



MARKET RECAP REPORT 9/17/2020

Sector Leaders

Metals

Industrials

Bonds

Stock Gainers

MLHR 30%
SRNE 19.2%
JOBS 16%
KNL 16%
SCS 13.6%
TSE 8.8%
KODK 8%

Volatility Gainers

- PLAY
- SRNE
- WBT
- MAT
- MRNA
- WRK

High Call Volume

- MLHR
- MAT
- WRK
- RAMP
- CONN
- A

Bullish Options

- BA
- Z
- MAT
- TSLA
- PTON
- APPS
- SU
- GPN
- TSM
- DD
- ETSY

Market Review: Stocks were weak overnight as the USD rallied and investors weighed the Fed commentary from Wednesday. The BOJ and BOE held steady in an active week for Central Banks. POTUS pressured Congress to get a fiscal stimulus bill done but the stalemate continues. Markets bounced after an early sharp sell-off with the S&P staying above its 55 day moving average and the NASDAQ broke it but then bounced to retest the level. The VIX barely gained on the day though we remain in a sell signal with NYSI and 8/21 bear MA crosses, so remain cautious. Bonds rebounded while Metals & Industrials were an area of strength. The momentum groups saw the sharpest sell-offs such as Software, Internet and Payments. Around midday the selling picked back up taking internals to weakest levels of the session. We also face what has been historically one of the weakest weeks of the year next week, being the week following September OpEx.

S&P Chart:



Resistance	Support
3,425	3,350
3,510	3,275
3,585	3,255

Options Action Trends: There were not any major new trends in the activity today, Chemical names continue to draw some bullish flows like **GRA, LYB, DD**.

What's On Tap: Consumer Sentiment. September OpEx and S&P Rebalancing.

Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **AMGN** October \$255 Calls \$3.95
- 2) **Spotlight:** Long **IBM** October \$120 Puts at \$2.10

Sector Laggards

Software

Internet

Payment

Stock Losers

MCS -28%
PLAY -18%
CRNC -11.75%
FSLR -11.2%
INO -11%
TPIC -9.5%
PLCE -6.6%

Volatility Losers

- INO
- IMMU
- LI
- MLHR
- IQ
- ARWR

High Put Volume

- EVRG
- BWA
- PK
- UFS
- OMC
- GOGO

Bearish Options

- EBAY
- NTNX
- PK
- F
- GSX
- EFA
- GM
- DIA
- GEO
- MRNA
- BBBY



FEATURED OPTIONS RADAR REPORT



Digital Turbine Calls Heat Up, Impressive Small Cap Growth Story

Ticker/Price: APPS (\$31.8)

Analysis:

Digital Turbine (APPS) pulled back after strong two day run but held the 8 MA and seeing 2370 Oct \$40 OTM calls active with buyers as well as near 1,000 January \$40 calls into weakness here paying \$3.95 to \$4.30. APPS trading over 17,000 calls the first two hours is 4X daily average and been active calls the entire week. APPS has been a top mover since the March lows with shares up 8X and working out of a weekly flag this week with the rising 8 week MA supportive. The \$2.9B company provides media and mobile communication products. Its on device media platform powers frictionless app and content discovery, user acquisition and engagement, operational efficiency and monetization opportunities. APPS announced a \$66M deal for Mobile Posse earlier this year, a content discovery platform provides valuable media & advertising solutions for operator & OEM partners. In the latest quarter APPS posted nearly 100% growth in revenues, a 250% increase in EBITDA and over 150% growth in non-GAAP earnings per share. The applications business grew 45% with demand strong driven by our social media, gaming, streaming audio and streaming video verticals. APPS is also expanding to over-the-top TV streaming with its software platform set to launch across all the major U.S. mobile operators, including T-Mobile, AT&T and Verizon. The software will be assisting in powering the applications and management of the content on these devices, ranging from delivering the content, advertising, notifications and ultimately, may include cross-device integration in the living room. APPS continues to ramp with Samsung and international carriers such as America Movil and Telefonica. APPS is currently trading 11X EV/Sales with revenues seen rising 76% this FY. Analysts have an average target of \$23.40 and short interest is 5.2% of the float. APPS saw a number of target raises after its latest quarter, though most targets well below current price, all positive on the strong business trends. Hedge Fund ownership fell 9.5% in Q2 filings.

