



Sector Leaders

Utilities

Staples

Financials

Stock Gainers

SDC 21.5%

DXC 8.5%

SERV 8.25%

RKT 7.77%

PTON 7%

QDEL 7%

DKNG 7%

Volatility Gainers

- CRON
- PTON
- BBBY
- CYTK
- NLS
- CHWY
- INO

High Call Volume

- CORT
- ZUO
- CAL
- NLS
- AMRN
- ZEN
- CHD
- MIK

Bullish Options

- PLMR
- ZM
- ADBE
- TSM
- MSFT
- CLDX
- BRK.B
- VIPS

Market Review: It was a quiet night for news and global markets bid higher as momentum continued from Tuesday behind some positive comments from Fed governor Brainard. Washington remains in a stalemate with Mnuchin pushing for cooperation yesterday on Capitol Hill. Factory orders were up 6.4% in July, better than expected, as business spending picked up. ADP employment showed a bit of a slowdown in rehiring in August. We saw the early gap higher in high-growth tech get sold and many of the biggest gainers in the last couple weeks under pressure – notables like TSLA down 12% and ZM off by 7%. Defensive names were strong with utilities, staples, and financials working higher. The S&P opened above 3,525 and Tuesday's range and consolidated a bit in the morning before turning higher and running up to 3567. We remain far elevated above the 8-EMA but with little in the way of catalysts into the long weekend (outside of payrolls on Friday), path of least resistance remains higher.

S&P Chart:



Resistance	Support
3,600	3,440
3,650	3,520
3,710	3,537

Options Action Trends: Some re-opening plays like AAL, CCL saw Sept. 25th (W) put sales. Size call buys, not spreads, came back to tech across October, November and December in CRM, AMZN, ADBE, and NFLX

What's On Tap: Imports/Exports, Weekly Claims, Services PMI, ISM non-manufacturing, earnings from CPB, CIEN, MIK, MOMO, SIG

Trade Tracker Portfolio Changes:

- 1) None

Sector Laggards

Energy

Materials

Tech

Stock Losers

AMRN -28.5%

GSX -15.5%

BLDP -8.5%

VRM -8.25%

PLUG -8%

TSLA -7.25%

WKHS -7%

Volatility Losers

- WLL
- SNSS
- CLVS
- SCVL
- GES
- ZNGA
- SYF

High Put Volume

- MTDR
- CORT
- ATUS
- XRAY
- FIVN
- AMRN
- LI
- HUBS

Bearish Options

- TWTR
- AIG
- INVA
- RTX
- USB
- LOW
- ATUS
- AMD



FEATURED OPTIONS RADAR REPORT



Agnico Bulls Buy into Weakness, Target New Highs

Ticker/Price: AEM \$80.50

Analysis:

Agnico Eagle Mines (AEM) with buyers yesterday of 2,500 November \$85 calls for more than \$1.9M, size trade in the gold miner which is flagging on the weekly near new highs. AEM recently had buyers in the January \$100 calls, October \$90 calls and the November \$100/\$60 bull risk reversal bought 1000X. Shares have been on a nice run up to new highs and now consolidating under \$85 with a breakout move targeting \$100 with MACD set for a bullish cross. The \$19B company trades 24.8X earnings, 7X sales, and 3.75X book with a 1% yield and little debt. AEM raised their outlook for production in July and positive on higher realizations in Q2 while lowering their exploration costs (they also noted in July they expect to produce more with fewer contract workers being called back, an opportunity for further savings). AEM shut down a number of operations in the 1H of the year due to COVID but now back into re-opening phase and ramping of operations largely complete as they look to get back on track. AEM sees significant FCF generation in the 2H which will help fund expansions projects in areas like Kettle which is generating 2M tonnes per day and potential for further discoveries in the area. Short interest is 1.6%. Hedge fund ownership fell 1.3% in Q2 but ArrowStreet a big buyer of 1.6M shares. Analysts have an average target for shares of \$79. Scotiabank upgrading to Buy on 7/30 citing better than expected Q2 results show it has dealt with the operational issues it faced earlier this year.

