



Sector Leaders

Oil & Gas

Biotech

Solar

Stock Gainers

RKLB 28%

LULU 11%

CFLT 9.9%

DOCS 7.5%

RH 7.5%

INMD 6.65%

MRNA 6%

Volatility Gainers

- ACH
- FTAI
- RKLB
- BB
- NTES
- VALE

High Call Volume

- HIG
- GEVO
- RKLB
- SLQT
- AMBA
- CS

Bullish Options

- MSFT
- MRK
- GSKY
- CSCO
- COTY
- AMBA
- TSLA
- X
- W
- FTAI
- LUV

Market Review: Stocks dipped overnight but bounced off a key VWAP and were modestly negative into the open as Jobless Claims were better than expected and the ECB decision and commentary were being closely monitored. Breadth was strong the opening hour trending higher as S&P futures bounced back to 1-month VPOC. We saw mixed sector action with strength in Banks, Energy, Retail and Biotech while some safety/yield groups dipped. Breadth continued to diverge positively as S&P futures moved back to 1-week VPOC but saw some afternoon selling on Fed speak. Bonds put in a strong session and further rose following the auction. It has been another quiet trading range this week with September a low-catalyst environment and tomorrow's PPI report in focus to see how this weekly candle closes, price-action remains strong but momentum does appear to be stalling to an extent and seeing mounting risks to a Q4 correction in markets.

S&P Chart:



Resistance	Support
4,555	4,515
4,600	4,475
4,750	4,400

Options Action Trends: Call buyers were hot for sporting goods plays **HIBB, BGFV, ASO**.

What's On Tap: PPI, Wholesale Inventories and WASDE Report.

Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **ABNB** October \$165 Calls \$5 – No Fill
- 2) Spotlight: Long **MDLZ** December \$60 Calls at \$2.50
- 3) Bought **VVV** \$31.25

Sector Laggards

REITS

Med-Tech

Consumer Goods

Stock Losers

BIIB -7%

GME -7%

SKIN -5.5%

OCDX -5.5%

SE -5.5%

SWAV -5.3%

SAM -5%

Volatility Losers

- MARA
- NEGG
- GENI
- IRNT
- AMC
- TSP

High Put Volume

- MDY
- SPRT
- GSAT
- S
- LULU
- ATER

Bearish Options

- PZZA
- BBBY
- VIAC
- VRTX
- SAVA
- CHGG
- ZBH
- TDUP
- JNJ
- OIH
- WDC



Unusual December Call Accumulation in Chinese Fintech

Ticker/Price: LU (\$8.25)

Analysis:

Lufax (LU) with an interesting trade on 9/8 as a block of 3000 December \$7.50 calls bought the morning low for \$1.45 and a name showing up in the OptionsHawk Database with notable open interest in December calls from activity in June including 44,000 December \$12.50 calls and 12,250 December \$15 calls. On 8/26 the March \$10 calls traded a block of 9000X to open at \$0.70 in a stock replacement or potential buy-write as it traded near mid-market. LU is an IPO from October 2020 that traded sharply higher the first three weeks up to \$20 but has since sold off with a recent low near \$7. LU's VWAP from the IPO is at \$12.60, also a key volume node, and has a large volume pocket above \$9.30 back to that level. LU primarily addresses the unmet demand for personal lending among small business owners as well as salaried workers in China through its retail credit facilitation business as well as wealth management solutions to China's middle class and affluent population. Its retail credit facilitation business connects borrowers, funding partners and credit enhancement partners, with its purpose-built end-to-end technology platform at the hub. LU currently has a market cap of \$20.8B and trades 7X Earnings, 2.1X EV/Sales and 20.5X FCF with revenues seen growing 25%+ in 2021 and 12-15% annually the next three years forward. LU is also strongly profitable with EBITDA seen growing 39% in 2021 and 16% in 2022 to \$5.15B. Q2 highlights included 16.8% growth in loans facilitated, 15.7% growth in borrowers and 15.6% growth in active investors. LU also announced a \$700M increase to its buyback. It spoke on regulatory developments "Since our Q1 earnings announcement, the Chinese government has continuously tightened supervision of technology platform companies. These include the direct sharing of borrowing information by online loan facilitators and co lenders with financial institutions, mitigating an all-in cost ceiling of 24% for consumer loans and publishing the draft version of the amended Cybersecurity Review Measures for public consultation." Analysts have an average target of \$14.40 with short interest low for a Chinese stock at 1% of the float. MSCO upgraded to Overweight on 8/10 with a \$13 target after a strong Q2 report and sees good value. JPM upgraded to Overweight in May with a \$15 target seeing the sell-off on regulatory risks to growth as overdone. Goldman cautious on 8/2 downgrading to Neutral on regulatory developments which will pressure loan yield and take rate for LU leading to lower margins. It notes LU's earnings are likely to become more sensitive to underlying portfolio credit worthiness and the broad credit asset quality cycle, and potentially more volatile. LU did see some notable funds take positions including Baillie Gifford and Farallon Capital.

