



Sector Leaders

Software

Solar

REITS

Stock Gainers

PVH 14%

PLAN 12%

DLO 12%

FUTU 11.5%

BEKE 10%

BILI 8%

Volatility Gainers

- VALE
- BEKE
- SKLZ
- ABBV
- TTCF
- RVLV

High Call Volume

- GSM
- ATER
- RVLV
- XRX
- BCS
- PVH

Bullish Options

- ACI
- CCJ
- TSLA
- YNDX
- ALLY
- AA
- WBA
- UBER
- FSLY
- ZM
- DISH
- AFRM

Market Review: Stocks were strong to start the new month after a quiet day previously with global PMI numbers coming in relatively strong outside of some weakness in China. In morning data for the US we had strong August ISM Manufacturing. Sector performance was mixed with breadth fairly strong, strength in Software, REITS and Solar. We saw cyclicals/value lag with weakness in Banks, Energy, and Industrials while the overall tape was a quiet one once again during this light catalyst time for markets. Indices continue to hit new highs and the Nasdaq (QQQ) target of 388 remains in play, price-action is very strong though watching some overly bullish sentiment signals. Another light schedule tomorrow with Jobless Claims and Factory Orders.

S&P Chart:



Resistance	Support
4,555	4,370
4,600	4,315
4,750	4,225

Options Action Trends: There were some large trades today, plenty of adjustments, but no real sector-driven trends. Market participants appear patient into an extended move.

What's On Tap: Jobless Claims, Import/Exports, and Factory Orders. Earnings from AVGO, DOCU, MDB, HRL, COO, HPE, TTC, GWRE, CIEN, DCI, MDLA, AEO, SAIC, PD, SIG.

Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **SBUX** November \$120 Calls \$2.85 – No Fill
- 2) Closed **SQ** Bull Put Spreads at -\$1 (Opened \$-3.30)

Sector Laggards

Energy

Banks

Industrials

Stock Losers

ABBV -9.5%

LCID -8.5%

DXC -7.7%

VIR -5.5%

DVN -5%

KNBE -4.5%

Volatility Losers

- ENVX
- CP
- OSCR
- UAA
- PRCH
- APLS

High Put Volume

- FIVE
- BEKE
- FBRX
- CP
- GSAT
- CANO

Bearish Options

- Z
- BAC
- SNAP
- GLW
- BEKE
- KIRK
- FIGS
- FL
- ENPH
- APLS
- CP
- INCY



FEATURED OPTIONS RADAR REPORT



Energy Name On the Verge of Breaking Out Draws Upside Call Buyers

Ticker/Price: CLR (\$39.28)

Analysis:

Continental Resources (CLR) buyers late on 8/31 for 1,275 January \$35 calls for \$7.50 to \$7.65, sizable positioning ahead of a potential weekly breakout. CLR has seen buyers recently in the October \$35 calls while the Sept. \$40 calls have over 4,500 in OI from buyers in late June and early July. Shares are setting up well under \$40.25 with a breakout move through the June highs measuring out to \$50. The weekly chart is showing a bullish MACD cross setting up while RSI is coiled around 60 and plenty of room to run. There's a high-volume node up at \$46 but the next big target isn't until up around \$60 from the 2018 highs. The \$13.8B company trades 11.35X earnings, 3.45X sales, and 5.7X FCF with a 1.12% yield. The company seen improving results recently due to better well productivity and price realizations across the energy system which has allowed for debt reduction and increased capital return. CLR has also been smart with their resource allocation in 2021 with a greater emphasis on Oklahoma natural gas in February before spot prices doubled and they see this flexibility extending into 2022 as they shift back into a more oil-focused portfolio. CLR continues to see strong results from their Bakken wells and should make a decision before year-end on expanding production and rig counts into 2022, an area they've been very conservative around in 2021. Analysts have an average target for shares of \$35 with a Street High \$50. Wells Fargo upgraded shares to Overweight on 8/23 while MKM upgrading to Buy in July noting that with higher oil prices and better natural gas realizations that CLR could generate up to \$9.4B of FCF from 2021 to 2026, almost 70% of its current market cap. Mizuho raising estimates in July as they think there is greater near-term upside in Henry Hub. Hedge fund ownership rose 4% last quarter. Executive Chairman Harold Hamm buying over \$12M in stock in June around \$34 to \$36.

