



MARKET RECAP 6/9/2023

Sector Leaders

Semis

Software

Internet

Stock Gainers

ONON 7%

ETSY 6%

SLA 5.8%

ADBE 5.5%

IOT 5%

SNAP 4%

Volatility Gainers

- FGEN
- QURE
- IOT
- SIMO
- ONON
- ORCL

High Call Volume

- XMTR
- JCI
- YY
- GEN
- CBOE
- TH

Bullish Options

- PTON
- KBH
- AMD
- TER
- TGT
- QCOM
- NFLX
- SHOP
- GEN
- AAPL
- IMGN
- PAYO

Market Review: Stocks saw a muted open without a lot of news overnight, China stimulus hopes offsetting fears of slowing global growth. Breadth held firmly positive through the morning with Tech leadership reemerging but started to roll over late morning. Semis and Software lead morning strength while Internet was also strong. There were a lot of sectors in the red with Banks, Retail, Metals and Biotech weakest. We headed back to the big 4300 round number with some risk-off moves into next week's major inflation and central bank catalysts while also being June OpEx week. The market spent most of the midday to afternoon rotating sideways near the large 4300 SPX number and overall Nasdaq closing near its opening range but S&P at a new closing high for 4300 as sentiment also reaches new heights and VIX closes under 14.

S&P Chart:



Resistance	Support
4300	4200
4375	4135
4500	4100

Options Action Trends: We definitely started to see some large put buys today after the long rally, a slight sign of sentiment shifting. Call buyers remained active in Semis like AMD, QCOM, TER, NVDA, TSM, MRVL. Nasdaq continued to see upside bull positioning in QQQ roll up longer term.

What's On Tap: The major earnings reports next week include HD, ADBE, LEN, KR, JBL. It will be June OpEx week and the major focus on inflation data and the FOMC Announcement and more importantly, the Press Conference to follow. Retail Sales, Philly Fed and Consumer Sentiment on Thursday/Friday will finish a very busy week.

Trade Tracker Portfolio Changes:

- No Changes

Sector Laggards

Banks

Metals

Biotech

Stock Losers

MTN -6%

NVCR -5%

RPRX -4%

SMG -3.5%

ENVX -3.5%

CVNA -5%

Volatility Losers

- MTN

- DOCU

- BRZE

-

High Put Volume

- HUN

- QURE

- BKR

- SGML

-

Bearish Options

- TSLA

- ABNB

- AI

- SOFI

- LEN

- QURE

- HUN

- YY

- JPM

- PLTR

- ALV

- JCI

- JPM

- ZM



FEATURED OPTIONS RADAR REPORT



Large Call Buyer in Utility Sees Re-Rate Potential

Ticker/Price: SO (\$71)

Analysis:

Southern Co. (SO) closed the session strong on 6/8 as afternoon buyers came for 12,000 November \$75 calls bought \$2 to \$2.08, a very large trade for the name and resulted in 9X daily call volume. SO only other open interest of note are 3500 August \$70 calls sold to open back on 1/26. SO pulled back through May but held key support at \$68.50 as the 89-week EMA, long-term VPOC and VWAP off 2023 lows. SO has room to work back to recent \$75 highs and 2022 highs near \$80.

SO has regulated utilities exposure in Georgia, Alabama, and Mississippi. Georgia Power makes up the majority of SO's EPS and is generally a focus area given the Vogtle project. GA Power represents the highest share of EPS at about 55% in 2022. The utility has an above average ROE, at 10.5%, which was recently set through the annual rate process. Alabama Power, which comprises about 40% of the regulated utilities' earnings, could be underappreciated

on a favorable regulatory construct with the RSE. SO's current base capital plan is \$43B across 2023-2027 and management has identified \$3+B in potential incremental spend across that period. Opportunities include investments

at Southern Power as well as the regulated utilities around renewables, other decarbonization investments, transmission, and resiliency. SO has a market cap of \$76.2B and trades 17.4X Earnings, 2.5X Book and 13.7X EBITDA

