



Sector Leaders

Energy

Banks

Solar

Stock Gainers

AFRM 28%

PTON 8.4%

OTLY 7.7%

PWSC 7.75%

DOCN 6.5%

QDEL 5.1%

AMC 5.1%

Volatility Gainers

- CCJ
- MGNY
- AFRM
- DVAX
- IOVA
- WEBR

High Call Volume

- IEI
- EIX
- ALNY
- GSK
- OSCR
- GES

Bullish Options

- AFRM
- AAPL
- BRK.B
- AMD
- AMGN
- CSCO
- CPRI
- CS
- SHOO
- EOG
- LVS

Market Review: Stocks were sharply higher pre-market following last week's sell-off without a lot of incremental news as fears of a November tapering were weighed over the weekend. After a strong open stocks resumed last week's selling pressure, outside of Energy names which showed impressive strength while we also saw a bit of a rotation to safety/yield trade on a liquidity push as winners were sold with the capital gains tax news also an influencing factor. Banks were also strong while Industrials put in some early positive reversals. Weakness was led by Tech growth as Software, Internet and Payments fell. Breadth held positive in the morning session though choppy and lacked much conviction and started rolling over into the afternoon. The S&P has a bearish 8/21 crossover in place and the Nasdaq is back at the 21-MA. The schedule remains very light tomorrow with quarterly rebalance and September OpEx key drivers this week.

S&P Chart:



| Resistance | Support |
|------------|---------|
| 4,555 | 4,515 |
| 4,600 | 4,475 |
| 4,750 | 4,400 |

Options Action Trends: Energy names led strength and we also saw call buyers active in large cap leaders **PXD, EOG, OVV, HES**. We saw a continuation of unusual April strategies in large caps selling puts and buying 2X lower strike puts, seen in **MRK, WFC, XOM** today.

What's On Tap: Small Business Optimism & Inflation Rate.

Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **ABNB** October \$165 Calls \$5
- 2) Closed **LYV** Calls \$6 (Opened \$4.50)

Sector Laggards

Software

Biotech

Payments

Stock Losers

RKLB -14%

DADA -14%

INMD -12.3%

LESL -10%

AFRM -8.5%

APG -7.5%

Volatility Losers

- APLS
- CIEN
- EOG
- ISEE
- ECHO
- GSK

High Put Volume

- HAYW
- CSTM
- DLO
- CYTK
- FOUR
- LESL

Bearish Options

- COIN
- WHR
- DLO
- ASAN
- EHC
- RNG
- UBER
- FOUR
- PTC



FEATURED OPTIONS RADAR REPORT



Unusual Upside Calls in Business Jet Leader on Robust Demand

Ticker/Price: GD (\$201.60)

Analysis:

General Dynamics (GD) traded 5X daily call volume on 9/10 with 2000 Of the November \$210 calls bought to open \$3.60 to \$4.10, unusual upside action in the name and a name with very little open interest though 400 January \$205 puts were sold to open for \$10.70 on 9/9 and had some open interest in these calls from a buyer back in May with OI now up to 2700X. GD shares have shown some relative strength to peers this quarter following a key breakout above \$193.50 in late July. GD has strongly worked out of the downtrend from the 2018 highs and \$203 a key volume node level to close above with room back to \$220. General Dynamics is a global aerospace and defense company that specializes in high-end design, engineering and manufacturing with a broad portfolio of products and services in business aviation; ship construction and repair; land combat vehicles, weapons systems and munitions; and technology products and services. GD has ten business units that are organized into four operating segments: Aerospace, Marine Systems, Combat Systems and Technologies. GD has 75% exposure to defense and government markets. GD has a market cap of \$56B and trades 16.2X Earnings, 13X EBITDA, 21.65X FCF and yields 2.36%. Forecasts see revenues growing 3-5% annually with EPS growth of 6-10%. GD is coming off a strong quarter in Defense while Aerospace is in progress of recovering and saw a 2:1 book-to-bill ratio last quarter with notable strength in Gulfstream. The G500 and G600 continue to perform well and are improving margins and management noted robust momentum for business jets in the US. Analysts have an average target of \$220 with short interest low at 1% of the float. CSFB raised its target to \$198 in late July after the strong Q2 report. Wells Fargo started coverage at Overweight with a \$216 target in May while Argus upgraded to Buy on 5/7 with a \$225 target on the improving Aerospace segment and aggressive returns of capital through dividends. Hedge Fund ownership rose 1.3% in the latest quarterly filings.