Hawk Vision:



Hawk's Perspective: CLR looks great to move out of this multi-month range and should continue to benefit from strong natural gas prices into Winter while crude looks poised to clear a downtrend and move back to recent highs

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Call Buying in Top Lab Testing Co. as Virus Resurges

Ticker/Price: DGX (\$152.80)

Analysis:

Quest Diagnostics (DGX) traded more than 7000 calls on 8/31 which is 19X average and nearly 50% of its total call open interest while IV30 rose 7.3%. DGX traded 2000 OTM September \$155 calls but most notable were the 2000 October \$145 calls that traded with buyers paying \$8.40 to \$9.30. DGX does not have a lot of other notable open interest, the January \$170 calls sold to open 2000X back on 8/16. DGX closed the session at highs as it works out of a nice bull flag and its closest peer Lab Corp (LH) has also been strong with call accumulation. DGX can measure out of this pattern to target a run to \$162. Quest is the world's leading provider of diagnostic information services that plays a crucial role in the healthcare ecosystem, empowering people to take action to improve health outcomes. Revenues in 2020 were broken down into 41% from routine clinical testing, 29% from COVID testing, 22% from advanced diagnostics and 5% from anatomic pathology testing. DGX has a very strong moat serving 50% of US hospitals and physicians processing 1.8M tests per day. The total US Lab Market is estimated around \$95B with 65% physician and 36% hospital. DGX has around a 25% market share in the independent lab segment. DGX held an Investor Day in March outlining key growth drivers as Health Plans, increasing share in the hospital health systems market, accelerating advanced diagnostics growth and DTC testing. It set a 2022-2024 revenue CAGR of 4-5% with EPS growth of 7-9%. DGX currently has a market cap of \$18.75B and trades 18.7X Earnings, 1.7X Sales and 10X FCF with a 1.62% dividend yield. DGX's My Quest patient portal now has more than 17M patients. DGX's forecast for FY22 is pricing in the worst case from PAMA cuts next year. Analysts have an average target of \$150 and short interest is at 6% of the float, down 33% Q/Q. UBS upgraded shares to Buy in May positive on the base business recovery and multiple expansion with a stable outpatient reimbursement backdrop putting industry fundamentals at the best in at least fifteen years. Mizuho recently raised its target to \$166 noting the recent surge in COVID PCR testing is back and potential upside from federally funded COVID screening programs for schools & employers.

Hawk Vision:



Hawk's Perspective: DGX has a beautiful chart and want to see how much of this volume sticks in open interest, a clear case of likely upside to estimates though not a very strong grower, the stock is cheap and it has dominant market share with upside drivers.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Call Buy in Animal Health Co. Transforming for a Digital World

Ticker/Price: WOOF (\$21.50)

Analysis:

Petco Health (WOOF) with a large buy of 3000 December \$22.50 calls on 8/31 at \$2 for a \$600K trade and follows a recent size buy of 4000 December \$22.50 puts that was tied to long stock. WOOF shares put in a nice reversal hammer into mid-July weakness and recently broke out of a base and are now consolidation. Shares are nearing a post-IPO downtrend inflection and VWAP from the IPO is up at \$24. WOOF is a complete pet health and wellness company that has transformed the business from a successful traditional retailer to a disruptive, fully-integrated, digital-focused provider of pet health and wellness offerings. Its data-driven digital footprint, consisting of an entirely redesigned e-commerce site and personalized mobile app, delivers an exceptional customer experience and serves as a hub for pet parents to manage their pets' health, wellness, and merchandise needs, while enabling them to shop wherever, whenever, and however they want. The U.S. pet care industry is a large, attractive growth market experiencing a significant acceleration in response to multiple secular themes. The industry serves more than 72 million households with pets and represents a total addressable market of \$97 billion in 2020. WOOF currently has a market cap of \$6.3B and trades 24.4X Earnings, 1.4X EV/Sales and 58X FCF with revenues seen rising 15.7% in 2022 and EBITDA +15% as well before normalizing to 5-8% annual growth. The company's growth algorithm calls for MSD to HSD growth in the top-line, led by a combination of strong industry growth and scaling initiatives that include i) a premier product offering by expanding its owned and exclusive brand portfolio; ii) leveraging its digital capabilities; and iii) a shift to services with an accelerated pace of veterinary hospitals build out in its stores. Petco is leaning heavily into i) premiumization of its consumables (\$39bn TAM) and supplies assortment (\$20bn TAM), including a focus on owned & exclusive brands; ii) services (grooming, training); and iii) buildout of its veterinary offering. These aspects, coupled with its digital initiatives could likely result in market share gains for the company. Petco also is partnered with DoorDash for same-day delivery. Analysts have an average target of \$28 with short interest elevated at near 25% of the float. BAML upgraded to Buy in March with a \$28 target noting WOOF as well positioned to continue to benefit from industry-demand tailwinds, recovery in services as markets reopen, and longer-term growth across the chain's services, online, and in-store merchandise offerings as new customers become multi-channel shoppers. CSFB upgraded to Outperform on 8/20 seeing a healthy industry backdrop and a differentiated offering. Healthcor Mgmt. holds WOOF as its 4th largest position.

Hawk Vision:



Hawk's Perspective: WOOF has a nice little consolidation here to watch for an upside break, the animal health industry a great spot to be and valuation is fairly attractive. It could be a surprising winner after a rough few months following the IPO.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bull Sees Further Upside in European Tech Leader with Multiple Avenues for Growth

Ticker/Price: YNDX (\$78.50)

Analysis:

Yandex (YNDX) early buyers of 1,550 May \$80 calls today for \$7.20 to \$7.55 to open, first sizable trade in the name since March when 7,500 January \$90 calls were bought for \$2.5M and remain in open interest. YNDX also has some size in the January \$75 calls and the January 2023 \$100 calls bought in the first week of 2021. YNDX has made a sharp move higher over the last week and breaking out of a weekly flag that has a measured move to \$95-\$100, so plenty of room for further upside. The weekly chart also has a bullish MACD cross and RSI breakout this week, too, while in the first bar of a long squeeze. The \$26.72B company trades 54X earnings. 7X sales, and 9.25X cash. YNDX has had a strong 2021 as the resurgence in their advertising and ride-hailing businesses has given them flexibility to invest more in their higher-growth bets like taxi, grocery, cloud and more. YNDX has vastly expanded their TAM to nearly \$60B and more diversified now than five years ago when they were largely reliant on search and they have also have done a good job of using their cash to streamline partnerships and other ventures including plans this week to buyback Uber's remaining stake in their Self Driving business as well as a portion of their stake in Yandex Taxi for \$1B in cash. They continue to see a number of avenues for growth, especially around ecommerce and fintech, as they look to become the dominant market share leader in the region. Analysts have an average target for shares of \$72.50 with a Street High \$81 from New Street. The firm out positive and starting at Buy earlier this Summer as more than 80% of the company's revenue is likely to see accelerating growth in 2021. The firm also notes one of the biggest drivers for Yandex is likely to be its increased focus on food and grocery with substantial structural growth supported by its extensive last mile logistic platform. Hedge fund ownership fell 10.5% last quarter. Driehaus Capital a top new buyer of stock while Harding Loevner with over 9M shares.