with a 4% dividend yield. Forecasts see SO EBITDA rising 3% in 2023 and 7.9% in 2024. Analysts have an average target of \$73 with short interest low at 1.4% of the float. Goldman initiated shares at Buy with an \$80 target this week noting that the stock has faced challenges in recent years due to execution missteps at the Vogtle project, but now sees a

path to SO re-rating to its historical valuation premium following the in-service of Vogtle Units 3 and 4, which is expected in 2Q23/1Q24, respectively. Mizuho upgraded to Buy on 4/20 calling SO a pure-play operating in constructive jurisdictions.

Hawk Vision:



Hawk's Perspective: SO working out of a small base offers a nice 4% yield as well, more of a boring stock to own with a clear stop near \$68 as the calls are unlikely to see much upside in a slow mover.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Opening Put Sale Shows Confidence in Cloud Software Name

Ticker/Price: HUBS (\$519.75)

Analysis:

HubSpot (HUBS) on 6/8 saw a large, unusual opening put sale of 200 September \$520 puts for \$42.90 and over \$1M in total at the money puts sold into strength showing confidence in the stock at these levels. HUBS rarely sees notable options trades either so this stands out but still has 150 January \$280 deep ITM calls in OI from buyers in late January while the Jan \$450 short puts still holding in OI as well, over a \$2M short put position. The \$25.9B company trades at 86x FY24 earnings, 10.8x sales, FCF yield of 1.0%, while revenue expected to grow +21% in FY23 and growth estimated at +21% in FY24 so a rich valuation but strong growth for multiple years expected and these Tech names back in favor. HubSpot provides a cloud-based customer relationship management (CRM) Platform. The Company's CRM Platform is comprised of a marketing hub, sales hub, service hub, content management system (CMS) Hub, and operations hub as well as other tools, integrations, and a payment solution that enables companies to attract, engage, and delight customers throughout the customer experience. HUBS is coming off a strong quarter beating EPS and revenues while raising guidance and saying that they delivered more than 4 points of margin expansion year-over-year, bringing operating margins to over 13%. Gross retention remained healthy in the high 80s for the quarter. Shares have been strong since the start of the year as growth names are back in favor and most recently the breakout from a long base near 430 sent the stock up to 530 quickly so now potential for a consolidation to setup a follow through higher. The stock has support at 500 top of monthly value and 21 EMA and resistance not really notable until the 575 level overhead. HUBS recently took out its big 2021 POC volume level at 510 and staying above it. Average analyst target is \$490. Barron's recently out positive on the sector while Goldman was out in April saying that it believes in a faster-than-anticipated margin ramp for the stock as operating leverage acts to improve margins starting FY23. BAML last month raised its target to \$530 and keeps a Buy rating and reiterate the stock as a top pick following strong Q1 results that included meaningful revenue and billings upside. HubSpot maintained the fastest growth rate in large cap software during Q1 at 29% constant currency, which points to its solid execution across a diverse set of growth opportunities. Credit Suisse boosted its target to \$550 from \$480 and has a Outperform citing Top of the funnel momentum and multi-hub adoption continued, demonstrating the power of HubSpot's platform and its ability to land-and-expand customers despite persistent macro and spend optimization pressures. Short interest is at 2.8%. Hedge fund ownership fell 14%.

Hawk Vision:



Hawk's Perspective: HUBS is a higher valuation name but trending strong most of this year. Any dips to the 21 EMA like this week are buyable with that put seller showing confidence in a floor around these levels.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Deep ITM Call Buyer Sees Upside in Fast Food Giant into Pullback

Ticker/Price: MCD (\$286.25)

Analysis:

