



**Sector Leaders**

Bonds

Software

Internet

**Stock Gainers**

CUB 27.5%

CRDF 21%

ROKU 16%

CLSK 12.7%

BAND 10.3%

XERS 8%

ALVR 7.5%

**Volatility Gainers**

- NKLA
- BHR
- MAT
- CLVS
- XERS
- CLSK

**High Call Volume**

- MLHR
- LAC
- NAV
- AXTA
- XRX
- OLN

**Bullish Options**

- ALGN
- BKNG
- ZM
- QCOM
- WYNN
- AMD
- GPS
- MOS
- WMT
- C

**Market Review:** Stocks opened sharply lower to start the week, not a surprise as all signals remain in sell mode, and concerns surrounding a second wave of COVID surging in Europe the main driver while the stalemate on a 2<sup>nd</sup> stimulus bill in the US has remained a key overhand for markets as well as last week's Fed commentary. The sell-off intensified early though some Tech growth names showed relative strength, the S&P touching its rising 89 EMA on morning lows as well as the rising 21 week EMA and retesting the July breakout key level. Tech rebounded late morning with Software green on the day, Bonds also strong. Banks, Energy, and Metals sold off the hardest while Biotech/Industrials gave back a lot of recent strength as well. We have a fairly light schedule this week, Fed speakers and Flash PMIs on the schedule. Breadth remained under pressure through the afternoon.

**S&P Chart:**



Resistance	Support
3,330	3,225
3,425	3,100
3,470	3,050

**Options Action Trends:** We saw some size call buying early in Tech names like BKNG and Semi's AMD, QCOM. We also saw some large opening put sellers into weakness in names like GPN, TEAM, GOOGL. Some longer dated call buyers came in for Travel plays for early 2021 expirations with CCL, SAVE, NCLH. We saw some bullish flows into beaten up Banks as bond yields rose intraday, seen in C, MS, JPM.

**What's On Tap:** Existing Home Sales, Richmond Fed, and Fed Speakers.

**Trade Tracker Portfolio Changes:**

- 1) **Spotlight:** Long ROKU November \$170/\$200 Call Spreads at \$8 – No Fill
- 2) Closed IBM Puts \$3.80 (Opened \$2.10)

**Sector Laggards**

Energy

Metals

Banks

**Stock Losers**

ACET -25%

ICAD -22%

TGI -22%

NKLA -20%

TZOO -17%

THC -15%

MOV -12.5%

**Volatility Losers**

- WPRT
- OAS
- CRON
- SRNE
- VIVO
- KODK

**High Put Volume**

- VIAV
- UBS
- GPN
- NAV
- ATSG
- TDC

**Bearish Options**

- WEN
- MA
- AAL
- ENPH
- HL
- HSBC
- CFX
- MMYT
- MAR
- SUI
- ON



## FEATURED OPTIONS RADAR REPORT



### Bulls Position for Cummins Upside Breakout to New Highs

Ticker/Price: CMI (\$211.90)

#### Analysis:

**Cummins (CMI)** on 9/18 with late day large trades that bought 950 December \$220 calls to open \$9.70 to \$10.30, a name that does not see a lot of options activity but does have 713 October \$220 calls in OI from buyers back on 9/11. CMI has one of the stronger chart set-ups in the current market with Industrials an area of strength, shares flagging just below a breakout near \$216 and the recent 130/190 range break targets a longer term move to \$250. The \$31B industrial trades 18X Earnings, 33.9X FCF and 13.7X EBITDA with a 2.47% dividend yield. CMI has long been a top operator with a ROIC averaging above 19% the last two years. Cummins products range from diesel, natural gas, electric and hybrid powertrains and powertrain-related components including filtration, aftertreatment, turbochargers, fuel systems, controls systems, air handling systems, automated transmissions, electric power generation systems, batteries, electrified power systems, hydrogen generation and fuel cell products. ACT has been raising its build estimates and 2021 is expected to start an uptick in the North American truck cycle. CMI saw record revenues and profitability for its China business last quarter with strength in truck demand and excavator sales. Cummins has also been investing in the electric and hydrogen space for alternative powertrains. Analysts have an average target of \$212 on shares and short interest low at 2.6% of the float. UBS upgraded to Buy on 9/8 with a \$240 target noting the upcycle the next 3-4 years for the North American truck market and sees an extended upcycle in China. Hedge Fund ownership fell 3.9% in Q2 filings.

