



MARKET RECAP REPORT 9/14/2020

Sector Leaders

Biotech

Banks

Software

Stock Gainers

IMMU 100%

SGMS 45%

MRSN 23.5%

FBRX 15%

AXSM 14.7%

ZYME 14.5%

KC 14.5%

Volatility Gainers

- IOVA
- GRPN
- SGMS
- GME
- AR
- MRO

High Call Volume

- ACTA
- MLHR
- KNX
- DVA
- IOVA
- DAN

Bullish Options

- MU
- DD
- SBUX
- DOW
- TSM
- AXTA
- MAR
- LL
- YETI
- BA
- BYND

Market Review: Stocks started the week with a strong gap open on renewed vaccine hopes and a slew of mega M&A deals. Markets pushed higher through the opening two hours testing trend resistance off the recent highs with breadth strong. Biotech led the gainers driven by M&A while Banks showed its first group strength in a while, and momentum Tech also gained. Energy remained the only real weak spot while Bonds were flat. Stocks came in off the highs midday though breadth remained strongly positive, we remain in a bit of a catalyst void until the FOMC on Wednesday. Things will likely pick-up after quarter-end with earnings season back in October and the Elections in November. Overall a lot of names are rebounding right back into resistance and need to see more constructive action to reverse recent momentum downward.

S&P Chart:



Resistance	Support
3,450	3,350
3,510	3,275
3,585	3,255

Options Action Trends: Action was rather quiet early with no real signs of chasing the strong open, though Chemical leaders **DOW**, **DD** with near-term call buying into momentum and later in **ALB**, **AXTA**.

What's On Tap: Import/Export Prices, NY Manufacturing, and Industrial production. Earnings from **Adobe** and **Fed-Ex**.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Bonds

Transports

Stock Losers

GRPN -12%

CRMT -8%

GRAF -8%

SHLL -7.3%

PEN -6%

MBI -5.8%

RDNT -5.5%

Volatility Losers

- CLVS
- IMMU
- MRNS
- CODX
- HTZ
- NKLA

High Put Volume

- IMMU
- SAVA
- MLHR
- DVA
- CSIQ
- IFF

Bearish Options

- PTON
- TSCO
- FSLY
- CSIQ
- VMW
- JD
- WORK
- CRWD
- ZM
- VICI
- WFC



FEATURED OPTIONS RADAR REPORT



Boyd Gaming Call Buyers as Gaming Interest Rises

Ticker/Price: BYD (\$27.85)

Analysis:

Boyd Gaming (BYD) on 9/11 with a late day trade that bought 2000 November \$29 calls at the \$2.65 offer to open and follows recent October \$29 call activity with 4500X in OI. BYD shares have held up well recently while its peer **PENN** gets all the attention, shares riding the rising 21 day moving average higher and starting to emerge out of consolidation. The \$3.15B regional gaming company trades 27.8X Earnings, 9.5X FY21 EBITDA and seen revenues rise to \$3.33B in 2019 from \$2.2B in 2016 though 2020 causing a reset. On 8/31 BYD announced it launched sports betting in Illinois which expands its partnership now to six states. BYD noted on its latest call that core customers remain undeterred and seeing higher average spend per visit. BYD is also focusing more on high margin businesses and operating at significantly higher margins than pre-pandemic. Analysts have an average target of \$30 on shares with short interest at 7.9% of the float. JPM raised its target to \$40 last week citing higher margins, strong performance since reopening, and the upside from internet gaming and sports betting. Union Gaming upgraded shares to Buy with a \$35 target on 8/28. Hedge Fund ownership declined 9% in Q2 filings.

