



MARKET RECAP REPORT 9/9/2020

Sector Leaders

Tech

Medical Devices

Housing

Stock Gainers

ITCI 75%

TRIL 35%

OTRK 14%

IMUX 11%

VVNT 11%

ATOM 11%

FMCI 11%

Volatility Gainers

- BBD
- KODK
- OPK
- TIF
- OSTK
- MNST

High Call Volume

- KODK
- VSTO
- CSTM
- LBTYK
- NLS
- PLT

Bullish Options

- TCOM
- ZM
- AUU
- WDAY
- SNPS
- WMT
- TME
- NSC
- DH1
- VRM

Market Review: Stocks reversed off overnight lows and caught a rally into the open after S&P futures found key trend and 55 day moving average support despite a number of mounting market overhangs including COVID, US/China tensions, lack of a stimulus bill, Tech unwind, and the Election. In morning trade stocks gained ground with breadth steadily climbing, the S&P taking out Monday's high. Tech led the bounce-back rally after being the most beaten up while Healthcare and Housing also gained in a broad-based rally except for Banks which lagged again. It was certainly a strong day but may be no more than an oversold bounce as the 8/21 moving average bearish cross nears just overhead, and the close to this week will hold more meaning. The schedule remains rather quiet with the ECB and Jobless Claims in focus tomorrow and then look ahead of September options expiration next week.

S&P Chart:



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

Options Action Trends: We saw some size call buying some into Semi Equipment leaders **LRCX**, **AMAT** into weakness. Overall it was one of the lighter days of option flows in weeks.

What's On Tap: ECB Meeting. Jobless Claims and PPI.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Banks

Bonds

Aerospace

Stock Losers

MCFT -21%

WORK -15%

CODX -13%

LOVE -12%

LULU -8.7%

NKLA -8.5%

TIF -8%

Volatility Losers

- CRON
- ITCI
- WORK
- INVA
- PTON
- AMRN

High Put Volume

- EB
- PLT
- TOL
- TIF
- UL
- ITCI

Bearish Options

- CHWY
- SLQT
- XOM
- LYV
- EQT
- ENPH
- QRVO
- JPM
- ZS
- GPRO
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FEATURED OPTIONS RADAR REPORT



Crown Castle Bulls Position for Potential Strategic Changes

Ticker/Price: CCI (\$158.50)

Analysis:

Crown Castle (CCI) with some longer dated bullish positioning on 9/8 as the January \$165/\$180 OTM call spreads bought 1000X and the \$145 puts with opening sales 900X. CCI does not have a lot of notable open interest but in October the \$150 calls with 1000X bought and the \$140 puts with 1850X sold to open while OTM call open interest also elevated. CCI shares have been drifting lower since June unable to gather any upward momentum but the rising 200 day moving average sits near \$155 and shares back near the May base breakout level. Shares would need to clear \$167 to see bullish momentum back to \$180. The \$67B tower operator trades 26X AFFO with a 3% dividend yield with a history of solid growth. Reuters recently reported that Digital Colony has expressed interest in buying Crown's fiber business and comes after Elliott Management released a letter in July recommending changes to CCI after its underperformance to peers it attributes to the \$16B investment into the fiber business which has disappointing returns. Analysts have an average target of \$177 and short interest is down 38% Q/Q to 1.5% of the float. On 8/17 Bloomberg reported that CCI is open to value creating opportunities. Wells Fargo cut shares to Equal Weight on 8/20 with risks to 2020 guidance on slower T-Mobile spending and does not see CCI pursuing strategy changes near-term. Barclays started shares Overweight on 7/15 with a \$197 target. CCI will present on 9/9 at the BAML Conference and on 9/17 at the Goldman Conference. Hedge Fund ownership rose modestly in Q2 filings, notable large holders include Bill & Melinda Gates and Magellan.