Hawk Vision:



Hawk's Perspective: GD has value to unlock and think it should consider spinning out the Gulfstream segment and/or combining it with **Textron (TXT)**. Shares pulled back to a nice level near \$200 and see potential for this to work back to \$225.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



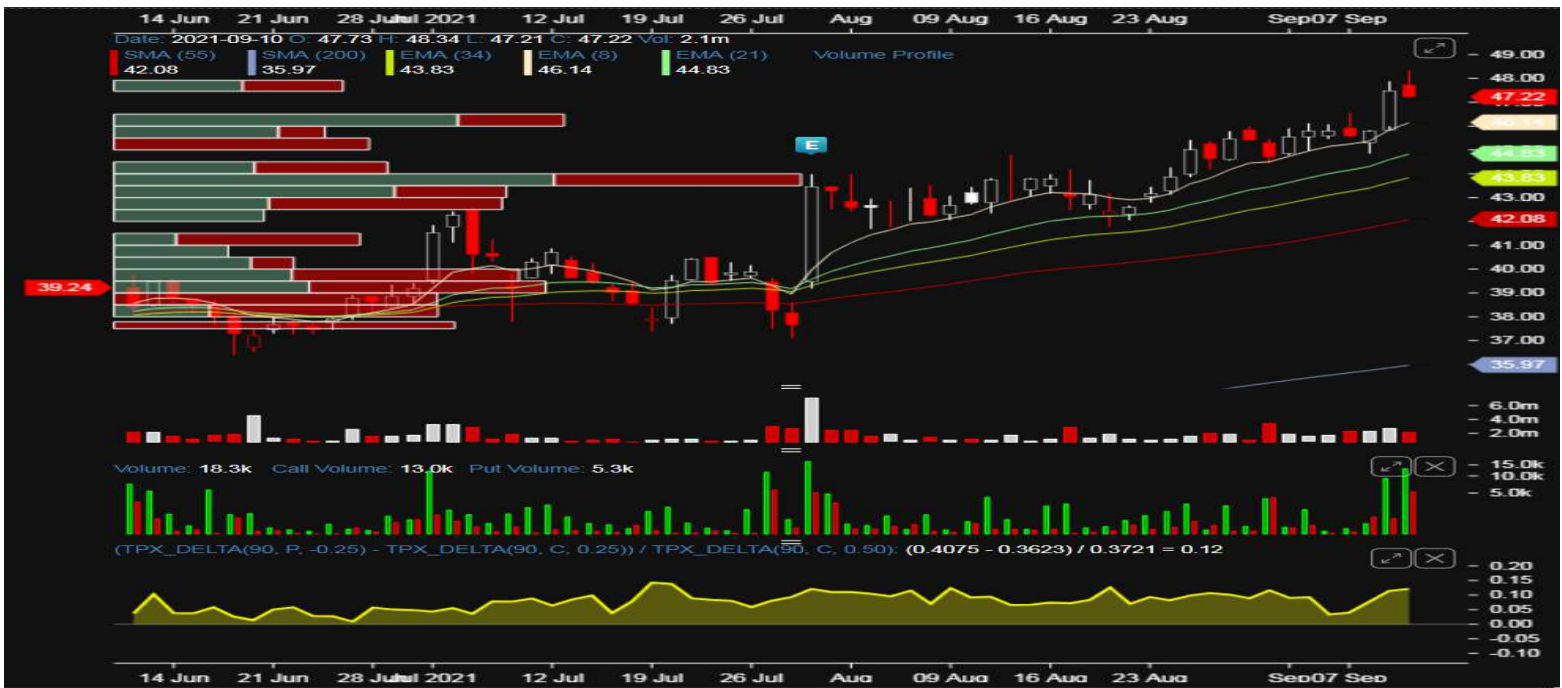
Large Bull Spread in Beneficiary of Strong Home Expenditures

Ticker/Price: TPX (\$47.2)

Analysis:

Tempur Pedic (TPX) with a large bullish trade on 9/10 as 5000 January 2023 \$35 puts were sold \$3 to buy the \$55/\$65 call spreads 5000X for \$2.70, a net credit of \$0.30 so keeping in mind the trade can be successful even with shares lower from current prices but a nice structure in a leading fundamentals play. TPX also has more than 6000 September \$45 calls in open interest from buyers in mid-June, more than 10,000 January \$40 calls bought in OI, and a recent buyer of 2000 December \$45 calls. TPX broke out of a long-range in late July and have grinded to new highs since with impressive relative strength. Shares are extended currently and a test of the 8-week moving average near \$44 may be in order. TPX is a global leader in the design, manufacture and distribution of bedding products. Tempur Sealy has strong brands across a portfolio of bedding products serving a wide range of price points with key brands such as Tempur-Pedic, Sealy featuring Posturepedic Technology and Stearns & Foster. Its products are sold across wholesale and direct channels through brick and mortar retail stores and e-commerce platforms. The global bedding industry is estimated at \$50B and the US market is concentrated growing mid-single digits annually while International markets are highly fragmented. TPX has seen 117% growth in DTC sales since Q1 2019. TPX has noted a shift in consumer spending patterns back towards home and furnishing. TPX is focused on accelerating market share gains in the \$30B international retail bedding market with Asia a key area of growth. TPX currently has a market cap of \$9.27B and trades 13X Earnings, 2.1X Sales and 14.15X FCF with revenues seen growing 36% in 2021 and 10% in 2022 while EPS seen growing 69% and 12.7% respectively. Analysts have an average target of \$53 and short interest is 3.7% of the float. Wedbush raised its target to \$53 in July seeing price increases driving upside despite some supply constraints this year. Hedge Fund ownership fell 3.3% last quarter in filings.

Hawk Vision:



Hawk's Perspective: TPX has been a favorite for many years and continues to perform well while trading at a cheap multiple, in need of a near-term pullback, but continue to favor this name as one to accumulate on dips.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Unusual Calls in Apparel Retailer Capitalizing on Athleisure, Outdoor Themes

Ticker/Price: COLM (\$102.75)

Analysis:

Columbia Sportswear (COLM) trading more than 200X average volume on Friday with buyers of more than 2,850 October \$110 calls including a late surge into the close and follows the January \$105 calls bought on 9/9 more than 575X in unusual action. Shares have been basing in a narrow range since early June above the top of yearly value and the 200-day MA and a breakout above \$105 has room to run. The 2021 highs were up near \$115 but a broader move out of this range targets \$135-\$140. The \$6.65B retail apparel company trades 19X earnings, 2.37X sales, and 17.7X FCF with a 1% yield and mid-teens growth. COLM is coming off a strong quarter in Q2 driven by better-than-expected performance in their US wholesale and DTC businesses while their e-commerce business continues to grow despite the return to more in-store shopping. COLM has seen strong sell-through in both the early Spring and Summer seasons which positions inventory levels well ahead of their Fall 2021 and Spring 2022 order books. The company continues to benefit from some major themes within the consumer space including growing popularity in outdoor activities and athleisure with their prAna brand centered around travel, adventure, and yoga. They also have long-term market share opportunities around footwear as the company looks to expand capacity for production into the Spring where they have seen strong demand. Additionally, COLM has a number of strong brands, a clean balance sheet and momentum in some key areas of apparel which makes it an intriguing M&A target too. In June 2020, **VF Corp (VFC)** was noted as a potential buyer of the company as they look to expand their collection of clothing and footwear brands. Analysts have an average target for shares of \$117 with a Street High \$130 from Baird. The firm positive on shares noting fall orders have strengthened and the analyst would be buyer on any pullbacks given its additional earnings upside potential. BAML upgraded to Buy earlier this year citing data points around web traffic for Columbia & Sorel brands that indicate accelerating DTC momentum. Hedge fund ownership rose 16.5% last quarter. Ceredex Value a top buyer of stock.

Hawk Vision:



Hawk's Perspective: COLM has been a favorite SMID-cap apparel name for a long time and action last week stands out with shares setting up well into the Fall/Winter while their collection of brands and momentum in the DTC space make M&A an intriguing option

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bulls Target Leading E&P with Greater Capacity for Cash Return Amid New Discoveries

Ticker/Price: HES (\$71)

Analysis:

Hess (HES) buyer 1000 October \$67.50 calls \$4.50 offer this morning and follows 2,500 October \$70 calls bought recently and sellers across the October \$67.50 and \$70 puts. HES has some larger, longer-dated call open interest in the January options from earlier this year as well as bullish February put sales. HES shares have pulled back to the 200-MA and forming a nice base under \$72.50 with a breakout move targeting \$75 and then up to the prior value-high at \$83. The \$21.25B company trades 15.86X earnings, 3.6X sales, and 14.33X FCF with a 1.5% yield. HES has been positioning themselves well over the last year by prioritizing cash and debt reduction while investing in low-risk, high-reward opportunities like expansion of the Stabroek Block offshore Guyana. HES sees Stabroek as one of the most important oil opportunities of the last decade with millions of undiscovered barrels of upside and the company maintaining exceptional development costs which make breakevens significantly below today's spot prices. HES expects to have multiple discovery wins over the next three years in the region across Liza Phase 1 and Phase 2. Additionally, HES recently shifted into a three-rig program in the Bakken as well to optimize their footprint while keeping cash flow steady and with hedges across both WTI and Brent, their broader capital return goals remain well on target. Analysts have an average target for shares of \$88 with a Street High \$120 from Bernstein. The firm out raising estimates in June as they think the new paradigm is one in which the supply side of oil markets will reduce, re-allocate and return capital more rapidly than the pace of the demand side transition. Piper positive on 7/23 noting that crude oil tightness adds further momentum to the robust FCF outlooks for the sector. Hedge fund ownership fell 8% last quarter.

Hawk Vision:



Hawk's Perspective: HES fundamentally looks solid and shares setting up well here to move out of this range and work back higher while crude works back above monthly value

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Nasdaq (QQQ) with 4000 Oct. 18th (W) \$370 puts bought to open \$6.76+ this morning, back to its rising 21-MA here on lows. **QQQ** staying weak also seeing buyers 7000 October \$366 puts

Oil & Gas (XOP) with 8000 October \$92/\$105 call spreads bought this morning as September spreads adjusted

REITS (IYR) with 4000 January \$104/\$88 put spreads bought \$2.60

Taiwan (EWT) with 3500 December \$65 puts opening \$3.16 spread with \$54 puts that are sold 10,500X

Consumer Goods

Steven Madden (SHOO) with 2,250 October \$40 calls bought for \$1.30 as the Sept. positions roll, basing at the 200-MA

Costco (COST) spread today sold 1,500 April \$420 puts for \$13.65 and bought 2,250 of the \$380 puts for \$6.60, net credit of near \$560K and similar to spreads opened on Friday in **DIS, NVDA**

Guess (GES) buyer 1200 October \$23 calls for \$1

Tempur Sealy (TPX) with 5,000 January 2023 \$55/\$70 call spreads bought to open for \$2.75 with the \$35 puts sold for \$2.30

United Natural (UNFI) buyer of 1000 October \$30/\$45 call spreads for \$6.55, adjusting the Sept. \$30/\$40 spreads from 8/20

Turtle Beach (HEAR) buyer of 10,000 January \$32/\$42 call spreads for \$2.35, basing in a narrow around around its 200-MA

Beyond Meat (BYND) with 1000 September 2022 \$90 puts sold to open down to \$8.70

Consumer/Business Services

Capri (CPRI) spread selling 5000 November \$47.50 puts for \$2.01 to buy the \$57.5/\$70 call spreads at \$2.61

Las Vegas Sands (LVS) November \$41 call buys here 1100X at \$4. **LVS** opening sale 950 March 2023 \$40 put at \$7.10 bid

Curiosity Stream (CURI) opening sale of 1000 January \$10 puts for \$1.30 into the morning lows

VirTra (VTSI) unusual 1975 October \$10 calls being bought \$0.60 to \$1.05 to open with IV30 up 29% today. **VTSI** shares up 6.5% today on a strong four week run to multi-month highs. **VTSI** is a small \$90M provider of training simulators for law enforcement and military markets and could be in focus with any further focus on police training. **VTSI** has been winning some contracts and Roth raised its target to \$13 in August after a 90% revenue growth number.

Far-Fetch (FTCH) buyer of 5000 January \$47/\$65 call spreads at \$2.77 debit, adjusts out of Oct. \$45 calls

Airbnb (ABNB) buy-write sells 3000 January 2023 \$180 calls for \$25

Carnival (CCL) opening sale 2000 April \$20 puts \$1.93

Golden Entertainment (GDEN) unusual 500 December \$40/\$60 call spreads opening, seeing a lot of consolidation in that space

Expedia (EXPE) with 6,550 April \$160 calls bought for \$12.65, stock replacement

Energy

EOG Resources (EOG) with buyers of 1350 January \$80 calls today up to \$3.15 to open

Ovintiv (OVV) Energy name strong and 3000 October \$34 calls bought \$0.50 to \$0.55, unveiled capital plans last week

Antero (AR) spread today sells 1000 October \$17 puts for \$1.60 and buys 3,000 of the \$20 calls for \$0.45

Exxon (XOM) seeing 8,000 April \$50 puts sold for \$3.05 with the \$40 puts bought 16,000X for \$0.91