Hawk Vision:



Hawk's Perspective: APPS triggered a buy alert earlier this week and made a big move, but this flow and the strong trends appear to take this for a much higher ride.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



WR Grace Bull Risk Reversal into Bottoming Pattern Breakout

Ticker/Price: GRA (\$46)

Analysis:

W.R. Grace (GRA) smaller but notable trade today with the March \$45/\$40 bull risk reversal bought 1,000X for \$2.73, name without much other notable open interest but does have 1,000 September \$47.50 short puts expiring this week, so value at these levels. GRA has seen a lot of insider buying into weakness this year with the CEO adding \$231K in stock in May at \$46.37 and two others buying in May and August. Activist 40 North Latitude has also been adding to their stake, now nearly 15% of shares outstanding. Shares have underperformed since May but back at the 50% retracement of the initial rally off the March lows and working out of a downtrend and small rounded base today. GRA has upside to \$55 and then a low-volume gap back to \$75. The \$2.9B company trades 11X earnings, 1.6X sales, and 17.3X FCF with a 2.7% yield and estimates for high-single-digit growth in FY21. GRA expects to see strong expansion in earnings power as well driven by operations improvements and better pricing. GRA is at the CSFB conference today and highlighting opportunities to grow within specialty catalysts and materials driven by major secular tailwinds from demand for high-value plastics and cleaner transportation fuels. They continue to invest in capacity expansions and building out a leading polyolefin catalysts franchise through smaller bolt-on deals globally. GRA also highlighted opportunities in July to improve FCF in 2020 as they reduce operating costs. Demand also sets up well for the 2H and 2021 from a customer viewpoint as inventory levels have reset for many customers that are seeing activity pick back up. Analysts have an average target for shares of \$65.50 with CSFB at a Street High \$83. Monness Crespi calling GRA one of the best ideas in chemicals on 9/8 noting that there shouldn't be any permanent impairment to long-term demand in their end-markets while they continue to have superior margins and FCF. Short interest is 1.1% and down from around 2% earlier this year. Hedge fund ownership fell 0.11% in Q2, Soroban has a 2.7M share stake and Lyrical also a top holder.

Hawk Vision:



Hawk's Perspective: GRA joins a number of Chemical names with bullish options positioning, and also a name long rumored as a M&A target, potential for HON, looks good versus the bullish MA cross just below.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Boingo Wireless Calls Open with Activist and Potential Sale Ahead

Ticker/Price: WIFI (\$11.60)

Analysis:

Boingo Wireless (WIFI) with a buyer earlier of 10,000 November \$10 ITM calls for \$2.55, sizable trade in the name with limited open interest. WIFI shares are back at the 50% retracement of the initial bounce from the March lows and long-term upside above \$15 as it clears a multi-month base. WIFI has struggled since a strong multi-year run up to \$34 in 2018/2019. The \$545M company trades 2.2X sales and 3.2X cash, although some concerns about long-dated maturities. They see high-single digit revenue growth in FY21. WIFI focuses on wireless connectivity solutions and small-cell networks for large venues and facilities like military bases, colleges, stadiums, and more. They have been impacted by COVID's restrictions on large gatherings but they continue to win new long-term licensing rights as venue owners look forward to 2021 and beyond and a gradual return to normalcy. The company recently won a deal to outfit the Austin, TX MLS stadium and much of their work on airports, multi-family, and military is longer-dated contracts giving them extended visibility beyond the near-term headwinds (average build deal is 24-36 months). WIFI has been a long-term winner in share for RFP with 42% of the market and they see expansion in DAS venues as a big driver going forward as the total market is just 8% penetrated currently. WIFI has been exploring strategic alternatives since March and in August activist investor Legion Partners publicly pushed for the company to sell itself given the value of their scale, current contract wins, and IP. Analysts have an average target for shares of \$19.50 with 7 buy ratings and 1 hold. Ladenburg at a Street High \$22 and they noted in August that they expect a return to growth in 2021 while nearly all of the shortfall recently was due to the initial shock to travel in the Spring. Short interest is 6.2% and down steadily from 13.7% in July 2019. Hedge fund ownership fell 5.5% in Q2, Oaktree, Granite Investment Partners, and activist Legion Partners top holders. CEO Michael Finley a buyer of 10,000 shares of stock in August 2019 around \$11.