Hawk Vision:



Hawk's Perspective: AEM sets up well and one of my preferred names to trade on the gold miner side with NEM, like how the early reversal candle is setting up for a breakout

Confidence Ranking: \$\$



Align Bull Sees Recovery Continuing in Ortho Market

Ticker/Price: ALGN \$313.25

Analysis:

Align Tech (ALGN) with a buyer of 1,300 November \$310 calls for \$37.90 to \$39.00, sizable trade in the name that is setting up well with a strong chart noted this morning. ALGN has seen some smaller bull plays open recently including 200 October \$390 calls in mid-July and 585 October \$195 puts sold in June. Shares have been consolidating in a narrow range since mid-July and touch of the 50-MA yesterday was bought with a breakout above \$320 targeting \$365. Longer-term, ALGN in a big range stretching back to late 2018 and the move above \$335 sets up for a measured target to \$500. The \$24.5B company trades 44.4X earnings and 11.3X sales with mid-teens growth. ALGN has recovered well from the initial pandemic sell-off in March as they moved quickly to shift training and sales online while working with practices to ensure they could continue work in a digital world. They did note growth in the teen market in Q2 with young patients, mostly in APAC. ALGN remains a well-positioned name in a massive, fragmented market with a long runway for adoption as an alternative to current SoC. ALGN believes that the pandemic will pull forward a lot of next-gen initiatives like digital marketing and outreach that will be long-term benefits overall. Analysts have an average target for shares of \$280. Barclays downgrading recently to Neutral with a \$300 PT citing valuation but noting that Q2 will likely be a "trough quarter" for COVID-related impact on the global orthodontic market. Baird positive as they think the company remains well positioned to benefit from secular tailwinds. Piper with a \$345 PT as they highlight that ALGN has seen a strong recovery in certain international markets and, most importantly, a year-over-year increase in North America utilization in June showing the recovery is taking shape. Short interest is 4.3% and down from over 6% in January. Hedge fund ownership rose 2.6% in Q2, Viking Global a big buyer of stock while Edgewood and Sands Capital notable holders. ALGN saw some sizable insider buying August 2019 back around \$188 to \$199 with the CEO adding \$1M.

Hawk Vision:



Hawk's Perspective: ALGN sets up well and can be traded easily vs the recent lows, although prefer stock with the options more illiquid; overall, though, a tricky situation without forward guidance and lack of a strong outlook on demand visibility

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Taiwan Semi Bulls See Strength Continuing

Ticker/Price: TSM \$81.25

Analysis:

Taiwan Semi (TSM) with 1,600 April \$80 calls bought up to \$11.60 and 1,000 of the April \$85 calls also bought \$9.10, very narrow flag forming after a strong run. TSM had buyers of the October \$80/\$85 call spread 3500X in mid-August and popular with put sellers recently in April and October. Shares are trading in a narrow bull flag under \$82 with a breakout targeting \$90+ and strong long-term trend. The \$397B semi leader trades 27X earnings, 9.5X sales, and 19X cash with a 3.5% yield. TSM is guiding to over \$53B in revenue by FY23, up double-digits each of the next two years, with margin expansion. TSM has extended its leadership in next-gen 5nm and 7nm with Intel's recent delays and emerging as the long source of leading edge silicon in the space. 7nm continues to grow as a percentage of their overall mix. They continue to have strong tailwinds from demand from 5G smartphone growth and related launches as well as HPC opportunities with Nvidia's (NVDA) GPUs while the growing automotive AI chip market should be a multi-year cycle of spending. Analysts are mostly bullish the name with 8 buy ratings and 1 sell rating. New Street starting coverage on 8/28 as the new ten years look "awesome and underappreciated" for TSMC and the firm sees the potential for the stock to re-rate by about 20% against peers as it continues to win share. CSFB upgrading to Outperform in July. Hedge fund ownership rose 2.3% in Q2. Sanders Capital a buyer of 2M shares while Hillhouse a new 1.1M share position.

Hawk Vision:



Hawk's Perspective: TSM a great combination of story and leadership, flows, and technical setup and think it has strong potential out of this bull flag

Confidence Ranking: \$\$\$

Additional Options Flow

Market/ETFs

S&P (SPY) the November \$355 puts bought this morning for \$16.75, over 12,000 trading on the day

Oil & Gas Exploration (XOP) buyer of 3,000 January \$50 calls for \$6.10 in a stock replacement

Silver (SLV) with 7500 January 2022 \$45 calls sold to open today for \$2.05 to \$2

Nasdaq (QQQ) into early weakness a buyer of the March \$305/\$345 call spread 5,000X10,000 for \$6.25 net debit. Nasdaq (**QQQ**) with 12,500 December \$330 calls bought for \$10.45, closing 20,000 of the \$300 calls and rolling up. **QQQ** also with 11,845 November \$320 calls bought for \$11.36 as some calls adjust up and out

Software (IGV) buyers of 1,500 October \$325 puts for \$14.70 to \$14.90 today

Russell (IWM) with 12,000 December 31st (Q) \$150/\$134 put spreads bought today for \$4.20