Devon (DVN) with 2,000 October \$32 puts sold to open today for \$3.70 as the Sept. positions adjust

Enphase (ENPH) with 550 June \$140 puts sold to open \$20.30 today, running to highs with Solar names strong

First Solar (FSLR) buyer 1000 December \$115 calls \$5.10 with shares moving strong to highs now up 6.5%

Sandridge Energy (SD) with 1500 January \$12.50 calls bought for \$1.55 to \$1.60

Financials

DLocal (DLO) seeing 1000 October \$60/\$50 put spreads bought today for \$3.80, adjusting some Sept. put spreads

Credit Suisse (CS) strong this morning after some reports on executive moves and buyers active for 1500 January \$9 calls for \$1.80

Affirm (AFRM) size buys 5000 November \$110 calls \$15.10 to \$16.20 into early weakness looking to add to the 5K bought last week. **AFRM** roll of 2000 January \$140 short calls to the \$160 strike, likely allowing for more upside in a buy-write position. **AFRM** also seeing 5000 November \$115 calls bought now \$14.70

Berkshire (BRK.B) with 2000 next week \$280 calls opening \$2

Coinbase (COIN) buyers active 1666 October \$205 puts \$2.55 offer. **COIN** also with buyers of 300 November \$350 calls this morning for \$23.80

Apollo (APO) buyer of 1000 October \$60 calls for \$2.47 to \$2.50 into the early dip, adjusting the September \$60 calls

Bank of NY (BK) stock replacements bought 400 March \$45 for \$335K

Greensky (GSKY) IV climbing again today with buyers active in the October and December calls, the latter looks like more December \$10 calls adding to open interest at \$0.70 to \$0.85

Visa (V) buyers active here into day lows for 1390 March \$225 calls \$14.85 offer in stock replacements

Wells Fargo (WFC) with 8,000 April \$40 puts sold to open today for \$2.24 with the \$32.50 puts bought 16,000X for \$0.82

AIG with 20,000 September 24th (W) \$54 puts sold to open for \$0.71 today, stock replacement

Tanger Factory Outlet (SKT) buyer of 7000 November \$18 puts for \$2.15, rolling 5,000 September \$19 puts out

Green Dot (GDOT) buyer of 500 March \$45/\$75 call spreads today for \$7.90, name popular with put sales

Healthcare

MacroGenics (MGNX) with 2,000 September \$25/\$35 call spreads bought for \$3.30 to open this morning, follows 2000 Sept. \$30 calls bought back on 8/23 and still has some size in the October options too

Moderna (MRNA) weak today after the Lancet publication on booster shots and seeing 1000 January \$520 calls sold to open down to \$29.50. **MRNA** now 1000 Nov \$450 calls sold to open \$34

Amgen (AMGN) rising off multi-month lows with 1375 Sep. 24th (W) \$215 calls being bought \$4.65 to \$4.75

Encompass Health (EHC) the January \$90 calls being sold to buy the \$80 puts today over 875X for \$4.75 debit, undergoing a lengthy strategic review that may not lead to the dramatic changes many are pushing for

Glaxo (GSK) seeing some weekly calls adjust out to open 6,500 Sept. 24th (W) \$41 calls this morning between \$0.45 and \$0.50

Alnylam (ALNY) with buyers of the October \$200/\$220 call spread 2670X for \$4.98, adjusting the Sept. spreads with shares trying to hold the 55-EMA. **Alnylam (ALNY)** now with buyers of 1,300 December \$190 calls for \$19.90, adjusting the Sept. \$185 calls

Alkermes (ALKS) with 2,000 February \$35/\$27 bull risk reversals opening for \$0.65, strong biotech looking to clear a small flag to new highs

Iovance Biotherapeutics (IOVA) with spreads today buying the October \$25 calls 1600X for \$1.70 and selling the September \$22.50 puts 2000X for \$0.75

Sharecare (SHCR) unusual action with 1325 February \$7.50/\$6 bull risk reversals opening for \$1.30 debit. SHCR is a \$2.5B healthcare digital platform company that connects doctors, employers, health plans and more. SHCR trades at 5X FY22 EV/Sales with revenues seen growing 33% in 2022 and is positive EBITDA. BTIG out positive defending shares this morning after starting at Buy with a \$15 target in July calling it a one-stop-shop for a comprehensive suite of solutions.