Hawk Vision:



Hawk's Perspective: WIFI reward/risk looks favorable into this decline with optionality of a sale and the Insider purchase level as likely support.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

S&P (SPY) with 27,500 September 28th (W) \$341 calls bought \$1.70 to \$1.78 into the early dip

NASDAQ (QQQ) size buyers 7500 Oct. 2nd (W) \$275 calls into early weakness. **QQQ** also today with a buyer 10,000 December \$257/\$202 put spreads. **QQQ** 1500 September 2021 \$245 puts opened \$22.51

MSCI EAFE (EFA) buyer 10,000 March \$59/\$49 put spreads

Dow Jones (DIA) rebounding today but 3000 November \$265 puts bought \$6.75 to \$6.80 to open this morning

Volatility (VXX) unusual large trade sold 5000 Oct. 30th (W) \$26/\$20 put spreads to open to buy 5000 November \$36 deep ITM puts

Biotech (XBI) spread sold 2000 November \$120 calls to buy the \$109 puts, net \$0.60 debit, potentially protective

Semiconductor (SMH) with 2000 November \$165 puts sold to open \$8.45 this afternoon with the 55 MA test

Gold (GLD) block of 7000 November \$188 calls bought \$4.15 offer in stock replacement this afternoon

Consumer Discretionary/Services

eBay (EBAY) buyer 3000 next week \$47.50 puts up to \$0.60

Tapestry (TPR) more bull flow with 2500 October \$20 calls bought \$0.50 offer

Activision (ATVI) aggressive buys of 450 March \$90 OTM calls \$4.35 offer

Tempur Pedic (TPX) spread buys 800 November \$985 calls for \$6.10 and sells 800 each of the \$105 and \$110 calls for \$4.45

Vroom (VRM) buyer of 3,000 October \$50/\$70 call spreads for \$3.65 into weakness

Wendy (WEN) with 5000 October \$19 short puts opening \$0.31 as Sep. \$20 short puts adjust from 8/7

Dave & Busters (PLAY) buyers of 3250 October \$15 calls this afternoon for \$1.75 to \$1.78 into weakness following reports of potential bankruptcy

Darden (DRI) opening sale of 1,000 November \$100 calls for \$4.75 to \$4.60 into strength, likely overwriting stock

Las Vegas Sands (LVS) buyer of 1,000 December \$52.50/\$65 call spreads for \$2.73, saw some large buying into the 50-day and weakness yesterday

Penn (PENN) with 1400 Oct. 23rd (W) \$70 ITM calls with buyers active for \$1.3M

Bed Bath & Beyond (BBBY) buyer of 12,500 October 2nd (W) \$13 puts for \$1.45 ahead of 10-1 earnings, weak history and fell over 24.5% in July

Carnival (CCL) the January 2023 \$17.50/\$35 call spread being bought 1,000X2,000 for a small net credit

Consumer Goods

Mattel (MAT) buyers active for more than 14,250 October \$12 calls up to \$0.65

B&G Foods (BGS) buyer 1000 January 2022 \$30 calls \$2.95

Peloton (PTON) seeing buys 1185 April \$95 calls into early 21 MA test, spot where 1,490 are in OI from accumulation this week