Consumer Discretionary/Services

Lowe's (LOW) buyers of the September \$165/\$155 put spread 2,500X for \$1.95

Darden (DRI) opening seller of 2,900 September \$95/\$85 strangles for \$3.15

Nike (NKE) opening sale of 1,000 April \$105 puts for \$7.90 into strength

Activision (ATVI) buyers of 2,275 September \$82 ITM calls for \$3.05 to \$3.20 here as shares work off the lows

Draft Kings (DKNG) with 1,000 ITM January \$22.50 calls bought \$17.40 to \$17.50 today

Peloton (PTON) with 2,000 January \$120 calls offered out for sale today \$9.70, likely overwriting stock

Melco (MLCO) today with 5,000 October \$15 puts sold to open for \$0.25

Williams Sonoma (WSM) with 1,000 November \$90 puts bought \$10.20 to \$10.50 with the strong name breaking trend today

Nautilus (NLS) with 2,950 September \$15 calls bought \$1.75 to \$2 with the positive note this morning, shares up 9%. **NLS** now with 2,000 September \$17.50 calls bought up to \$1.24

Consumer Goods

Dollar General (DG) with a seller of 2,000 September 25th (W) \$190 puts for \$2 this morning as a stock replacement

Monster Beverages (MNST) with 500 January \$85 puts bought for \$6 into the gap higher. MNST also now with 2,000 November \$85 calls bought up to \$6.50

Costco (COST) with 2,000 July 2021 \$350/\$250 bull risk reversals bought early for \$30.60, sales data tonight

Energy

Ballard Power (BLDP) buyer of 1975 October \$15 calls for \$2.35 to \$2.40

Matador (MTDR) with 16,700 October \$10 puts being sold to open for \$1.35, adjusting the September \$10 short puts

Exxon (XOM) with the November \$37.50 puts being bought over 8,000X today for \$2.30 to \$2.40, some October positions adjusting

Financials

Palomar (PLMR) buyers of 1,000 September \$120 calls for \$4.50 to \$5, running 18X average, a \$2.9B P&C insurer

Berkshire (BRK.B) with 1,250 October \$215 puts sold to open from \$4.05 to \$4.00

AIG (AIG) with 2,500 October \$29 puts bought \$1.80 to \$1.82 today

US Bank (USB) buyers of the October \$35 puts for \$1.35 into the morning highs, 2500X

PagSeguro (PAGS) with 2,000 September \$42.50 calls being bought into weakness for \$1.70, spread with the \$45 calls sold 4000X

Fiserv (FISV) the October \$110/\$120 call spread bought 2675X for \$1.37 with the strength today

Aon (AON) with another 1,000 October \$220 calls bought \$2.85 today, shares near a breakout of a multi-month range

Healthcare

Celldex (CLDX) buyers of 1,000 October \$14 calls today for \$1.10, wide weekly range setting up under \$13.50

Corcept (CORT) up 25% today and 5,000 November \$13 puts bought for \$2.35 with stock

Cerner (CERN) buyers of 1,000 January \$80 calls for \$3.50 today

DENTSPLY (XRAY) also with buyers of 1,250 September \$45 calls for \$1.50 to open today

Zoetis (ZTS) with 700 April \$145 puts sold to open today for \$7.70, starting to work out of a narrow range. **ZTS** now also with 690 April \$185 calls bought \$5.30

CVS Health (CVS) buyers of 1,500 October 9th (W) \$61 calls for \$2.14 to \$2.21. **CVS** also with 3,000 February \$60 calls sold \$5.05 in a buy-write

Novavax (NVAX) with 1,000 October \$80 puts sold to open into early weakness down to \$9.00

Mallinckrodt (MNK) buyer of 10,000 ITM January \$3 puts for \$1.80, some October deep ITM puts adjusting

Cytokinetics (CYTK) spread this afternoon is buying the October \$30 calls for \$4.20 and selling the November \$14 puts for \$1.50, 3200X

Industrials

American (AAL) with 4,000 September 25th (W) \$13 puts sold to open today for \$1.30 and **Carnival (CCL)** also with 3,000 September 25th (W) \$16.5 puts sold to open for \$1.59 at the same time

Copart (CPRT) opening sellers of 1,200 September \$105 calls own to \$3.50 today

General Motors (GM) with 11,000 September \$31 calls being bought up to \$1.14 with shares in a nice bull flag and recent talk of an EV spin. **GM** also seeing 2,000 October \$31 calls bought for \$1.80 to \$2.20

Carvana (CVNA) sale of 850 of the November \$160 puts for \$8.57 to open

Knight Swift (KNX) with 1750 November \$40 calls bought here for \$7.30

Boeing (BA) opening sale today of 2,750 December \$195 calls for \$15.90 in a buy-write

3M Co (MMM) with over 3,000 November \$175 calls being bought today from \$5.95 up to \$7.40 to open, shares breaking out of a multi-week range