Hawk Vision:



Hawk's Perspective: YNDX was a chart highlight that caught this entire massive ramp recently and obviously too extended here for a nice entry but given the timeframe and long-term potential out of this weekly range, a name to keep on watch for better setups throughout the remainder of 2021

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Nasdaq (QQQ) buyer 1900 March \$380/\$300 put spreads. **QQQ** some large opening put sales today with 5000 Sep. 30th (Q) \$385 puts for \$4.1M and 4000 June \$335 puts for \$5.9M

High Yield (HYG) with 15,000 April \$86/\$82 put spreads bought

Russell (IWM) October \$217 puts trading 30,000X this afternoon with buyers \$3.29 offer+

Consumer Goods

Albertson's (ACI) unusual 4500 September \$31 calls being bought up to \$1.15. **ACI** now also seeing 5,000 Sept. \$30/\$28 bull risk reversals bought today for \$0.55

ConAgra (CAG) with 4000 next week \$33.50 calls bought for \$0.35

Int'l Game Tech (IGT) buyer of 5,000 September \$22/\$25 call spreads for \$0.60 in a stock replacement

FIGS (FIGS) size buy 1500 September \$45 puts \$3.80 to \$4.10 into this recent rebound

Mondelez (MDLZ) with over 4,000 March \$50 puts sold to open today for \$0.65

Grow Generation (GRWG) with 4000 January \$40 calls bought for \$2.98 to \$3.20 today

Traeger (COOK) jumps here as 2000 December 2022 \$40 calls sell to open \$4.20 to \$4

Consumer/Business Services

Las Vegas Sands (LVS) buyer 2000 October \$47 calls at \$1.63 adjusts the \$45 calls. **LVS** also seeing 1,850 November \$40 puts sold to open around \$1.55 in stock replacements

Uber (UBER) buyer here for 10,000 November \$47.5/\$57.5 call spreads at \$0.86. **UBER** also with 1,500 February \$40 at-the-money puts sold to open for \$4.05

Signet (SIG) near 500 October \$85 calls bought for \$6.70 today ahead of 9-2 earnings

Revolve (RVLV) now also with 1200 September \$62 calls bought for \$5.20 to \$5.60 to open, follows the early buys in the \$61 calls and buyers as far OTM as the October \$100 calls today

FarFetch (FTCH) buyer of 750 June \$35 ITM calls for \$12.20

Lizhi (LIZI) unusual sweep buy 1500 January \$5 calls \$1.05 offer, a \$200M Chinese audio entertainment platform

DISH Network (DISH) buyers of 1350 October \$40 calls for \$4.70 to \$4.85

Foot Locker (FL) buyers of 1725 September \$56 puts for \$1.05 to \$1.10

Context Logic (WISH) with 10,000 December 2022 \$15 ITM puts sold to open this morning down to \$9.30

Barkbox (BARK) pops here with 5,750 November \$12.50 ITM puts sold to open for \$4.40, a \$1.3B SPAC deal from last year that focuses on subscription and DTC products for dogs including toys and treats

Draft Kings (DKNG) with over 6,000 September \$62 calls being bought today up to \$2 as some positioning adjusts higher from the \$60 calls

Xerox (XRX) with 7500 each of the October \$23 and January \$23 calls bought today for \$0.65 and \$1.65 respectively

Porch (PRCH) buyer 1000 February \$25 calls for \$2.45

Charter (CHTR) buyer of 400 October \$840 calls for \$14.30 as some Sept. calls adjust

VIP Shops (VIPS) IV climbing with 4000 October \$18 calls bought for \$0.80

Chewy (CHWY) seeing 1500 January \$90 puts sell to open \$12.05 to \$11.80 into earnings

McDonalds (MCD) buyers of 325 March \$220 ITM calls for \$23.70

Match (MTCH) stock replacement sells 400 March \$145 puts for \$19.50

Cintas (CTAS) buyer of 400 February \$390 puts today for \$26

Energy

Cameco (CCJ) over 8,000 October \$20 calls being bought this morning around \$0.85. **CCJ** early strength today likely due to positive GLJ note pre-market that said Sprott's upcoming Physical Uranium Trust is likely to push spot prices higher as they aggressively buy and could test the 2016 peak

Diamondback (FANG) with 300 March \$60 deep ITM calls opening \$20.70

Enphase (ENPH) with 1200 September \$175/\$150 put spreads bought

Schlumberger (SLB) buyer 10,000 January \$32.50 calls as November adjust some more