Herman Miller (MLHR) with 4,500 February \$30 calls bought for \$5.90 as the \$25 calls adjust higher after earnings, opened originally with the \$35 calls in spreads

Steelcase (SCS) unusual 1000 Oct. \$12.50 calls bought for earnings 9-22, follows stronger **MLHR** numbers

BJs Wholesale (BJ) the December \$35 calls being bought 750X into weakness today for \$6.00 to \$6.20

Purple (PRPL) buyer of 300 April \$17.50 calls to open \$8 offer

Anheuser (BUD) buyer 600 March \$60 calls \$4.70 to \$4.95

Logitech (LOGI) with 1,500 October \$70 calls bought today around \$3.20 to open

Beyond Meat (BYND) with 800 February \$205 calls bought today for \$12.05 to open

Turning Point Brands (TPB) with 2,500 January \$40 calls bought for \$0.90 to \$1.05 to open this afternoon

Mondelez (MDLZ) afternoon buyers 1600 June 2021 \$52.50 puts for \$3.25 offer

Hormel (HRL) with 1000 March \$52.50 calls being sold to open for \$2.05

Energy

Suncor (SU) buyers of 3000 October \$14 calls \$0.45 offer and now up to 11,000X quickly with a block at \$0.50

Petrobras (PBR) opening sale 7000 November \$8 puts \$0.50

Daqo New Energy (DQ) seeing unusual 470 December \$130 OTM calls trade \$12 to \$12.50 to open today, consolidating on the weekly

Genesis (GEL) buyers 1700 Dec. \$5 calls here \$0.95 to \$1

Financials

Global Payments (GPN) buyers active this morning for more than 2000 December \$180 calls \$11 to \$13, and a name highlighted in the Blitz this morning with it having large bullish open interest, the December \$180/\$210 call spreads with the short \$150 puts for 3000X and November \$185/\$155 bull risk reversals 3000X. GPN also a chart highlight this morning with the weekly symmetrical triangle setting up nicely. Compass Point bullish note this morning initiating Buy with a \$220 target positive on its software-oriented distribution strategy. It notes best in class execution and positives from the TSYS merger seeing upside in Merchant Solutions through 2022.

Park Hotels (PK) the October \$10 puts being bought 4,000X for \$0.55 into the recent rally, well below its 200-day still

Schwab (SCHW) the December \$38 calls being bought 1,000X today for \$1.66, adjusting some September \$36 calls

CBRE Group (CBRE) unusual sweep buyer 700 December \$50 calls \$3.70 offer, working above 200 MA and out of range. The \$17B provider of commercial real estate services trades attractive at 16.35X Earnings, 14.2X FCF.

Lincoln National (LNC) IV rising with buyers of 1,175 OTM April \$50 calls for \$1.00

Vornado (VNO) with 1,400 December \$35 calls opening for \$4.70 as the September \$35 calls adjust from late April buyers

Landcadia (LCA) January 2023 \$10/\$35 call spreads active 2950X

PayPal (PYPL) with 500 January 2022 \$175 puts sold to open for \$30.50 in a stock replacement, around \$1.5M

Healthcare

Biogen (BIIB) with 600 March \$300/\$270 bull put spreads opening

Novavax (NVAX) buyer 200 November \$120 calls to open for \$30

CVS Health (CVS) with 1,000 January 2022 \$45 puts sold to open for \$2.89 in a stock replacement, extended pullback recently to the March/April bottoming range

Seattle Genetics (SGEN) with 750 October \$180 calls bought for \$6.70 as the September \$170 calls from June adjust higher and out

Anthem (ANTM) with 1500 December \$300 calls sold for \$5.10 to \$5

Mirati (MRTX) with 1,150 October / December \$200 call calendar spreads opening today for \$11.40, strong biotech since March that is trading at 52-week highs after the IMMU deal