#### Hawk Vision:



**Hawk's Perspective:** CMI is relatively cheap with a great technical set-up and worth watching this truck cycle data to see if a multi-year move is coming, Cummins a top way to participate.

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### Booking Bulls Position for 6 Month Upside

Ticker/Price: BKNG (\$1734.50)

#### Analysis:

**Booking Holdings (BKNG)** size buyer on 9/18 of more than 1,300 March \$1,800 calls for \$170, sizable trade in the name which has pulled back into the 200-MA. BKNG has recently seen buyers of the October \$2,065/\$1,630 bull risk reversal, October \$1,760 calls, and January 2022 \$1,800 calls, the last two more than \$3.5M each. BKNG is back at the lower channel bound from the June/July lows as well as cloud support and YTD value, so a heavy concentration of support with upside back to \$1,950+. The \$73.19B company trades 25.7X earnings, 6.5X sales, and 7X cash. BKNG has been obviously impacted by the pandemic with a 90% decline in bookings in Q2 but the company highlighting a more offensive stance in August towards longer-term market share gains by investing in Connected Trip and the broader experiential trend, adding properties, and expanding their global footprint. They continue to see significant opportunity in targeting outbound travel growth from China while near-term metrics in room nights steadily improve elsewhere. BKNG is also adding more cost-cutting initiatives like headcount reductions which will trim near \$300M per year. Analysts have an average target for shares of \$1,825. UBS raising their estimates on 9/11 noting that the outlook is slowly improving and sees travel rebounding over multiple years with positive margin outcomes over the medium term from cost cuts. JMP started coverage at Buy on 8/10 and liking their exposure to the fastest-growing part of travel - alternative accommodations - stating that the company is well positioned to benefit from improving travel demand. Short interest is 2.9% and remains near six-year lows. Hedge fund ownership fell 6% in Q2, Lone Poine a buyer of a new \$950M position. Melvin Capital also a buyer of call options and adding to their stock position, more than \$750M.

#### Hawk Vision:



**Hawk's Perspective:** BKNG like many names is set to test key support but instead of predicting, best to wait for a healthier market breadth backdrop and evidence of a reversal bottom before taking a position.

Confidence Ranking: \$\$





## FEATURED OPTIONS RADAR REPORT



### Capital One Bullish Put Sales into Weakness

Ticker/Price: COF (\$71.9)

#### Analysis:

**Capital One (COF)** early sale this morning of more than 10,750 October \$65 puts down to \$1.02 and name that has seen accumulation in the October \$80 calls and December \$70 calls lately, the latter over 2,900X for more than \$2.5M. Shares are trading lower today after a strong multi-week run and support just below at August value around \$69.50 while the recent range targets upside to \$82.50. COF has seen a steady recovery from the March lows and above \$80 and the mid-point of a big rising channel has a measured move to \$95 as it fills the February low-volume gap. The \$34.7B company trades 10.7X earnings, 0.68X book, and 2.3X FCF with plenty of cash on the balance sheet. COF is seeing better near-term metrics and August's strength (2.23% vs 2.44% in July) comes despite some big elements of the stimulus check impact expiring in July. This was the seventh straight month of improvement in delinquencies while auto debt-charge-offs hit 4-year lows. COF has a near-term catalyst with their GM card business which is currently up for review. The WSJ reporting on 8/12 that Goldman, Barclays and others are vying for the business which holds about \$3B in balances but GM may opt to stay with incumbent COF. Analysts have an average target for shares of \$85 and UBS/Wolfe both a Street High \$105. Wolfe started coverage in July and positive citing benefits from declining credit headwinds and "greater top-line torque" on the path to normalized earnings in 2022. Piper positive on 7/22 seeing the company very close to reaching peak reserve levels, which is a "strong signal" that it is positioned to report positive earnings going forward. Short interest is 1%. Hedge fund ownership fell 2% in Q2 but Lone Pine a big buyer of stock adding a new 10.2M share position.

#### Hawk Vision:



**Hawk's Perspective:** COF is a value name and the market favoring them more recently though always prefer V/MA in cards and even more-so PYPL/SQ for the digital growth.