Alaska Air (ALK) the October \$45 puts being sold to open for \$6.80 today, 3300X

Materials

US Concrete (USCR) with 1,000 July \$37.50 calls sold to open for \$3.90 in a buy-write

Dow Chemical (DOW) with 6,500 October \$50 calls bought for \$1.73 to \$1.78 today, shares breaking out of a range

Pan American Silver (PAAS) with 1,850 October \$33 puts sold to open for \$2.30 to \$2.20 into weakness

Freeport (FCX) with 5,000 January 2022 \$15 puts sold to open for \$3.19

Teck Resources (TECK) the January \$15/\$10 bull risk reversal bought 10,000X today for a small credit

Tech and Telecom

Zoom Video (ZM) buyer of 650 June 2021 \$600 calls for \$56.40 this morning to open

Adobe Systems (ADBE) with 1,000 January \$620 calls bought for \$33.65, adjusting higher some October \$420 calls bought in mid-July. **ADBE** now a big buyer of 2,000 October \$525 calls for \$45.10 to open, earnings on 9-15; **ADBE** also with 1,500 November \$525 calls bought for \$60 to open and the December \$525 calls bought 1,300X for \$69.20 to open, around \$27M in premium

Microsoft (MSFT) bullish spread today buys 3,000 February \$270 calls for \$11.40 and sells the \$215/\$185 bull put spread for \$9.10. **MSFT** now with 2,000 January 2022 \$320 calls sold for \$13.10 in a buy-write as well. **MSFT** also with over 6,000 November \$270 calls bought today for \$6.05 to \$6.15

Apple (AAPL) large spread today sold 15,000 October \$160 calls for \$2.50 to buy 10,000 of the December \$160 calls for \$5.75

Vipshops (VIPS) seller of 1,200 January 2022 \$12 puts for \$1.85 to open in a stock replacement, weak recently after a strong multi-month run

Yandex (YNDX) with sellers of the September \$66.50 puts for \$2.75 today, over 1500X into the morning lows

Altice US (ATUS) spread buys 10,000 September \$28 puts for \$0.60 and sells the October \$27 puts for \$0.70 to open

AMD with buyers of more than 8,000 October \$82.50 puts today for \$4.75 to \$5

EBay (EBAY) with 1,000 June 2021 \$45 puts sold to open for \$3.37

iHeart Media (IHRT) with 5,500 October \$10 calls sold to open for \$0.55 to \$0.50

Avnet (AVT) unusual size today with 1,250 September \$27 calls bought for \$1.90 to open, shares starting out of a small base

Groupon (GRPN) the October \$27 ITM calls being bought \$6.90 to \$8 today to open

Cisco (CSCO) with 2,000 November \$42 calls bought \$2.64 in a stock replacement

Ambarella (AMBA) with 1,000 September \$62.50 calls bought \$1.60 to \$2.10 today ahead of earnings tonight

Dropbox (DBX) the October \$25 calls being bought over 6,000X today from \$0.45 to \$0.50

Nvidia (NVDA) with 1,200 October \$590 calls sold to open here for \$42.50 to \$41

Cloudflare (NET) buyers active for 2,000 October \$37 puts for \$2.80 to open today

Snap (SNAP) action hot off the open with the September \$23.50 calls bought for \$0.87 to \$1.01, over 6650X

Amazon (AMZN) with 1,250 October \$3,520 calls bought for \$226.50, the November \$3520 calls bought 800X for \$345, and the December \$3520 calls bought 750X for \$387, over \$85M total

Ring Central (RNG) with 500 January 2022 \$250 puts sold to open for \$44.20

Slack (WORK) opening sale of 3,000 January \$36 calls for \$5.75 today, likely overwriting stock

IBM (IBM) buyers earlier of 5,000 October \$140 calls from \$1.10 to \$1.25

Twitter (TWTR) size sellers of the November \$46, \$47, \$48, \$49, and \$50 calls this afternoon, odd lot sizes so likely overwriting stock

Netflix (NFLX) buyer of 1,400 November \$545 calls for \$64.90, the December \$540 calls 1,200X for \$74.20, and the October \$545 calls 1800X for \$49, similar to ADBE and CRM

Crowd-Strike (CRWD) with over 6,500 January \$95 puts sold to open for \$6.15 to \$6.00 in stock replacements into earnings. **CRWD** also with 3,750 April \$95 puts sold to open from \$9.20 down in stock replacements

Marvell (MRVL) with more than 10,000 October \$50 calls being bought on the day up to \$0.57

ANSYS (ANSS) with 500 January \$450 calls bought \$5.20 to open today

Nokia (NOK) with over 26,750 October \$5 calls bought today up to \$0.25

Utility

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.