



Sector Leaders

Casinos

Solar

Packaging

Stock Gainers

ZI 13.5%

NCLH 11%

WKHS 10.5%

NVAX 9.5%

PTON 9.2%

PENN 9%

VSLR 8.5%

Volatility Gainers

- CRON
- RCL
- APA
- NCLH
- LVS
- SEAS

High Call Volume

- ESI
- NAV
- AXTA
- KAR
- AN
- EXAS

Bullish Options

- CTRN
- GS
- TDOC
- DD
- SNAP
- KTOS
- V
- AMZN
- GOOGL
- BYD
- CZR

Market Review: Stocks were lower overnight and set for a weak open extending the market's losing streak through September and giving back the Thursday bounce. The stalemate of a fiscal stimulus remains a key overhang as well as COVID cases surging in Europe. The Election and Q3 earnings season coming into focus as well with the first Presidential debate scheduled for next week. The August durable goods orders number came in much weaker than expected. Action was muted on the open but buyers stepped at the low-end of yesterday's value and turned into a solid session after yesterday's reversal candle. Mega-cap tech was strong again with AAPL, MSFT, AMZN, and GOOGL all in the green. Industrials also showing some strength today, one of the stronger groups in August. Energy remains a laggard despite crude holding steady around \$40 this week. Bonds sold off this afternoon but remain in a narrow range. Overall, still a cautious environment with sell-signals on breadth all around but Thursday's low turning into a tradeable low in the short-term with focus on getting back above that 8-EMA and seeing some of these weaker signals moderate so the broader swing environment gets more constructive.

S&P Chart:



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

Options Action Trends: We saw bullish flows into **BYD, CZR** two names linked with sports betting growth in the US. Home buying platforms **Z, RDFN** both had bullish positioning. Packaging names **IP, WRK** with bullish trades

What's On Tap: The big events in focus are the first Presidential debate (Tuesday), China PMIs (Wednesday), US ISM (Thursday) and the jobs report (Friday). Earnings of note are **MU, CAG, PEP, STZ**. We'll get analyst meetings from **BABA** and **VMW's** big VMWorld conference kicks off

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Oil and Gas

Metals/Mining

Dept. Stores

Stock Losers

APA -8%

AG -6.5%

FTI -5.5%

WB -5%

NOV -5%

OXY -5%

SLB -5%

Volatility Losers

- MRNS
- CLVS
- MOV
- DGLY
- CYTK
- NNOX

High Put Volume

- TAP
- GDOT
- IFF
- CBRL
- VAPO
- LI

Bearish Options

- SBUX
- WB
- NNOX
- ORCL
- TCO
- AKAM
- XRAY
- VAPO
- SHAK
- BABA
- NEWR



FEATURED OPTIONS RADAR REPORT



Diamondback Energy Seen Bottoming

Ticker/Price: FANG (\$29.70)

Analysis:

Diamondback Energy (FANG) with a vote of confidence on 9/24 as a trade sold 1500 December \$30 puts to open near \$4, near where shares were trading and trying to put in a reversal candle. FANG has been attracting some bullish action in a tough E&P group, the December \$35 puts with 1000X sold to open in open interest and 1000 of the \$50 calls bought, while October \$20 deep ITM calls opened on 9/15. FANG is trying to hold support near the 9/11 low which aligns with support from April, a name that traded below \$15 in March. The \$4.7B E&P trades 9X Earnings, 5.5X EBITDA and yields a 5% dividend with EBITDA seen recovering 5% in 2021 after a 27.7% decline in 2020. FANG is a Permian pure-play with Midland and Delaware basin acreage. It has a strong balance sheet with a \$191M maturity in September 2021 and no other material debt maturities until 2024. It did a \$9.2B deal for Energen back in 2018 to expand its footprint as well as a \$1.2B deal for Ajax Resources. FANG is the best operator in a challenged industry. Analysts have an average target of \$59.50 and short interest is at 4.8% of the float. Piper upgraded shares on 7/21 noting Q2 is a likely trough for E&P operations which are sticking to reduced activity and muted longer-term growth plans. For FANG it noted “ As one of the lowest cost operators in E&P we think FANG shares offer investors a good mix of leverage to a crude recovery, and relative safety with a business that we see being able to generate strong FCF in a low \$40s/bbl crude oil environment over the next several years.” CSFB on 8/4 at Outperform with a \$57 target and Seaport on 7/27 at Buy with a \$57 target noting FANG as a great operator with breadth across the most compelling parts of the Permian and sees production maintained near current levels through the end of 2021. Hedge Fund ownership is down 18% in Q2 filings, Advisory Research and Growth Fund of America concentrated positions.