Confidence Ranking: \$\$

# ***Additional Options Flow***

## **Market/ETFs**

**Consumer Discretionary (XLY)** buyer 4000 October \$141/\$133 put spreads bought

**Gold (GLD)** with 10,000 June 2021 \$235 calls opening \$2.36 and \$2.52 blocks of 5K

**Volatility Index (VIX)** with 40,000 Dec. \$25 puts opening \$2.19 as the \$23 puts adjust

**Emerging Markets (EEM)** buyer 12,500 September 2021 \$50 calls for \$1.51

**High Yield (HYG)** buyer 10,000 March \$82 puts \$3.15 to \$3.20 tied to stock

**Tech (XLK)** interesting large trade sold 12,500 March \$110/\$90 put spreads to open for \$6.45 credit, expecting the 89 MA and breakout retest level to hold

**Russell (IWM)** block of 4000 June 2021 \$152 puts opened \$16.90 midday

**NASDAQ (QQQ)** large buy-write today sold 3000 June 2022 \$290 calls \$25.68

## **Consumer Discretionary/Services**

**Six Flags (SIX)** opening sale 7000 October \$25/\$20 strangles for \$1.35

**Gap (GPS)** sale of 7500 Oct. 2nd (W) \$17 calls for \$0.50 and buys 15,000 Oct. \$16 calls for \$1.33

**Nordstrom (JWN)** the January 2023 \$15/\$12.50 strangle sold 1,333X for \$9.53

**Wynn (WYNN)** buyers coming in for 5000 March \$80 calls \$10 to \$10.35. **WYNN** also with 1,000 November \$90 calls bought around \$2.90 as the October calls adjust

**Las Vegas Sands (LVS)** buyers of 1,000 October \$47 calls for \$2.20

**Xerox (XRX)** with 6500 October \$19 calls opening \$0.35 to \$0.45

**Live Nation (LYV)** with 1000 January 2022 \$70 calls bought this morning \$5.55

**Norwegian Cruise (NCLH)** buyer 1000 June \$15 calls \$4.90 offer

**Carnival (CCL)** the April \$15 calls bought 1,350X for \$3.30 to \$3.35

**Disney (DIS)** buyer 1600 December \$115 calls for \$14.70. **DIS** buyer of 750 April \$125 calls for \$12.10 in a stock replacement

**Angie's (ANGI)** opening sale 2500 March \$10 puts \$2.15

**Papa Johns (PZZA)** spread today sold 800 October 2nd (W) \$87 calls to buy the \$80/\$70 put spread

**Starbucks (SBUX)** with 1500 April \$100 calls sold to open \$2.18 today in buy-writes

**Etsy (ETSY)** with 750 March OTM \$65 puts sold to open today \$3.25 to \$3.20, back around the July breakout spot

**Expedia (EXPE)** the January 2022 \$45 puts sold to open from \$3.50 to \$3.35, 1575X

**TripAdvisor (TRIP)** afternoon sellers of 5,175 January 2022 \$10 puts from \$1.12 down to \$1.02

**Dish Network (DISH)** stock replacement opens 1300 January \$35/\$25 bull risk reversals for a small debit

**Matthews (MATW)** spread today sold 425 March \$22.50 puts around \$3.15 and bought the \$25/\$35 call spread 850X for \$1.59, small-cap focusing on brand solutions, memorialization and industrial automation

### Consumer Goods

**Herman Miller (MLHR)** the February \$40/\$50 spread bought 2,000X for \$2.05, as some positions roll up in strikes

**WalMart (WMT)** seeing 2000 October \$136 calls bought this morning near \$4.90

**Dine Equity (DIN)** buyer of 500 November \$65/\$85 call spreads for \$1.70 with shares back at the rising 50-MA

**Garmin (GRMN)** sellers of 1,150 October \$95 calls this morning for \$2.50

**Pepsi (PEP)** 2500 Dec. \$140 calls sold to open down to \$2.10

**P&G (PG)** with 1500 October \$137 ITM puts being sold to open near \$3.85 this morning into weakness

**Yeti (YETI)** the January \$45 calls being bought 1000X for \$5.75 to \$5.95 into weakness and reversal candle today off of July VPOC