Hawk Vision:



Hawk's Perspective: LU has inherent risks due to China regulations but also feels overdone and one of the better looking companies, a close above the 55-MA near \$9 should carry shares back to \$12 for a trade.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Size Call Buyer in Oil Major with Upcoming Catalysts

Ticker/Price: XOM (\$54)

Analysis:

Exxon (XOM) with a surge in call activity late on 9/8 as 15,000 November \$55 calls were bought in offer sweeps \$2.24 to \$2.28 and a block of 2900 November \$50 puts sold for \$1.40 as well. XOM flows have been all bullish since May and has 5000 January 2023 \$60 short puts, 2250 June 2022 \$50 short puts, 2500 January 2023 \$62.5 short puts, and 1000 April \$60 short puts in open interest from recent trades while June \$57.50 puts with 5500+ sold to open in late June trades. XOM has pulled back from late June highs with the rest of the Energy sector but looking to base on its rising 200-day moving average with \$55.75 and \$56.50 two key levels to clear near-term for a trend inflection. XOM's recent low near \$52 was right at VWAP off the October 2020 lows so reward/risk here looks favorable considering the short put strikes in open interest. Exxon is a large cap diversified energy company participating in exploration for, and production of, crude oil and natural gas and manufacture, trade, transport and sale of crude oil, natural gas, petroleum products, petrochemicals and a wide variety of specialty products. XOM announced in August it is seeking buys for its US shale gas properties, a potential catalyst, and XOM also targeting a zero carbon pledge by 2050. XOM has been targeted by activist firm Two Engine No. 1 along with Chevron. XOM currently has a market cap of \$231B and trades 11.2X Earnings, 6X EBITDA and 1.47X Book with a 6.4% dividend yield. XOM's EBITDA is seen rising 36.6% in 2021 and 6.8% in 2022. XOM has been seeing strong core growth businesses such as Guyana, Chemicals and the Permian. Guyana is a world-class project, two discoveries in 2Q (Uaru-2 and Long Tail 3) and announced Whiptail in August. XOM is also seeing strength in the Chemicals business and expects margins to stay strong. Analysts have an average target of \$66 and short interest is minimal at 0.8% of the float. Goldman rates shares a Buy with a \$66 target as a favorite out of consensus pick seeing the Refining business at a tough set to improve, better pricing at Upstream, and strong FCF and balance sheet improvements. Piper raised its target to \$69 in July positive on the upside into 2H with crude oil tightness.

Hawk Vision:



Hawk's Perspective: XOM reward/risk looks promising and the 6% yield as a stock-hold also attractive. Calls are cheap in it with a potential asset sale + activist news, so certainly looks like a nice trade in November calls.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Biotech (XBI) with 2500 November \$125 puts selling to open near \$4.20

China Internet (KWEB) strong reversal to day highs with 5000 October \$51 calls bought \$3.30 to \$3.50 into morning weakness

Russell (IWM) block of 5000 December 2023 \$220 puts sold to open for \$29.70 in a near \$15M trade as January \$220 adjusted.