Merck (MRK) similar to other large cap spreads sold 8000 April \$65 puts and bought 16,000 of the \$55 puts

Intuitive Surgical (ISRG) with near 400 April \$1,125 calls bought today up to \$58.50, best-in-class name near new highs

I-Rhythm (IRTC) with 1000 November \$65 calls opening as the \$50 calls adjust from the bull spread alert on 9/9, shares up 34% on key new CEO hire

Novavax (NVAX) large bull spread into day lows buys 400 April \$250 calls \$54.60 and sells 800 of the \$210 puts for \$42.05

Regeneron (REGN) with 200 January 2023 \$520 puts sold to open for \$39.60

CRISPR (CRSP) with 300 April \$115 puts sold to open for \$19.10 in stock replacements

Eli Lilly (LLY) with 750 January 2024 \$210 calls bought today for \$51.70, over \$3.85M

Industrials

Delta (DAL) buyers of 1380 October 22nd (W) \$41 calls for \$1.41 to \$1.45, some Oct. 1 (W) calls rolling out, earnings 10-12

Crane (CR) unusual 250 December \$90 ITM calls bought \$8.20 to \$8.80

Tesla (TSLA) with 9500 November \$850 short calls opening as September short calls adjust out a couple months

United (UAL) with 3000 January \$49/\$44 strangles sold to open for \$7.25

Fed-Ex (FDX) holding green today and earlier today 2000 Sep. 24th (W) \$260 calls active with buyers \$7.85 to open, captures 9-21 earnings

GM strong today and 10,000 November \$52.50 calls bought \$2.06 as Oct. \$57.50 calls are sold

Materials

Mosaic (MOS) with 500 January 2023 \$45 puts sold to open for \$15.28, adjusting some short positions out

Teck Resources (TECK) buyer of 2500 October 1st (W) \$24/\$21 put spreads for \$0.70

Rio Tinto (RIO) buyer 3000 October \$70.65 puts for \$1.30

US Steel (X) opening sale 2000 April \$20 puts for \$1.86

Freeport (FCX) with 3000 March \$35 puts sold to open today for \$4.30

Tech

DataDog (DDOG) opening seller 6000 Oct. \$155 calls for \$1.05. **DDOG** also 2000 October \$130 puts bought for \$4.20, stock tied

Cisco (CSCO) buyers active in October \$57.50 calls 4000X early where we saw open interest add last week into key Investor Day this week

Ring Central (RNG) the October 1st (W) \$210/\$190 put spread being bought 950X for \$3.54, rolling down the \$250/\$215 spreads

Asana (ASAN) the October \$100 puts actively bought this morning 750X from \$6.50 to \$7

Twilio (TWLO) with 700 Oct. 29th (W) \$400 calls opening \$3.70 to \$4, captures next earnings report

Salesforce.com (CRM) with 400 February \$260 calls bought this morning for \$16.25 to \$16.35, pulling back to the 55-EMA and monthly VPOC today

Zoom Video (ZM) buyers of 250 June 2022 \$310 calls for \$37.60, near \$1M

Rackspace (RXT) rolling off the early highs with 3000 October \$15 puts bought for \$0.70

PTC (PTC) with buyers of 1140 October \$115 puts for \$1.35 to \$1.40 today, under the 200-day and near a support break

Snap (SNAP) with 12,000 November \$75/\$80 call spreads bought into morning weakness, will confirm OI tomorrow. **SNAP** opening sale 1000 April \$55 puts \$3.75

Netflix (NFLX) buyer 1000 November \$585 calls at \$32.75 offer into morning weakness and follows size November call buys last week

Marvell (MRVL) nice flag forming near recent highs and today seeing 1150 October 29th (W) \$62 calls bought for \$2.40 to \$2.45 as some positions adjust out

Oracle (ORCL) with 5,000 November \$95 calls opening for \$1.75 today, adjusting the Sept. \$90 calls ahead of earnings tonight. **ORCL** buyer 1000 March \$90 calls \$6.20 adjusts January calls

Apple (AAPL) buyer 1500 Oct. 29th (W) \$150 calls \$5.84 to \$6 this morning

CEVA (CEVA) spreads today are selling the December \$45 puts for \$3.50 and buying the March \$50 calls for \$4.25, 1200X as some Sept. positioning adjusts

Service Now (NOW) buyer of 1000 October \$620 puts for \$13.10, tied to stock

Western Digital (WDC) with 6000 October \$52.50 puts bought today near \$0.85 as September puts adjust from \$58 strike

Zoom (ZM) into session lows opening seller 1000 December \$290 puts \$24.10 to \$23.90

Telecom/Utilities

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