Sept. call buying all week

Accenture (ACN) opening sale of 500 November \$240 calls for \$7.20 into strength

HP Enterprise (HPE) hot action buying 10,000 September \$10 calls \$0.56 up to \$0.85

Slack (WORK) buyers of 5,000 August \$32 calls for \$1.07 to \$1.09, weekly calls also hot with shares up 3.25%

Twitter (TWTR) buyers of 1,000 ITM October \$33 calls for \$5.15 to \$5.25, nice flag forming around \$38 and above the June range

2U (TWOU) trading another 1000 December \$50 calls with shares off 8.2%, will confirm OI tomorrow

Spotify (SPOT) Aug. 14th (W) \$250 calls active 670X as shares and IV surge higher, trading \$7.50 to \$8

Alibaba (BABA) with 1,500 June 2021 \$340/\$220 bull risk reversals bought for a \$6.30 net credit

Teradyne (TER) OTM Aug. \$97.50 calls bought 1500X, great set-up and coming off great quarter

Roku (ROKU) the January \$145/\$120 put ratio spread opening 2,000X4,000 for \$0.75, shares off by 6% on earnings and typical spread traded against a long position as protection

Vianet (VNET) with 1,200 September \$23 puts sold to open this morning down to \$1.85, upside call buying this week as well into strength

Snap (SNAP) buyers of 2,000 August 28th (W) \$21 calls for \$1.32 to \$1.36 into weakness, would benefit from a US ban of TikTok if they fail to reach a deal. **SNAP** buyer of 5000 August \$22.50 calls up to \$0.52

Service-Now (NOW) next week \$450 calls active into weakness after 1000 opened yesterday trading 3300X this morning

CrowdStrike (CRWD) with 440 March \$97.50 puts sold to open \$12.80, popular strategy in the name for months now. **CRWD** 2400 Aug. 28th (W) \$105 puts bought \$3.30 to \$3.50 to open this afternoon

Adobe (ADBE) opening sale 250 January 2022 \$400 puts \$52.35

Momo (MOMO) stock and IV pop again with 8950 August \$21 calls bought around \$0.80, same as yesterday

MACOM (MTSI) nearly 1000 September \$45 calls bought today as Aug. \$40 adjust

Mercado Libre (MELI) buyer of the August 14th (W) \$1,280/\$1,370 call spread 250X500 for earnings on 8-10, paying \$1

FireEye (FEYE) jumped with 5000 next week \$15 calls bought to open near \$0.52

Z-Scaler (ZS) ugly reversal off a new high with momentum names selling off and seeing 1200 August \$130 puts bought \$4.55 to \$5 today

Yandex (YNDX) opening seller 500 November \$55 puts at \$3

Seagate (STX) with 1,800 December \$45 puts bought \$4.45 with stock. **STX** seller 1000 October \$45 puts to open \$3.15 to \$3.10

Applied Materials (AMAT) with 1300 August 28th (W) \$64 calls sold to open between \$2.09 and \$2.03 into earnings on 8-13

Drobox (DBX) with 2500 January \$21 puts sold to open \$2.15

58.com (WUBA) unusual buy 1500 September \$55 calls for \$1

Okta (OKTA) opening sale 225 February \$175 puts for \$12.35

Autodesk (ADSK) spreads today are selling the Sept. \$270 calls to buy the \$220/\$185 put spread for a net a small debit, 400X and likely protective into late August earnings

Microchip (MCHP) with 500 January 2022 \$100 calls bought up to \$18.50 in a stock replacement

Alibaba (BABA) August \$285/\$25 call ratio spreads trade 5000X10,000 at net credit

DocuSign (DOCU) pulling back with growth and 1075 Aug. 28th (W) \$217.50 calls bought \$11.50 to open

Facebook (FB) November \$310 call sweeps for 2000X in total at \$7.25 to \$7.35

Pinterest (PINS) buy-write with 7500 November \$40 calls \$3.75

Fortinet (FTNT) with 1340 August \$140 puts opening this afternoon and IV rising into results after the close, over \$1M

Utility

Next-Era (NEE) opening sale of 1,325 September \$260 puts down to \$3.40

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. 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 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, we have not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information has no regard to 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.