**Revlon (REV)** buyers 1500 May \$5 puts to open \$2.05 to \$2.15

### Energy

**Enphase (ENPH)** buyer 1000 October \$67.50 puts \$5

**Petrobras (PBR)** with 10,000 December \$7 puts sold to open \$0.44 to \$0.42

### Financials

**Keycorp (KEY)** the March \$11 calls being sold to open 3,350X from \$2.00 down to \$1.70

**Global Payments (GPN)** with 7,500 October \$160 puts sold to open today for \$1.95, continues to draw bullish flows

**CBRE Group (CBRE)** seller of 1,460 November \$50 calls for \$1.20 to \$1.15 today to open

**HSBC (HSBC)** buyers 4000 Oct. \$17.50 puts \$0.35 to \$0.42

**StoneCo (STNE)** with 10,000 Oct. 2nd (W) \$45 puts sold to open \$0.40

**Citi (C)** buyer 900 January 2023 \$30 calls for \$16.65. C also with 2000 December \$37.50 calls bought \$7.30. **Citi (C)** now also with 1,500 November \$40 puts sold to open for \$1.78

**AIG (AIG)** with 1750 May \$25 puts sold to open \$3.05 to \$3.10

**PayPal (PYPL)** working to day highs, earlier 4500 Oct. \$150 puts sold to open for \$1.15

**Primerica (PRI)** the November \$105/\$130 call spread bought 500X for \$9.60 to open today, a \$4.68B provider of life insurance and other financial products to households, especially middle-market

**Sun Communities (SUI)** with 800 November \$125 puts opening \$2.30/\$2.35, an at-risk COVID name

**JP Morgan (JPM)** trade opens the Oct. 2nd (W) \$94/\$100 call ratio spread 3000X6000

**Morgan Stanley (MS)** with 1500 March \$45 puts sold to open \$3.60

**Allstate (ALL)** opening seller 1600 January \$95/\$90 strangles for \$11.40

**EPR Properties (EPR)** with 3,500 ITM January \$20 calls bought \$9.60 to \$10

**Square (SQ)** with 1220 March \$140 calls opening ITM today

### Healthcare

**Targa Therapeutic (TGTX)** seeing 2000 October \$28/\$24 strangles sold to open in early trading

**Align (ALGN)** trading 1900 November \$310 calls early \$29.50 to \$31 where 1300 bought on 9/2

**Intra-Cellular (ITCI)** spreads selling 1000 January \$40 calls to buy \$25/\$20 put spreads, likely protective

**CVS Health (CVS)** January 2023 \$60 calls 2450X trading again today with 3,082 in OI from buyers last week

**United Health (UNH)** with the November \$280/\$260/\$240 put butterfly opening 1000X2000, name in focus with Election

**Pfizer (PFE)** buyer 1700 March \$34 calls ITM for \$3.40

**DexCom (DXCM)** large trade buys 2400 November \$400 calls and sells 4800 of the \$450 calls, \$6.90 debit

**Bristol Myers (BMY)** buy-write with 3000 Oct. 30th (W) \$59 calls at \$1

**Boston Scientific (BSX)** with 1900 May \$38 puts sold to open today \$3.70

**Universal Health (UHS)** opening sale 340 April \$110 puts \$16.70

**Mesoblast (MESO)** buyers of 1,000 October \$15 puts for \$2.65 to \$2.70

**Community Health (CYH)** buyer of 5,000 October \$5 calls for \$0.10

**Biogen (BIIB)** seeing accumulation today of 1100 June 2021 \$350 calls near \$18, Alzheimer's catalyst in focus. **BIIB** also opening seller 480 Nov \$260 puts today \$14.96

**CytoKinetics (CYTK)** bounced off lows here as 2000 November \$30 calls open \$4.75

**Centene (CNC)** buyer 2000 January \$57.50 calls \$4.67 and sells 2000 of the \$47.5 puts \$1.92 in a bull risk reversal

### Industrials

**Toll Brothers (TOL)** opening seller of 1,000 November \$46 calls for \$2.80

**Colfax (CFX)** with 1,500 October \$30 puts opening for \$1.40 as 1,500 October \$32.50 puts bought on 9/11 roll down

**Union Pacific (UNP)** with 800 December \$200 calls bought \$8.53 as the October \$195 calls adjust from 9/3

**Spirit Airlines (SAVE)** with 1,000 March \$15 calls bought \$4.40 into weakness today

**AerCap (AER)** with 1,500 January 2022 \$17.50 puts sold to open today for \$3.30 in a stock replacement

**General Motors (GM)** with the November \$30 calls being bought 1,875X into weakness for \$2.17 to \$2.29

**Caterpillar (CAT)** with 1,000 May \$95 puts sold to open from \$2.64 to \$2.60

**Wabasha National (WNC)** the April \$10 puts sold to open 3,000X for \$1.20 to \$1.15

**TrueCar (TRUE)** stock and IV lifting this afternoon with 1,000 January \$5 calls bought up to \$1.05

**Corrections Corp (CXW)** buyer of 1000 March \$9 calls into weakness today from \$1.03 to \$1.05, name that would rebound with a Trump win in November