Hawk Vision:



Hawk's Perspective: CCI has a lot of overhead supply here and prefer to see a nice base form before looking at a trade.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Xilinx Longer-Term Bull Bets Accumulate

Ticker/Price: XLNX (\$97.7)

Analysis:

Xilinx (XLNX) has seen 1000 January 2022 \$105 calls open for over \$1.6M the last two sessions and also has 1600 January \$90 calls in open interest from buyers in April, otherwise minimal open interest of note. XLNX has come under pressure with Tech the past week and touched its rising 89 day MA on recent lows, while a 38.2% retracement level would be at \$95 and retest a June breakout move. The \$24.2B Semi trades 29X Earnings, 8X Sales and 37X FCF with a 1.55% yield and a name recently featured as the last remaining attractive M&A target in Semiconductors following the ADI/MXIM deal, as XLNX screens as best-in-class for margins with a high ROIC, strong FCF and low debt. Analysts have an average target of \$110 with short interest falling 25% Q/Q to 2.5% of the float. Cowen raised its target to \$108 in late July seeing better than feared core market trends and sees some push-out to the September quarter. Jefferies raised its target to \$130 seeing a big rebound for its Communications segment in 2021 and at the beginning of a 5G RU product cycle. XLNX has seen strength in Wired/Wireless as well as Data Center groups. Hedge Fund ownership jumped 18% in Q2 filings, notable additions by ARK Investment, Sustainable Growth and Matrix Capital.

Hawk Vision:



Hawk's Perspective: XLNX needs to base and set back up but like the name still as an eventual M&A target and leadership in Data Center moving forward.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

NASDAQ (QQQ) Sep. 30th (Q) \$290/\$300 call ratio spread bought 10,000X20,000 this morning. **QQQ** trade this afternoon bought 5300 January \$290 calls \$15.99 and sold 8,500 January \$335 calls \$3.05

S&P (SPY) buyers of 8000 January 2022 \$435 far OTM calls today to open up to \$3.95

Consumer Discretionary/Services

Live Nation (LYV) with 2000 April \$30 puts bought \$1.25 to open

Vroom (VRM) share offering news being received well with a bounce off its lower Bollinger Band, seeing 2000 September \$60 calls close and the October \$60/\$75 call spreads open 2000X3000

Starbucks (SBUX) IV rising with September \$87.50 calls hot this morning trading 7500X

Lions Gate (LGF.A) unusual 1375 Dec. \$11 calls bought \$0.85 offer

RH (RH) actually an earnings strategy seeing September \$315/\$290/\$265 butterfly put spreads open 500X1000

Wynn (WYNN) nice 55 MA bounce and moving to day highs, 1000 Oct. 9th (W) \$86 calls being bought for \$4.65

Zynga (ZNGA) size coming in for November \$8 calls \$1 to \$1.06 for 9000 contracts

Melco (MLCO) size coming for Oct. \$20 calls up to \$0.80 with 16K trading

At Home (HOME) with 1000 December \$15 puts sold to open today \$3.20 into pullback. **HOME** also with 2500 Oct. \$14 puts being sold to open

Abercrombie (ANF) buyers 2000 November \$16 calls \$1.10 to \$1.15 offers

William Sonoma (WSM) with 1490 November \$97.5/\$80 bull risk reversals opening \$0.50 debit into the **RH** report

Consumer Goods

McDonald's (MCD) far OTM October \$250 calls with 3300X being bought \$0.26 to \$0.30 in early trade

Wal-Mart (WMT) seeing 1600 June 2021 \$145 calls with buyers \$14.50 to \$14.60

Beyond-Meat (BYND) rallying to highs for a 2nd day and October \$140 calls very active trading 7500X

Energy

Schlumberger (SLB) opening sale 2000 February \$15 puts for \$1.04

Exxon (XOM) seeing opening buys 3000 November \$32.50 puts with the Oct. \$35 puts being sold earlier

Apache (APA) off lows with 5800 Oct. 2nd (W) \$14 calls bought \$0.57 to \$0.59

Pioneer (PXD) with 500 March \$85 puts sold \$8.60 to open

Marathon Petro (MPC) buyer 1000 Dec. \$35 calls \$2.30 to \$2.35

Chevron (CVX) with 1500 March \$70 puts being sold to open \$4.85

Plains (PAGP) unusual 2800 Nov. \$8 calls being bought \$0.45 offer as shares work off lows

Murphy (MUR) block of 6500 January 2022 \$7.50 puts sold to open \$1.79

Concho (CXO) large trade sells 26,000 Oct. 23rd (W) \$49 puts to open for \$3.40

Financials

New Residential (NRZ) spreads selling October \$7 puts and buying November \$8 calls 4000X