Hawk Vision:



Hawk's Perspective: BYD trades around the same FY21 EBITDA multiple as **PENN**, the latter the clear leader with a ton of momentum, though both look interesting, and sports betting remains a favorite thematic investment.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Boyd Gaming Call Buyers as Gaming Interest Rises

Ticker/Price: BYND (\$142.20)

Analysis:

Beyond-Meat (BYND) back near last week highs and 1000 November \$140 calls bought in good sized lots \$20.50 to \$21.45. BYND call activity has been elevated since the 8/27 base breakout high volume move, and has seen November \$180 far OTM calls accumulate 7400X in OI. BYND also exhibiting inverted IV Skew at -2.7 on 30 day. On the chart BYND shares put in a strong weekly base near \$123 and starting to work higher, and a potential rising channel developing on the weekly while the volume zone breakout targets \$170. The \$8.93B maker of plant-based foods currently trades 12X FY21 EV/Sales with revenues growing 238.8% in 2019 and seen rising 61% this year and 55%+ next year while profitability is also starting to ramp. BYND announced last week plans to bring production to the China market and its recently launched DTC website could be a new source of growth. It's main competitor, Impossible Foods, may look to IPO soon. BYND is disrupting a massive \$1.4 trillion global meat market, a \$270B market in the US and sees itself as the future of protein. Analysts have an average target of \$125 and short interest is at 19.7% of the float. Baird initiated shares at Buy on 9-3 with a \$160 target seeing added capacity supporting \$1B in revenues and also diversifying its raw materials. BYND announced its Meatballs will be available in grocery stores nationwide starting next week. Hedge Fund ownership fell 10% in Q2 filings.

Hawk Vision:



Hawk's Perspective: BYND continues to expand its footprint and is an impressive growth story despite the hatred it receives, the business looks rather sustainable. The inverted skew makes upside call spreads an attractive way to participate with defined risk.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Opening Put Sales Expects Upside for Door & Window Maker

Ticker/Price: JELD (\$21.25)

Analysis:

JELD-WEN (JELD) nice two week base forming and 1500 April \$25 ITM puts are sold to open for \$6.20, a name lacking notable open interest outside of 1000 April \$22.50 calls sold to open back on 8/21. JELD shares traded down to \$7 in March but have rebounded strongly and the weekly chart showing room to make a run back to \$25. The \$2.07B maker of building products, primarily doors and windows, trades 12.3X Earnings, 0.5X Sales and 10.2X FCF with a levered balance sheet. JELD revenues are seen growing 4.5% in 2021 after declining in 2020 while EPS seen up 13.7% this year and 23% next year. JELD beat estimates on 8-4 with revenues down 11% Y/Y but showed margin expansion. JELD has been expanding into Repair/Remodel as the largest global opportunity. It has made 14 bolt-on acquisitions since 2015 and targeting more deals while also looking to bring down debt via its FCF. Analysts have an average target of \$22.50 and short interest is minimal at 1.7% of the float. BAML upgraded to Buy on 8/7 with a \$27 target, encouraged by better execution and cites strong pricing power with solid demand in its markets. Hedge Fund ownership fell 13% in Q2 filings.

Hawk Vision:



Hawk's Perspective: JELD is a name that I have liked on annual screens but been a relative weak performer, but appears at an inflection point and expect strength across the building products names with the housing strength.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) buyer 4000 November \$340 puts \$15.03

Russell (IWM) block of 3000 September 2021 \$130 puts sold to open \$8.77

NASDAQ (QQQ) buyer earlier for 3000 Oct. 23rd (W) \$295 calls \$3.66 offer to open

Tech (XLK) maximum strike and time-frame January 2023 \$130 calls with 1890X seeing opening action today for over \$3M, mainly \$13.65 to \$14.35 range

Gold (GLD) working off lows this afternoon and both November \$179 and \$181 calls active with buyers 5000X each

Consumer Discretionary/Services

Starbucks (SBUX) working out of healthy consolidation and a name with a lot of bullish open interest, the April \$87.50 calls hot this morning 1400X around \$7.60

Lumber Liquidator (LL) with 1000 ITM November \$19 calls opening near \$5.60

Advanced Auto (AAP) an early breakout trigger also seeing buyers of 330 November \$160 calls to open up to \$10.90. **AAP** November \$160 calls are up over 1200X on the day now

Marriott (MAR) with 1000 November \$100 calls opening for over \$1M on roll out adjustments

Darden (DRI) with 3000 October \$95/\$85 strangles sold to open for \$7.55

Brinker (EAT) opening sale 2300 October \$35 puts for \$0.55

GSX Tech-Edu (GSX) buyers of 1500 October \$105 calls \$3.40 to \$4 offers, working out of a bull wedge to start the week