Hawk Vision:



Hawk's Perspective: FANG is my preferred name in Oil E&P but overall just a tough group to have much confidence in outside of trying to find a tradable low and having a tight stop.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



US Bank Attracting Bullish Positioning into Weakness

Ticker/Price: USB (\$34.70)

Analysis:

US Bancorp (USB) with over 4000 March \$30 puts sold to open near \$2 on 9/24 in large afternoon trades and follows recent unusual January 2022 far OTM call buys with 12,000 of the \$62.50 and 8,000 each of the \$65 and \$67.50 opening recently. USB also recently with 3000 December \$35 puts sold to open and seen a lot of October short puts open as well. USB shares have pulled back to a 61.8% Fibonacci retracement of the post-COVID range and sit near July support which is just above a key breakout level from 2013 that shares have now re-tested as well as 30-year trend support. The \$52.7B Bank trades 12.3X Earnings, 1.14X Book and yields a 4.84% dividend with a ROE of 10.7%. USB businesses include Consumer & Business Banking (40%), Payment Services (29%), Wealth Management (14%), and Corporate & Commercial Banking (17%). USB has been making great strides through its digital transformation. Fox Business reported in November 2019 that Goldman was potentially looking at USB in a M&A deal. USB ranks just behind the big four in terms of scale and has best-in-industry ROE averages and superior credit quality. Analysts have an average target of \$43 and short interest minimal at 1% of the float. On 7/31 Wolfe Research started shares Outperform with a \$54 target while being Underweight the group. On 7/29 Deutsche Bank upgraded shares to Buy with a \$42 target as a higher quality bank. USB is a defensive play among banks and has a payments business that could provide upside the next few years. Hedge Fund ownership grew 4% in Q2 filings, Berkshire Hathaway with a large \$4.85B stake and D1 Capital with a \$650M position.

Hawk Vision:



Hawk's Perspective: USB is a high-quality name but in a group with limited attractiveness. A current stop level would be \$32.40 if looking to take a shot and see what these far OTM calls are about.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Albemarle Put Sales See Value into Weakness

Ticker/Price: ALB \$83.30

Analysis:

Albemarle (ALB) with late day sales of 2,500 December \$80 puts on 9/24 for \$5.60, confident trade after weakness earlier this week following the Tesla (TSLA) battery day. ALB has seen smaller buys in the October \$90 and \$95 calls recently while the January 2021 and January 2022 popular with short put strategies earlier this year. Shares fell almost 15% this week but bouncing off of YTD VPOC and the 38.2% Fibonacci retracement of the rally from the March lows. Shares have room in the short-term back to \$89.50 and the 50-MA and then \$100. The \$8.77B company trades 18.9X earnings, 2.6X sales, and 11.9X cash with high-double digit growth. ALB has been increasingly shifting their focus towards lithium production with tailwinds longer-term from growth in EVs. Their revenue mix was 37% lithium, 29% bromine, and 28% catalysts in Q2 and they're investing heavily in expanding capacity into 2021/2022 to become a leading vertically integrated producer in the industry. ALB has seen demand shift out one year due to COVID and the recent Tesla (TSLA) announcement could limit the need for lithium in future EV batteries. But, the company was hosted by UBS yesterday in a 'fireside chat' and said that they were at the TSLA event themselves and think the announcement is a positive for both ALB and the industry as they set 2030 goals which are so ambitious they'll need "a lot of help and support from their partners." Analysts have an average target for shares of \$78 with a Street High \$100 at Jefferies. Truist out with a \$87 PT as the market goes through a transition period and seeing potential upside if ALB could be more aggressive on further asset disposals to fund future lithium expansions. Loop Capital upgrading to Neutral in June noting that the company remains a key player leveraged to the "electrification" of the transportation sector. Raymond James yesterday commenting on the TSLA plan notes, "the move is unlikely to be needle-moving in the context of the global lithium market and that it remains to be seen whether Tesla will follow through on its mining plan." Short interest is 9.1% but down from 17.5% in January. Hedge fund ownership rose marginally in Q2.