Russell (IWM) trade opened 3750 October/December \$227 call calendar spreads

Airlines ETF (JETS) with 10,000 December \$24 calls bought \$1.23 and 20,000 of the \$28 calls trading \$0.28, rallying despite guidance cuts across the group usually a good signal

Oil Services (OIH) bear flow with 2000 January \$160 puts opening \$8.90

Industrial (XLI) opening seller 3750 November \$102 puts this afternoon into weakness, follows large November call buys late yesterday

Healthcare (XLV) into weakness with 4000 January \$134.33 puts being sold to open for \$5.30

Consumer Goods

AdecoAgro (AGRO) buyer 2000 December \$10 calls for \$0.55 offer

Coty (COTY) seeing 20,000 November \$8 calls bought \$1.15 to open after size calls bought into weakness yesterday

Peloton (PTON) seeing buyers in October and January calls this morning, also seeing 5750 Oct. 22nd (W) \$120 far OTM calls trade to open with seller flow. **PTON** this afternoon with 750 Jan. 2023 \$130 calls bought \$18.30 to \$18.75

Under Armour (UA) buyer 2000 April \$25 calls \$1.10 to \$1.15, strong candle from just above the 55-MA today after the LULU numbers

Albertson (ACI) with 2000 October \$32 puts bought \$1.60 to \$1.75 into **KR** earnings

Consumer/Business Services

Academy Sports (ASO) with 8000 September \$42 calls bought into early earnings weakness adjusting some \$45 calls

Big-5 (BGFV) calls ramping again with 6500 October \$25 hot

Hibbett (HIBB) unusual buys 525 January \$100 calls \$5.50 to \$5.60

Electronic Arts (EA) with 2250 Sep. 24th (W) \$143 calls opening \$1.85 as the \$148 adjust into weakness

NetEase (NTES) buyers of 2000 October \$90 calls \$3.90 offer into early weakness

Papa Johns (PZZA) buyer 300 January \$110 puts for \$3.60

Bed Bath (BBBY) on the open with 2000 November \$26 calls sold to open \$2.40

Carvana (CVNA) with 500 October \$360 calls bought \$6

Activision (ATVI) buyers 650 June \$82.50 calls near \$6.55. **ATVI** buy-write sold 5000 Oct. \$85 calls \$0.67

Starbucks (SBUX) buyer 2000 June \$115 calls for \$12.29. **SBUX** also today with 3000 April \$100 puts being sold to open for \$2.80

Gap (GPS) buyer 1075 December \$25 calls at \$2.25, had large opening put sale yesterday. **GPS** popping this afternoon with 7700 Sep. 24th (W) \$26 calls active with buyers

Sabre (SABR) with 6000 December \$12 calls opening \$0.85 as October adjust

I-Heart Media (IHRT) with 1500 October \$25 puts sold to open \$1.35

Thred-Up (TDUP) with 1000 October \$22.50 puts opening \$4.30 as the \$25 adjust

RealReal (REAL) earlier alert on 1000 October \$12.50 calls bought and now up to 7000X with a surge in IV here

Macy's (M) with 5000 October \$21 puts bought today \$1.31 to \$1.42

MGM buyer of 1000 March \$50/\$60 call spreads for \$1.70

Energy

Ring Energy (REI) speculative name with 10,000 Oct 2.50 calls sold to open \$0.20

Financials

GreenSky (GSKY) breaking out of a bull flag this week and today unusual 2000 December \$10 calls being bought \$0.60 to \$0.70

Credit Suisse (CS) calls hot this morning with 4700 January \$13 and 4000 December \$12 being bought

Coinbase (COIN) with 350 November \$270 puts sold to open down to \$28.60

Blackstone (BX) with 1000 March \$125 puts sold \$8.35 to open

Zillow (Z) spreads buying 5650 September 2022 \$110 puts and selling Jan. 2023 \$110 puts for a \$4.20 credit

Riot Blockchain (RIOT) ITM March \$31 calls under accumulation this morning 3500X at \$10.45

One Main (OMF) with 1450 November \$56.50 puts opening \$3.36 to \$3.41

Affirm (AFRM) buyer of 1000 January \$90 calls \$14.90 into earnings as the September \$90 calls adjust, and up to 1650 in total

Healthcare

Lilly (LLY) opening sale 250 Jan. 2023 \$250 puts at \$34.30. **LLY** buyer of 300 April \$250 calls at \$19.90

Biogen (BIIB) seeing buyers in October \$300 calls this morning 800X for over \$1M

Vertex (VRTX) large cap Bio that continues to struggle and nearly 600 April \$150 puts bought today \$3.80

Cassava (SAVA) with 2000 February \$70 calls sold to open \$14.15 as momentum has rolled over