Papa John's (PZZA) with 1650 Oct. 23rd (W) \$90/\$95 call spreads opening for \$2

Best Buy (BBY) with 250 January 2022 \$105 puts sold to open \$18.40

Shake Shack (SHAK) spreads selling January \$62.5 puts to buy the \$75/\$90 call spreads 600X

Norwegian Cruise (NCLH) buyer 1000 October \$12.50 calls for \$5.30

Consumer Goods

Yeti (YETI) buyer 1000 January \$50 calls to open \$5.80

Beyond-Meat (BYND) also seeing long-term January 2023 \$155 calls bought to open 1150X today \$46.50 to \$48

Dollar General (DG) with 2000 October \$210 calls sold to open \$2.70

At-Home (HOME) put sales remain popular, the Oct. \$16 sold to open 2500X today for \$1.63

Hasbro (HAS) weak here with 3000 September \$77 puts being bought up to \$1.50

Energy

Canadian Solar (CSIQ) with 3000 October \$29/\$24 put spreads opening as September \$30 puts adjust

EOG Resources (EOG) with 39,000 Oct. 23rd (W) \$39 puts bought \$2.65, stock tied

Halliburton (HAL) buyer 3000 January 2022 \$17.50 calls to open \$2.50

Apache (APA) buyer of 10,000 January \$15 calls \$1.14 spread with the \$20 calls which may be adjusting back. **APA** day highs, massive block of 190,000 Oct. 23rd (W) \$11.50 puts sold to open earlier.

Occidental Petro (OXY) working higher with 18,000 next week \$11 calls active earlier this morning

PDC Energy (PDCE) buyer 1500 October \$12.50 calls \$1.20/\$1.25 to open, name hit hard last week

Pioneer Natural (PXD) with 825 January 2022 \$80 puts being sold to open \$14 to \$13.70 and seeing 750 of the \$110 calls bought to open

Exxon (XOM) with 7000 May \$40 puts opening today as November \$42.5 adjust

Financials

MSCI (MSCI) trying to base above \$335 and seeing a buy of 300 October \$360 calls to open \$9.35 with 200 January \$350 calls closing

JP Morgan (JPM) buyer 5000 September 2021 \$190 far OTM calls for \$0.67

Rocket (RKT) buyer 1000 March \$25 calls \$4.80 offer

US Bancorp (USB) more unusual far OTM calls bought with 4000 January 2022 \$62.5 for \$0.70 today

AGNC Investment (AGNC) big breakout move today and unusual 1000 January 2023 \$12 ITM calls bought for \$2.60 today

PennyMac (PFSI) big breakout move today seeing February \$65 calls sell to open 4000X at \$3.65, adjusting November \$55, likely extending a buy-write

PayPal (PYPL) buyer 500 June 2021 \$175 calls \$30.95

S&P Global (SPGI) with 800 October \$350/\$360 call spreads bought

Square (SQ) opening sellers active in June 2021 \$115 puts today 1500X

Wells Fargo (WFC) afternoon sweep buys 5000 January 2022 \$15 puts 0.83 offer

Healthcare

Pfizer (PFE) buy-write with 5800 November \$43 calls at \$0.46

Eli Lilly (LLY) with a three week base along the rising 200 MA seeing a spread today sell 2000 October \$140 puts \$1.99 and buy 2000 November \$160 calls for \$4.20

DraftKings (DKNG) with 2250 March \$55 calls sold to open for \$8.60 adjusting out of January \$50, likely extending a buy-write

Incyte (INCY) stock replacements opening 670 March \$85 ITM calls

Sorrento (SRNE) running this afternoon and seeing January 2022 \$10 calls with 9000X being bought \$4 to \$4.60

Industrials

Boeing (BA) October \$160 calls active 10,695X vs. OI of 11,709, mixed flows, name with a lot of call buying Friday. **BA** buyer of 1000 November \$160 calls \$16.90 to \$16.95

Dana (DAN) with some aggressive buying of 1200 October \$13 calls \$1.85 to \$1.90