Hawk Vision:



Hawk's Perspective: ALB is likely a long-term winner in the lithium space and the recent sell-off feels like an over-reaction given TSLA's ambitions are 1) goals they haven't hit yet and don't expect to for years, and 2) likely helps all producers; the 200-day and YTD VPOC here give a nice level to lean against for a move back to 2020 highs

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



AutoNation Calls Position for Continued Gains as Used Market Remains Strong

Ticker/Price: AN \$51.15

Analysis:

AutoNation (AN) buyer of 4,500 November \$45 calls for \$7.80 and follows recent buys in the October \$38 calls and October \$40 calls. Shares have pulled back following a strong run and sitting on the 23.6% Fibonacci of the rally from the March lows. A move back above the 8-EMA sets up for a re-test of \$60 and potentially new 3-year highs. The \$4.54B company trades 8.54X earnings, 0.22X sales, and 4.5X FCF with high-single digit growth. AN is coming off a strong quarter as they executed well despite the impact of COVID and used car prices remain strong up 12.5% in the last twelve months. AN continues to invest in their long-term vision with plans to open 20 new stores over the next three years and looking gain share in the used vehicle market which they note is substantially larger than the new market. They also see post-COVID trends being supportive of vehicle ownership and their strong brand, significant digital investments in data and analytics, and expanded omni-channel capabilities give them an advantage over peers. Analysts have an average target for shares of \$56.50 and JPM a Street High \$70 seeing opportunity for larger, well capitalized players in the space to gain share after the pandemic. Guggenheim upgrading to Buy in August citing room for multiple expansion as they extract value from omni-channel and its investments in Vroom and Waymo as well as potential earnings upside from capital deployment. Short interest is 4.4% and down from 7.5% in May. Hedge fund ownership fell 6.5% in Q2, ESL Partners and Arlington Value top holders.

Hawk Vision:



Hawk's Perspective: I still prefer higher-growth names like **CVNA** which is truly disrupting the market but **AN** is interesting given their more aggressive position coming out of the pandemic while the equity investments in **VRM** and **Waymo** are interesting fliers

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Corporate Bonds (LQD) with 7500 March \$130 puts opening \$2.81, stock-tied. **LQD** also with 3,000 November \$134 puts bought for \$2.38 with stock

High-Yield (HYG) buyer of 15,500 October 9th (W) \$82 puts for \$0.72, adjusting some weekly put spreads

Energy (XLE) with 50,000 January \$34 calls bought for \$1.18, spread with the \$38 calls which are rolling back from 9/3 buys

Russell (IWM) the January 2023 \$145 puts sold to open 1,000X today for \$22.35 to \$22.20 and separately 1,500 January 2023 \$120 puts sold for \$12.75 to open. **IWM** also with 1000 September 2021 \$143 puts sold to open for \$15.10

Consumer Discretionary/Services

Citi Trends (CTRN) unusual buyer 1000 February \$25/\$35 call spreads for \$2.30

Under Armour (UAA) with 3000 Oct. 30th (W) \$11/\$9.50 strangles sold to open

Dick's Sporting (DKS) seller 3000 October \$60 calls \$0.95 in a buy-write with the Cleveland Research upgrade

Boyd Gaming (BYD) breaking out with buyer 1000 January \$32 calls \$2.90 to \$3, not as much recognition as PENN but has sports betting exposure with its FanDuel partnership

Caesars (CZR) with the November \$60 calls being bought 1395X today and spread with both the \$70 and \$75 calls with their William Hill interest noted today

Sally Beauty (SBH) buyer 900 Nov. \$7.50 calls \$1.90 to \$1.95

Peloton (PTON) seller of 1000 January 2022 \$160 calls for \$17.95 in a buy-write

SeaWorld (SEAS) jumping with the October \$20 calls bought for \$1.55 to \$1.65, over 3000X

Nordstrom (JWN) the January 2023 \$7.50 puts sold to open 4733X for \$2.02 into new 5-year lows

Macys (M) the October 9th (W) \$5.50 calls being bought over 5,450X today for \$0.64

Wayfair (W) over 400 November \$340 calls being bought today in stock replacements, paying \$18.40 to \$18.50

Shake Shack (SHAK) buyers of the January \$60 puts 750X today for \$5.65, potentially impacted by a second wave this Fall/Winter