Moderna (MRNA) seeing bearish flow with 1700 November \$50 puts and 1070 December \$50 puts active, smaller lots. **MRNA** now with spreads 1000X buying January \$80 calls and selling Jan. 2022 \$140 calls, net credit trades

Walgreen (WBA) opening sale 1000 April \$35 puts for \$3.37

Corcept (CORT) buyers 1000 November \$19 calls to open \$2.25

Merck (MRK) buy-write with 800 January 2022 \$110 calls \$1.94

Alnylam (ALNY) with 1100 November \$140 calls being sold to open down to \$7

United Health (UNH) with 1,545 October 30th (W) \$290 puts sold to open for \$8 today, earnings mid-month; also covers all three Presidential debates where healthcare and premiums likely a hot-button issue

Industrials

Tesla (TSLA) size buys of 1170 January \$530 calls into early weakness with 1350 in OI, over \$8M, shares rallying off lows

MDC Holdings (MDC) opening sale of 1,150 October \$43 puts for \$1.20, strong lately with shares just below the January/February highs

Alaska Air (ALK) opening sale 1000 October \$42.50 puts \$2.375

Ford (F) strong intraday move but 12,000 Dec. \$7 puts bought \$0.58 to open

Fiat (FCAU) with 3,000 January 2023 \$12.50 puts sold to open for \$2.35 today, recently revised terms of their deal with PSA

General Motors (GM) buyer 3000 Dec. \$32 puts \$3.20 offer

Geo Group (GEO) with 4,500 March \$8 puts bought for \$0.55, could see further weakness with a Biden victory in November. **GEO** also 2500 Jan. 2023 \$8 puts open \$2.80

Caterpillar (CAT) seeing opening put sales today with nearly 1500 of the March \$130 puts and 1000 January 2022 \$130 puts

Harley (HOG) earlier today with 4000 Oct. 2nd (W) \$25.50 calls bought aggressive \$1.25 to \$1.30 to open, shares dipping on Longbow note today

Boeing (BA) with 1400 February \$240 OTM calls opening near \$7 earlier today

Materials

Freeport (FCX) the October 2nd (W) \$16 calls being bought 1000X from \$1.00 to \$1.08 with the repeat M&A rumors

WestRock (WRK) running after earlier the 2000 October \$40 calls bought and yup over 6800X now

DuPont (DD) with 20,000 October \$60/\$65 call spreads bought

US Steel (X) November \$8/\$10 call ratio spreads opening 7500X15000

Cliff Natural (CLF) strong candle seeing 10,000 January \$6 calls bought \$1.14 to \$1.21, already 23,688 in OI

BHP (BHP) with 1000 January \$55 straddles sold to open for \$8.10

Eldorado Gold (EGO) with 2,000 January \$13 calls bought \$1.15 to \$1.18, nice base forming back around the prior breakout level from July

Gerdau (GGB) with 4000 January 2022 \$3.50 calls bought as the \$3 calls adjust

Tech and Telecom

JD.com (JD) with 1200 January \$65 puts sold to open \$3.90

Zoom (ZM) large spread is selling 3900 January \$460 calls and buying 3900 of the November \$380 puts, net \$3.50 credit, likely collaring a stock position

Box (BOX) buyer of 1,825 October \$16 calls from \$2.05 to \$2.10 to open with shares trying to double-bottom on the 200-MA

Taiwan Semi (TSM) more call buying with 1265 November \$80 calls at \$7.25. **TSM** now with 1900 October 2nd (W) \$86 calls bought for \$1.18

LiveRamp (RAMP) seeing the November \$50 calls open 780X for \$5.91 as the September calls adjust out

Apple (AAPL) with opening buyers today 2000 Oct. 23rd (W) \$111 puts \$7.05 to \$7.35. **Apple (AAPL)** with 6000 Oct. 30th (W) \$112 puts sold to open earlier this morning at \$7.80