Bank America (BAC) spreads selling 20,550 December \$21 puts to buy \$27/\$30 call spreads. **BAC** also with 3500 January \$21 synthetic long positions opening

ICICI Bank (IBN) opening seller 5000 Dec. \$9 puts \$0.425

Paychex (PAYX) opening sale 750 Oct. \$75 puts \$3.05, earnings 10-6

Healthcare

Centene (CNC) with 1500 October \$52.5 puts sold to open \$1.40

AstraZeneca (AZN) green now, big bounce from after-hours news, and seeing 1000 April \$55 put sold to open \$6.90 to \$6.70

CVS Health (CVS) opening sale 2000 October \$60 straddles for \$4.30

Inoviva (INVA) seeing 5000 December \$12/\$14 call spreads open with September \$12 calls adjusting

Mylan (MYL) with 6000 Jan. 2022 \$10 puts sold to open \$1.14 to \$1.12. **MYL** now with 3000 Jan \$15 calls being bought \$1.90

Paratek Pharma (PRTK) up 13% on day highs with unusual 2000 March \$5 calls being bought \$2 to \$2.15 today, the \$190M Biotech finding support at the 200 MA this week. PRTK follow-up, reading Leerink note from 8-10, has a \$14 target, notes "The company now expects the Emergency Use Authorization (EUA) and the first batch of BARDA (Biomedical Advanced Research and Development Authority) procurement to occur by YE20. Meanwhile, Nuzyra's commercial sales continued to grow in 2Q20 amid the COVID-19 pandemic."

TelaDoc (TDOC) bullish put sales today, the April \$195 being sold to open 300X and the \$180 puts 250X. **TDOC** now 300 Apr \$190 puts sold to open \$33.70

Cardinal Health (CAH) opening sale 500 January 2022 \$45 puts for \$6.80

Medtronic (MDT) with 2,125 Oct. 23rd (W) \$108/\$114 call spreads bought as Sep. \$107 calls adjust

Moderna (MRNA) with opening sellers of 875 Apr \$50 puts today near \$13.50

Livongo (LVGO) with 1000 January \$180 calls bought \$5.50 to \$5.90

Industrials

Tesla (TSLA) ITM Sep. 25th (W) \$330 calls with some size lot buys up to 1250X for near \$7M. **TSLA** buyer of 1500 January 2022 \$450 calls for \$99.74, spread with the \$1000 calls sold \$38.74

Norfolk Southern (NSC) unusual deep ITM June 2021 \$120 calls opening 575X with buyers paying \$93.80

DR Horton (DHI) with 1450 February \$70 calls being bought this morning \$8.30 to \$8.80 for around \$1.5M, already 1471 in OI. **DHI** calls now up to 3300X, pulled back nicely to support, a top Homebuilder

Aecom (ACM) large buy 3500 December \$40 calls \$3.15. Citi with a note in June highlighting that the company had done \$500M in offerings and looked poised to be building up enough dry powder to take another shot at a deal

Lennar (LEN) seeing February \$80 calls sold to buy the \$70/\$57.5 put spreads, likely protective, and similar structure seen in **TOL** for March with the \$45 calls and \$39/\$32 put spreads

Navistar (NAV) with 1500 October \$34 calls opening \$4.90 to \$5.30, some September adjust, M&A catalyst

Raytheon (RTX) opening sale 6000 January \$50 puts for \$1.89, stock replacement

Fed-Ex (FDX) January \$240 calls active over 5000X today with size trades, already 4,827 in OI, on checks for tomorrow, but a name that triggered a breakout to start the day and been strong lately

Nikola (NKLA) trying to base on day lows down 9.4% seeing a buyer of 1500 Sep. 25th (W) 446 calls for \$5.50

Asbury Auto (ABG) a top car dealership play with an interesting trade selling 500 January \$95 puts for \$7 and buying 500 Dec. \$115 calls for \$9.40, strong chart set-up

ZTO Express (ZTO) opening sale 1500 April \$30 puts for \$2.75

Nio (NIO) with 1700 Oct. 23rd (W) \$18 calls bought today \$3 to \$3.20. NIO also 1500 February \$16 puts sold to open \$4.50