TJX Co (TJX) with the November \$55 calls bought 12,000X for \$2.70, spread with the January \$60 calls that look to be adjusting 17,000X from recent buys

Nu-Skin (NUS) buyers of 2,000 October \$55 calls from \$0.80 to \$0.90, sitting right at the 20-day and under new highs

Under Armour (UA) with 3,000 January 2022 \$10 puts sold to open today for \$2.75 in a stock replacement

Consumer Goods

Molson Coors (TAP) the October \$30 puts sold to open over 20,000X for \$0.30/\$0.25

Monster (MNST) the March \$75 puts being sold to open for \$5.90 this afternoon, over 525X

Energy

Occidental Petro (OXY) with 3000 November \$9 puts sold to open \$0.68. **OXY** also with 5,000 October \$10 calls bought for \$0.80 as the \$11 calls roll back

Clean Spark (CLSK) the November \$10/\$20 call spread bought 500X1,000 for \$1.10 net debit, small cap on a big run lately

Sun-Run (RUN) with 1,250 June \$85 calls sold for \$10.40, adjusting the 1000 March \$70 calls opened as a buy-write with stock, keeps adjusting higher with the run

Exxon (XOM) spread today sold 2,500 January 2022 \$52.50 calls to buy the \$32.50 puts for \$4.20 net debit

Chevron (CVX) the October \$67.50/\$62.50 put spread bought 3000X this afternoon as the \$75/\$70 spread rolls down

Antero (AR) with 10,000 October \$3 puts bought for \$0.30 today, bear flag forming below its 50-MA which has been resistance this week

Financials

Goldman (GS) November \$200 calls that were bought 2500X late yesterday with 700 more trading early

Visa (V) spreads in June 2021 selling 1000 of the \$185 puts to buy the \$210/\$235 call spreads

BGC Partners (BGCP) seeing sweep buyers 2000 February \$2 ITM calls this morning \$0.60 to \$0.70

Redfin (RDFN) buyers of the October \$47 calls for \$3.50 to \$3.70, over 1200X, nice basing above the 50-day after recently hitting new 1-year highs

Citi (C) buyer of 1,500 November \$40 calls for \$3.75 in a stock replacement

Zillow (Z) the February \$105/\$130 call spread being bought 1,150X2,300 for \$0.60

Shift 4 Payments (FOUR) buyers of 1300 October \$50 calls for \$1.80 to \$2, recent IPO which has pulled back from the highs to base at the 50-MA

Healthcare

Moderna (MRNA) buyers of 425 January 2022 \$42 puts for \$11.55 today, tied to stock

TelaDoc (TDOC) bullish set-up and 1500 next week \$220 calls active with buyers early, a COVID wave 2 play. **TDOC** also 1000 November \$220 straddles bought for \$46.65

NANO-X Imaging (NNOX) shares basing this week and today seeing November \$30 calls sell to open 1500X and the \$35 calls with 1200X sold to open

Penumbra (PEN) with 750 November \$175 puts sold to open for \$12.78, adjusting the October \$190 short puts that opened in a ratio put spread on 8/31

Medtronic (MDT) buyer 1100 October \$103 calls \$2.52

Boston Scientific (BSX) the May \$35 puts sold to open today 600X for \$2.85. **BSX** also with 500 January 2022 \$33 puts sold for \$3.40

Dentsply (XRAY) the October \$42.50 puts bought 1,385X between \$1.50 and \$1.60

Tandem Diabetes (TNDM) with 1,000 January \$115 calls opening today between \$10.60 and \$10.90, strong setup

Vapotherm (VAPO) with 1000 October \$25 puts bought for \$1.90 to \$2.25, weak chart near another leg lower below its 200-day

Industrials

Li Auto (LI) another 1,500 December \$15 puts sold to open today \$2.50 to \$2.45, popular strategy in the name. **LI** Mar \$15 puts sales 1800X as well and now up to 3000X. **LI** also with 1000 March \$17.50 puts sold now for \$4.90 to \$4.70. **LI** the November \$12.50 puts also sold to open today 1375X

Kratos (KTOS) spread sells 1000 November \$17.50 puts and buys the \$20/\$25 call spreads, awarded a contract this morning