Tesla (TSLA) up 9% on the day now, Battery Event next week, and 1000 December \$450 calls bought near \$55 this morning, while March 2022 \$550 calls with 1700X opening for over \$20M as September 2021 \$360 calls look to be adjusting

KC Southern (KSU) buyer October \$175/\$165 put ratio 500X1000 after rejecting a takeover offer

Li Auto (LI) with afternoon buys of 1600 October \$22.50 calls up to \$1.20 to open, Chinese EV play recently wrote up

Materials

DuPont (DD) seeing 1300 next week \$59 calls active in early trade

Dow Chemical (DOW) sweep buyers 3050 September \$51 calls

Axalta (AXTA) buyers 5000 October \$25 calls \$0.55 to \$0.65, frequently seen as a M&A target

Albemarle (ALB) strong Materials chart with 200 October \$90 calls bought ITM for \$9.40 to open

Ball Corp (BLL) another strong Packaging chart and seeing 565 November \$85 calls bought to open \$3.90

US Steel (X) buyer 2000 Oct. 30th (W) \$7.50 calls \$0.63 to \$0.65

Louisiana Pacific (LPX) buyer 2000 October \$34 calls \$1.25 with Lumber strong this morning

Pretium Resources (PVG) with 2400 January 2022 \$17 calls being sold to open for \$2.60

Tech and Telecom

Netflix (NFLX) odd trade buys 500 December \$700 calls with theoretical value below \$5 and the offer at \$5.25

Fastly (FSLY) buyer 2000 March \$50 puts at \$5

Taiwan Semi (TSM) tight range and holding up better than peers the last two weeks, seeing 3000 Oct. 2nd (W) \$85 calls bought up to \$1.20 here. **TSM** block of 5000 April \$90 calls opens \$5.55, tied to short April \$70 puts at \$4.80

Snap (SNAP) with 7500 next week \$23.50 calls opening \$0.98 on roll outs. **SNAP** October \$21 puts being bought 40,000X, tied to stock

DropBox (DBX) buyer 1000 April \$23 calls to open \$2.06/\$2.07

Pinterest (PINS) with 3000 January \$45 calls opening \$2.75 as January \$25 calls adjust and take some profits off the table. **PINS** 5K next week \$39 calls active with buyers \$0.44 offer this afternoon

JD.com (JD) buyer 2000 December \$75 puts \$6.80

IBM with 1900 October \$120 straddles sold for \$7.94

Slack (WORK) buyer 5000 March \$17 puts for \$0.95

AT&T (T) with 3000 April \$27 calls bought \$2.90 to open

Advanced Micro (AMD) with nearly 5000 Oct. 2nd (W) \$84 calls opening near \$1.87

NVIDIA (NVDA) November \$550 calls active with buyers today \$47 to \$48 with 1900X trading, name that saw size November calls bought into weakness late last week. **NVDA** with 1000 December \$620 calls sold to buy 1000 Dec. \$460 puts, net \$11 debit, potential protective on stock. **NVDA** also a spread sold 1000 March \$480 puts to buy 1000 March \$680 calls, twenty minutes from the December spread and may be entering a double diagonal

SS&C Tech (SSNC) opening sale 500 April \$55 puts for \$4, shares basing last week above the 55 MA

CrowdStrike (CRWD) buyer 500 June 2021 \$115 puts to open \$18.15 to \$18.30

Spotify (SPOT) into day lows buyer 100 January 2023 \$370 calls for \$42 and volume now at 500X

Interactive (IAC) with 1000 December \$130 calls bought \$8.80 to \$9.08 while the \$100 puts being sold to open \$4.05 to \$3.98

Roku (ROKU) with 2000 November \$160 synthetic long positions opening as September \$150 adjust

Zoom (ZM) with 600 October 9th (W) \$415 puts opening today up to \$39.05.

Twilio (TWLO) seeing 925 January 2022 \$180 puts sold to open collecting near \$3M in premium

Micron (MU) with 2500 deep ITM June 2021 \$25 calls opening \$24.70 to \$25.10 today, over \$6M

Alibaba (BABA) maximum strike and time-frame January 2023 \$420 calls opening this afternoon \$15.90 to \$16.30

Utility

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