Financials

Ally Financial (ALLY) with 3000 December \$50 calls opening \$4.70 as September \$46 calls adjust from 4/19 buys

Bank America (BAC) buyer 140 January \$41 puts \$2.70 to \$2.80

Zillow (Z) with buyers of 680 February \$90 puts on the offer for \$650K, also 2000 September \$93 puts bought vs. long stock

CBRE Group (CBRE) adjustment of 20,000 September \$85 short calls to December \$90

Stone Co (STNE) buyer of 400 April \$40 ITM calls for \$11.60

Berkshire Hathaway (BRK.B) with 999 December \$285 puts sold to open for \$9.75, narrowly coiled under recent highs

Affirm (AFRM) IV getting juiced again with 10,000 of the September \$110 calls bought up to \$4. **AFRM** also seeing 1000X sales of January \$140 calls that buy \$80/\$60 put spreads, likely collaring a stock position

MasterCard (MA) working on a reversal today and 10,000 November \$355 calls are bought \$14.30 with the \$365 calls adjusting back

Global Payments (GPN) buyer of the November \$175/\$195 call spread today, 2000X, as the November \$200/\$220 call spread bought on 7/30 adjusting back

Redfin (RDFN) with 1200 November \$60 calls bought for \$2.55 to open

Wells Fargo (WFC) with 4500 December \$35 puts sold to open \$0.61

Healthcare

Walgreens (WBA) buyer 1500 June \$52.50 calls \$3.25 offer, aggressive buy on wide bid-ask

BioNTech (BNTX) with 800 October 1st (W) \$330 calls for \$26.75 as some positions adjust out

Apellis (APLS) buyer of 4000 October \$30 OTM puts for \$3.90 to open today ahead of data later this month

TG Therapeutics (TGTX) buyer of 2000 September \$30/\$35 call spreads for \$0.85

DexCom (DXCM) breaking out today of a post-earnings bull flag and seeing spreads sell the December \$470 puts to buy the \$560/\$660 call spread 600X for a net \$10.50

Incyte (INCY) buyer 1000 October \$75 puts to open \$2.55, aggressive above the offer

Hologic (HOLX) buyers of 1000 September \$80 puts today for \$1.80 to \$1.85

Axsome (AXSM) with 1000 September \$55 short puts rolling to December \$55. **AXSM** now also seeing 1,500 January \$50 calls bought for \$4.10 to \$4.30, some being spread with the \$70 calls

Industrials

Enovix (ENVX) with 2,000 January \$15 puts sold to open this morning for \$2.65, unusual volume for the \$2.2B designer and manufacturer of 3D silicon lithium-ion batteries. **ENVX** now also with 5000 January \$17.50 short puts opening \$3.80 bid, some major bull flow today

Tesla (TSLA) size buyers in November \$700 calls early trading 3350X near \$82.10. **TSLA** with 4500 November \$620 calls trading to open today as weekly \$600 calls adjust. **TSLA** now seeing 3000 November \$690 calls open with more weeklies adjusting

Markforged (MKFG) buyers of the February \$7.50 calls today, 1000X, for \$2.05, a small-cap maker of industrial 3-D printers

Lucid (LCID) buyer of 2,500 February \$24 calls for \$3.05 to \$3.06 into weakness

Emerson (EMR) with 1000 October \$105 calls bought \$2.75 to \$2.80 as September adjust

Beazer Homes (BZH) interesting spread sells 3000 December 2022 \$13 puts for \$1.40 and buys 1500 of the \$35 calls for \$0.93

Canadian Pacific (CP) with 5,000 October \$72.50 puts bought for \$3.40 today, shares fell yesterday after the STB decision and pathway forward for **KC Southern (KSU)** now looks like a deal with CP or remaining independent

Jet Blue (JBLU) buyer of 5000 December \$17 calls for \$0.75

Deere (DE) seeing afternoon sweep buyers 500 December \$380 puts \$24.05

Materials

Alcoa (AA) buyers in the October \$44 calls for \$2.69 to open, 2300X

Mosaic (MOS) off the early lows with 1500 October 1st (W) \$33 calls bought for \$0.75