Veeva (VEEV) with 360 January 2022 \$250 calls opening for \$1.9M as more September roll to Jan 2022. **VEEV** working on hammer reversal with the bullish Jan. 2022 call buys last two days, also today 1000 of the Jan. 2022 \$190 puts sold to open \$16.50 to \$15.90. **VEEV** also seeing 1000 December \$220 puts sold to open and 1000 March \$270/\$300 call spreads bought

ACM Research (ACMR) with 400 October \$80 calls bought today for \$3.90 and also seeing near 300 November \$80 calls bought for \$8

Coupa (COUP) opening sales 680 March \$150 puts \$6.60 to \$6.50

VMware (VMW) buyer 1000 next week \$144 calls \$2.20 to \$2.35

Autodesk (ADSK) buyer 1000 April \$180 puts \$11.85, stock tied

Kingsoft Cloud (KC) nice chart set-up and 1000 Oct \$35 calls bought \$5.70 to \$5.80

Etsy (ETSY) next week calls hot with 2000 of the \$109 bought to open up to \$3.30. **ETSY** also 1370 Oct. 9th (W) \$105 ITM calls bought \$7.80 to \$8.10 to open

Vonage (VG) off the day's lows with 2,400 December \$12 calls bought for \$0.45 to \$0.50, some smaller December \$11 calls bought yesterday

Ring Central (RNG) with 1000 October \$290 calls bought \$2.90 to \$3.42, adjusts out of Sep \$260 short puts

Cisco (CSCO) with 2000 June 2021 \$35 calls sold to open \$6.80

Alarm Co (ALRM) into weakness with 750 November \$52.5 puts sold to open \$4.10 to \$3.80

Mercado-Libre (MELI) opening sale 200 January 2022 \$900 puts at \$163

Iridium (IRDM) stock replacement sells 1,000 October \$28 puts for \$1.40, shares consolidating in a range above the 50-MA

Crowd-Strike (CRWD) the October 9th (W) \$140 calls sold to buy the \$120/\$100 put spread today, 1400X and likely collaring stock

AT&T (T) opening sales 7000 Oct. 9th (W) \$29 puts near \$0.75

Bilibili (BILI) with 1,000 April \$35 puts sold to open for \$3.60 today, stock replacement

Facebook (FB) with 1,000 November \$255 calls bought for \$19.20, spread with the \$270 calls which may be adjusting back

Trade Desk (TTD) short-term 1000 Sep. \$422.5/\$427.5 call spreads bought here

Applied Materials (AMAT) opening seller 1000 Apr \$45 puts for \$3.08

Uber (UBER) with 5,000 October 23rd (W) \$36.50 calls bought for \$2.28 to \$2.29, some October 2nd (W) calls adjusting out and up

Oracle (ORCL) afternoon buying of June 2021 \$62.50 calls \$5.30 to \$5.40

Micron (MU) with 3000 January 2023 \$35 puts being sold to open \$5.55 to \$5.50

Akamai (AKAM) opening sale 2000 January 2022 \$130 calls for \$6.90

Sea (SE) buyer 1600 January 2022 \$145 calls \$39.50

Live Person (LPSN) spreads today are selling 500 November \$35 puts to buy the \$50/\$60 call spread at a net \$1 debit

Wix.com (WIX) buyer of 800 January 2022 \$250 calls for \$62.10 in a stock replacement, nearly \$5M

Wayfair (W) buyer of 800 January 2022 \$280 calls for \$71.20 in a stock replacement, over \$5.6M

NXP Semi (NXPI) buyer 1000 January 2022 \$110 puts \$15.70 tied to stock

Criteo (CRTO) opening sellers of 500 January \$15 puts for \$2.65 today

Qualcomm (QCOM) with 700 March \$115 puts sold to open \$13.60 in a single lot, stock replacement with shares \$114.30

Utility

Evergy (EVERG) with 3,500 October \$55 short puts opening for \$3.70 as the September puts roll out from the opening sale on 8/20

Edison (EIX) buyer 1000 January \$52.50 calls for \$4.10, adjusts Sep. \$52.5

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