United Parcel (UPS) buyers active 3190 January \$200 calls with 9250 in OI

Navistar (NAV) the November \$42/\$36 bull risk reversals opening 2,027X for \$2.30, recent calls adjusting higher with the M&A interest from Volkswagen's truck unit

United (UAL) sellers to open 1675 November \$29 puts \$2.13 bid

Wrap Tech (WRTC) with 1,000 January 2022 \$2.50 puts sold to buy the \$5/\$17.50 call spread for \$1.55 net debit, name that jumped in June with the protests

Cubic (CUB) another 2,500 November \$60/\$70 call spreads bought for \$2.50 today as the company got a bid from Veritas/Elliott this week

Aptiv (APTIV) with a buyer of 500 January \$80 puts for \$6.70 with stock

JetBlue (JBLU) with 6200 October \$13 calls bought this afternoon around \$0.30, IV jumping a bit; shares back at channel support from the July lows

Materials

Huntsman (HUN) the October \$19 puts sold to open today for \$0.18, 3300X with shares back at the rising 50-day

DuPont (DD) buyers of 2600 January \$65 calls \$1.39 to \$1.45

Dow Chemical (DOW) the March \$30 puts being sold to open for \$0.93, 2000X

International Paper (IP) pops to highs with 1250 October \$38 ITM calls bought \$2.10 to \$2.25

Alcoa (AA) IV jumps with 10,000 January \$14 calls bought \$0.70 to \$0.75

Axalta (AXTA) sellers of 2,500 January \$24 calls for \$1.15 in a buy-write with stock

Franco Nevada (FNV) another 1,000 January \$115 puts sold to open for \$3.40 today

Int'l Flavors (IFF) the February \$115/\$110 put spread bought 2,500X for \$5 as the November spreads from 8/5 roll out

WestRock (WRK) over 1250 September \$30 puts sold to open today around \$4 with the positive pricing news from Int'l Paper

Yamana (AUY) opening sale of 4,000 April \$5 puts for \$0.61 in a stock replacement

Tech and Telecom

Amazon (AMZN) the July \$4,300 calls active again this morning 650X around \$110, spot where near 700 bought yesterday

Cisco (CSCO) early buyers of 1,000 April ITM \$30 calls for \$8.20

Snap (SNAP) seeing November \$26 calls with yearly 3000X bought to open near \$2.02 this morning after Nov. \$27 calls opened size earlier this week

AT&T (T) buyers coming in here for 1600 April \$24 calls \$4.05 offer

IQIYI (IQ) with 7,328 January 2022 \$37.50 calls sold \$1.35 in a buy-write

Google (GOOGL) basing above 200 MA and above \$1443 would be a buy trigger, seeing buyer 150 December \$1350 calls for \$141.75 this morning, a \$2.1M position

Microsoft (MSFT) buyer 2500 February \$215/\$245 call spreads

Akamai (AKAM) buyer 2000 January \$105 puts to open \$6.50

Fastly (FSLY) sellers of the January 2022 \$75 puts for \$22.10 today 400X, over \$900k

MongoDB (MDB) higher today on early chatter and mid-day buyers of 1,250 November \$250 calls for \$13.20 to \$13.40 in stock replacements

Nuance (NUAN) the January \$37 calls being bought 1000X now for \$1.45

Applied Materials (AMAT) the October 9th (W) \$59/\$56 bull risk reversal bought 3000X for \$0.09 today ahead of Micron earnings next week

Splunk (SPLK) spread today is selling 400 November \$160 puts to buy the \$190/\$210 call spread, Baird upgrading to Outperform this morning

Taiwan Semi (TSM) the December \$75 calls sold today for \$7.60, 1500X

Adobe Systems (ADBE) size buyer of the January \$420 ITM calls 5100X for \$77.91, the October \$420 calls bought on 7/10 closing

Pinduoduo (PDD) the June 2021 \$70 puts sold to open 500X for \$12.20 in a stock replacement

Alibaba (BABA) buyers today of 3,000 December \$230 puts, 1000 trading at \$6.75 and 2,000 bought later for \$6.45

China Mobile (CHL) with 2,800 March \$32.50 puts sold to open this afternoon for \$2.28

Western Digital (WDC) the April \$40 puts bought 1000X today for \$6.85

Progress Software (PRGS) buyers of the October \$40 calls for \$0.75 , 2000X, shares basing around July support

Utility

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