Amyris (AMRS) long consolidation above the 200-MA seeing 2000 October \$16 calls bought for \$1

Int'l Paper (IP) buyers of 1200 April \$67.50 calls for \$1.75, narrow rounded base forming after pulling back from 52-week highs

Tech

Ciena (CIEN) buyer of 1000 September \$57 calls for \$2.27 into 9-2 earnings

Sea (SE) buyer 1000 September \$380 calls at \$2.93 offer. **SE** another 1000 Sept. \$380 calls bought for \$3.40. **SE** another 1000 Sep. \$380 calls for \$3.50. **SE** now also with 1500 November \$350 calls bought for \$27.75, adjusting higher from the \$320 calls

Snap (SNAP) sweep buyer 2000 November \$70 puts at \$4.85

JD (JD) strong recovery back to its 200-MA seeing 2250 December \$90 calls open as the \$87.5 adjust up. **JD** also with 2000 March \$90 calls bought for \$6.80 as some January \$80 calls adjust

Corning (GLW) with 3,500 of next week's \$40 puts bought for \$1 as this week's \$41 puts adjust

Alibaba (BABA) stock buyer collars with October \$180/\$165 at a \$0.50 credit for 5800X

Fastly (FSLY) strong today seeing 400 March \$55 calls bought at \$4.70 and trading 770 of the \$60 calls bought \$3.90 offer

Zoom Video (ZM) large buyer of 6,275 December \$280 calls for \$36.63 as the Sept. \$290 calls bought on 5/12 adjust again. **ZM** also seeing a stock replacement sell 1100 December \$195 puts for \$2

Advanced Micro (AMD) with 3,000 January 2023 \$105 puts sold to open for \$19.05 as some \$85 short puts roll back in strikes

Micron (MU) with 1,500 June 2023 \$70/\$55 bull put spreads opening for \$6.40

Roku (ROKU) strong candle today as it works out of a narrow base and seeing buyers active in the Sept. 10th (W) \$370, \$380, and \$400 calls in size with a small IV push higher around 10:25am

Okta (OKTA) stock replacements are selling 1,500 January 2023 \$220 puts for \$28.40

DXC Tech (DXC) buyers of 2000 September \$35 calls for \$0.75

Cerence (CRNC) multi-week coiled pattern above its rising 200-MA moving higher here with 2000 October \$125 calls trading \$2.20, though IV indicating opening sales

Five-9 (FIVN) with 1000 October \$170/\$195 call spreads bought this afternoon for \$4.75, follows upside spreads yesterday into Zoom-related weakness

DocuSign (DOCU) buyer of 750 November \$330 calls for \$11.30 to \$11.35

Mercado Libre (MELI) another odd structure today with 1,460 October \$1,760 puts bought for \$40.60 and spread with the November \$1,800 puts sold for \$92.60

AppLovin (APP) buyer of 2,000 Sept. \$80 calls for \$2 as the \$75 calls adjust higher

Go-Daddy (GDDY) with 1,425 January \$90 calls bought for \$1.05 to \$1.10 to open, shares basing after the earnings gap down

Coupa (COUP) buyer 3000 December \$250 puts for \$24, stock tied

Ring Central (RNG) buyer of 940 October 1st (W) \$250/\$215 put spreads for \$7.40

Cloudflare (NET) strong day and 1100 January \$145 calls being bought \$8.37 to \$8.93 today while around 850 November \$145 calls being sold

Monday (MNDY) breaking out of a nice bull flag as its wild run continues, seeing similar protective spreads today selling February \$430 calls to buy the \$370/\$230 put spreads

UI Path (PATH) complex structure we've seen a lot this year sells 1,000 January 2023 \$65/\$40 bull put spreads for \$12.56, buys the January 2023 \$60 ITM calls for \$17.71, and sells the June 2022 \$90 calls for \$4.60, overall net \$0.55 debit

Telecom/Utilities

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