Cognex (CGNX) with 200 February \$50 calls opening \$16 to \$16.40 today ITM

WABTEC (WAB) with 1000 September \$70 puts sold to open down to \$2.25

Materials

Yamana Gold (AUY) with 3000 Oct. 23rd (W) \$6.50 calls opening early \$0.37 to \$0.44. **AUY** calls up over 7500X now. **AUY** now also a block of 14,000 Jan. 2022 \$5 puts sold to open for \$0.91

CF Industries (CF) opening seller 1500 January 2022 \$30 puts for \$5.20

Wheaton Metals (WPM) buy-write with 1465 January \$65 calls sold for \$3.07

Tech and Telecom

Groupon (GRPN) early action seeing 1200 September \$34 calls bought up to \$2

Plantronic (PLT) with 1000 February \$17.50 calls being bought \$1.35 to \$1.45 to open

Trip.com (TCOM) with 1000 January \$37 calls bought \$0.98 to \$1.01

Applied Materials (AMAT) opening sale 1200 April \$50 puts for \$5.20. **Applied Materials (AMAT)** size buying now of 6800 January \$57.5 calls to open \$5.20 to \$5.35

Pure Storage (PSTG) seeing September \$15 calls bought 3300X early \$0.45 up to \$0.65

Synopsys (SNPS) with 450 March \$230 calls opening \$10.90 to \$11.40

Workday (WDAY) trading 915 December \$210 calls early where 900 bought to open yesterday

Event-Brite (EB) adjustment of 8000 Oct. \$7.50 short puts to the \$10 strike

Apple (AAPL) sale of 2000 March \$107.50 puts \$10.50 bid

Chewy (CHWY) buyer 1000 September \$58 puts \$3.20 offer into earnings tomorrow night

Tencent Music (TME) trading October \$16 calls 3400X where 3000X bought late yesterday

Overstock (OSTK) with 650 March \$180 calls being sold to open near \$8.25

Corning (GLW) stock replacement buys 2500 January \$40 calls \$0.89, higher after raising guidance

LAM Research (LRCX) buyer 750 December \$305 calls \$33 to \$33.70 to open, size trade with shares down hard but back near 200 MA support

NetApp (NTAP) with 700 March \$45 puts being sold to open \$5.95

Apple (AAPL) with 12,000 June 2021 \$165 calls being sold to open today

Advanced Micro (AMD) with 2000 June 20221 \$40 deep ITM calls being bought today near \$43.5

Yext (YEXT) with 1600 January \$15 puts sold to open \$1.60 to \$1.45

Alteryx (AYX) seeing OTM call action today, the June 2021 \$200 calls with 800X bought near \$5.20 and also trading 1300 of the January \$200 calls

Cisco (CSCO) opening sale 3000 March \$38 puts for \$2.82

Infinera (INFN) sitting on key volume support and 10,000 April \$8/\$5 bull risk reversals open at a \$0.20 debit

Vonage (VG) block of 5000 Jan. 2022 \$15 calls bought \$1.30 to open, name has pulled back around 20% off Aug. highs. **VG** also has 2000 September \$10 short puts in OI and 2000 Jan. \$10/\$12 call spreads. VG has been reducing debt and focusing on the higher margin UCaaS business

Z-Scaler (ZS) large activity into earnings tonight, the September 2021 \$115 puts with 1200X opening \$21.70 to \$22.10 earlier today, though smaller lots. **ZS** now 2000 November \$110 puts open \$6.25

HP Enterprise (HPE) opening sale 1500 September 2021 \$8 puts for \$1

Coupa (COUP) down 7.5% on a beat and raise quarter, seeing 1600 January \$260 calls active 1650X with 2000 in OI trading \$6M worth, will confirm OI tomorrow

DocuSign (DOCU) with 1000 January \$230 calls bought \$28.50 to \$28.60

Facebook (FB) opening sale earlier 1000 March \$225 puts at \$14.05

Microsoft (MSFT) with September 2021 \$180 puts being sold to open today 3000X near \$16.50

Netflix (NFLX) weak at -2% and afternoon buyers of 1200 October \$515 puts

Utility

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