### Materials

**Mosaic (MOS)** with 2000 March \$20/\$25 call spreads bought and 1000 of the \$15/\$14 put spreads sold

**Sibanye (SBSW)** the January \$12.50 puts sold to open today 2,000X for \$2.50

**Franco Nevada (FNV)** with 1,000 January \$115 puts sold to open for \$2.94 to \$2.80

**Teck Resources (TECK)** with 3000 January \$12 puts being sold to open today. **TECK** also with 2,000 February \$12 puts sold \$1.08 to \$1.06

### Tech and Telecom

**Booking (BKNG)** massive buy of 1900 March \$1750 calls \$148.62 as the 1300 \$1800 calls from Friday adjust already

**Zoom (ZM)** with 500 March \$600 OTM calls opening for \$37 early. **ZM** midday buyers of 600 June 2021 \$560 calls \$68 to \$72

**Apple (AAPL)** dip buyers this morning targeted Oct. 9th (W) \$105 calls where 5000 are trading for around \$3M premium, also seeing sellers 2500 Jan. 2022 \$90 puts. **AAPL** opening sale 1500 Jan. 2023 \$75 puts for \$9.05 to \$9.10

**Universal Display (OLED)** with 1000 Oct. 23rd (W) \$165/\$160 put spreads sold to open

**Atlassian (TEAM)** opening sale of 3,275 October 2nd (W) \$155 puts down to \$0.66

**Alphabet (GOOGL)** with 1,200 October \$1,350 puts sold to open for \$28.10

**Taiwan Semi (TSM)** with 2000 December \$75 puts sold to open \$3.96

**Qualcomm (QCOM)** bullish flow early with 1050 October \$114 calls bought \$3.10 and 1300 of the \$117 calls bought \$2.20

**Advanced Micro (AMD)** buyer 2600 October \$83 calls \$2.22 to \$2.26

**Viavi (VIAVI)** buyer of 3,700 March \$9 puts for \$0.45 with stock, B Riley positive recently on their end-market demand into 2021

**IBM** buyer 1000 December \$125 calls \$4.50 to \$4.60 in early trade. **IBM** 5000 November \$130 calls sold to open for \$1.95

**Sea Ltd (SE)** with 1,150 November \$130 puts sold to open for \$8.10 in a stock replacement

**MakeMyTrip (MMYT)** unusual buys 2500 November \$15 puts \$0.95 offer

**Alibaba (BABA)** buyer 1000 October 2021 \$240 puts for \$22.60

**Slack (WORK)** with 2500 March \$24/\$20 put spreads bought into strength

**Bilibili (BILI)** with 1750 November \$50 calls bought near \$2. **BILI** also with 1,200 April \$35 puts sold to open for \$3.70

**Adobe (ADBE)** with 1000 Oct. 2nd (W) \$430 puts sold to open down to \$4.37

**Pager Duty (PD)** with 875 February \$22.50 puts sold to open today for \$3, shares basing around the 200-day after the recent earnings gap down



**Lumentum (LITE)** buyer 1500 November \$75 calls \$6.80 to \$7

**Palo Alto (PANW)** another Software name green and 500 November \$250 calls bought \$10 offer this morning

**Crowd-Strike (CRWD)** on the rise with 2000 Oct. \$140 calls actively bought, a top bull set-up into the week. **CRWD** staying strong near highs, also seeing the Oct. 30th (W) \$135 calls with opening action 675X this afternoon

**NXP Semi (NXPI)** with near 500 January 2022 \$125 calls sold around \$20.25 to \$20.45 in buy-writes with stock

**Pinduoduo (PDD)** the November \$80 puts sold to open 1600X between \$9.05 and \$9.20

**ON Semi (ON)** buyers 3000 November \$19 puts to open \$1.25 offer

**Accenture (ACN)** the October \$255 calls sold to open \$1.45 to \$1.40 today, over 1450X

**Seagate (STX)** buyers of 1,500 October 30th (W) \$49 calls for \$1.75, earnings expected around 10-29

### Utility

**Next-Era Energy (NEE)** opening seller 800 Dec. \$280 puts for \$19.70. **NEE** now with 1000 March \$280 calls bought up to \$18, stock replacements

### **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.*

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