Zimmer (ZBH) dropping with 2500 September \$150 puts opening \$4.20

J&J (JNJ) with 1300 April \$175 calls selling to open \$6.50 to \$6.40 today

Sanofi (SNY) with 5000 January \$50 calls bought for \$2.40 after selling off sharply this week

Merck (MRK) opening sale 5000 January \$70 puts for \$2.51

DexCom (DXCM) remains strong and 300 March \$380 puts sold to open \$10.20 today

IRhythm (IRTC) spread buys 1000 November \$50 calls \$5.55 and sells 1000 October \$55 calls \$0.95

Industrials

Tesla (TSLA) October 8th (W) spreads selling 4000 of the \$800 calls and 4000 of the \$750/\$700 put spreads (bull put spread) to buy 4000 of the Oct. 22nd (W) \$750 calls, earnings strategy with results expected Oct. 22nd (W)

Fortress (FTAI) recovering off early lows following its share offering and seeing 1000 June \$27/\$20 bull risk reversals open at \$0.60 debit

Southwest (LUV) with 1400 October \$47.50 calls seeing buyers at \$3.25 to \$3.30

Expeditors (EXPD) buyer 500 November \$125 calls \$5.20 to \$5.50

General Dynamics (GD) opening sale 400 January \$205 puts at \$10.70

United (UAL) with 1450 January \$43 puts sold to open \$3.25 to \$3.10, put sales active all week in the name

Delta (DAL) with 5000 October \$41 calls active sold to open \$2.16

GM seeing buyers this afternoon of 3800 March \$43 puts \$2.26

Norfolk Southern (NSC) with 375 December \$240 puts sold \$9.30 to open

Materials

Cameco (CCJ) buyer 3000 November \$25 calls \$1.29 offer in sweeps into weakness

US Steel (X) with 2000 April \$25 puts sold 3.90 to open

Teck (TECK) seeing 8000 February \$30 calls bought \$1.14 to \$1.18 this afternoon

Louisiana Pacific (LPX) with 1000 deep ITM May \$55 calls opening today \$12.60 to \$12.70

Tech

Cisco (CSCO) active morning with 5500 September \$58.50 calls being bought looking for short-term upside, Investor Day 9-15 as a clear catalyst

Amabrella (AMBA) buyer 1000 December \$145 calls for \$14.07 as 540 Sep. \$100 adjust

Wayfair (W) working on nice reversal bull candle after the **RH** report and seeing 3000 October \$270 synthetic long positions open at a \$2 credit

Palo Alto (PANW) with 1500 January 2023 \$500/\$340 bull put spreads opening ITM for a credit of \$65.50

Twitter (TWTR) moving off lows with 1500 June \$55 puts being sold to open \$5.25 this morning

AppFolio (APPF) unusual 300 October \$125 calls opening \$5.80, working out of small base, lagging in 2021. The \$4.2B cloud software play in Real Estate now trading 11.8X EV/Sales and could make a nice acquisition target

Apple (AAPL) with November \$150/\$160 call spreads active as weekly spreads adjust

Chegg (CHGG) October IV rising with 2750 October \$70 puts bought up to \$0.70

Citrix (CTXS) an emerging activist situation with 600 December \$95 puts sold to open today and 800 January 2023 \$100 puts sold to open at \$10.10

Intel (INTC) buyer 1500 March \$52.50 calls for \$4.80 offer today, strong September seasonal returns

Sea (SE) sweep buyer 1000 February \$220 OTM puts for \$4.95 offer

Western Digital (WDC) buyer 1400 April \$50 puts \$4

Cloudflare (NET) with one of those large credit spreads we keep seeing as 2000 November \$130 puts were sold for \$11 and the Oct. 129th (W) \$125 puts bought for \$6.25

Matterport (MTTR) rising this afternoon with 5000 February \$20 calls selling to open \$2 to \$2.10. The \$3.7B software Co. is breaking out today

Facebook (FB) seeing spreads 3500X today sell the November \$330 puts and buy the \$395/\$425 call spreads, captures its next late October report

Sea (SE) trade sold 700 January 2023 \$340/\$320 strangles for \$130.50

Equinix (EQIX) with 1000 January \$680 puts bought \$8.39 as the September \$600 adjust, likely adjusting a hedge

Telecom/Utilities

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