McDonald's (MCD) on 6/8 saw a large in the money call buyer for 240 January \$265 calls at \$32.40 for nearly \$800K bought. MCD also still has January \$275 and \$250 short puts in OI from sellers earlier this year combining for over \$2.6M in put premium showing confidence at current levels. MCD also has 1000 Jan \$260 calls in OI from buyers last year at \$27.40 while the June 2024 \$325 calls sold to open on 4/17 for \$11.80 showing a potential ceiling at 325 this year if it got there would be a nice target. The \$209B company trades at 24.8 earnings, 9.4x sales, FCF yield of 3.7%, with a 2.2% dividend yield while revenue expected to grow +8% in FY23 and growth estimated at +7% in FY24. MCD just had a strong quarter beating EPS estimates and revenues while also reporting strong comps and seeing strong consumer demand despite a challenging operating environment. Also, China had been a weak spot following the COVID closures, but MCD saw a steady recovery with China posting positive comps in Q1. What really stood out were MCD's Q1 global same store comps. At +12.6%, this was the fifth quarter in a row where comps were better than analyst expectations and really impressive considering that MCD was lapping strong +11.8% comps a year ago. Shares have been pulling back to its rising 55 day EMA support and this week formed a bull candle off that 280 level where the prior breakout nearly got retested. MCD made a strong advance higher from March into May rallying nearly to 300 before correcting and now setting up a more favorable entry point with stronger support even at 275 being YTD VWAP and top of 2022 yearly value. Average analyst target is \$320. Loop Capital last month out saying that the firm's latest round of franchisee checks indicates same-store sales growth is tracking ahead of expectations in the current quarter as "Better Burger" continues to reach additional locations. Loop raised its target to \$346 from \$328 and keeps a Buy rating. BMO upped its target to \$325 from \$300 and said McDonald's should be able to sustain strong momentum and continue gaining share, particularly in a softer consumer environment. Truist boosted its target to \$327 while Guggenheim boosted to \$325 from \$305 and raises its target multiple arguing MCD has a clear path to its best EPS upside in recent years. Short interest is at 0.9%. Hedge fund ownership rose 5%.

Hawk Vision:



Hawk's Perspective: MCD is a solid risk reward here back near 280 for a move back towards 300 and beyond as EPS improves and inflation subsides. Playing January 300 calls likely a cheap way to participate higher.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Russell (IWM) buyer 5500 December \$189 puts for \$10.24

S&P (SPY) opening seller 10,000 August \$430 puts for \$7.70. **SPY** also seeing buyers active 23,500 June 30th (Q) \$430 puts today for near \$10M

Treasury (TLT) buyers for 25,000 October \$101 puts this morning for \$8.5M, though rallying since and could be protective

Regional Banks (KRE) weaker today and seeing a midday trade buy 12,000 July 28th \$44 straddles for \$4.84, stock tied. **KRE** seeing 6750 July 28th \$44 calls bought here late day for \$2.04 in a stock replacement

Cannabis (MSOS) seeing a buyer of 8065 July \$6 calls for \$0.60, adjusting June 23rd calls

Brazil (EWZ) with 5000 August \$30 bull synthetics open for \$1.90 debit

Nasdaq (QQQ) stock replacement sells to open 5750 July 28th \$345 puts for \$5.54, captures next FOMC meeting in July too. **QQQ** also a large buyer of 3000 December 2024 \$425 calls for \$17.52, adjusting the June 2024 \$355 calls up and out. **QQQ** now seeing 5000 June 2024 \$405 calls bought aggressive at \$15.10 offers, over \$7.5M

Ark (ARKK) seeing 4895 September \$43 calls bought \$3.65, adjusting the \$39 calls higher

South Korea (EWY) with 1348 January \$71 calls bought \$3.10, adjusting July calls

Consumer Goods

Li Auto (LI) opening sales of 1900 July \$30 puts for \$1.11

Target (TGT) buyer 2350 August \$135/\$145 call spreads into Citi downgrade. **TGT** August \$125 puts also sold to open with those call spreads 2000X

Tesla (TSLA) into strength seeing big buys 8000 October \$220 puts \$17.90 to \$18.10. **TSLA** buyers in August \$400 calls for 5000X near \$2.30; December \$195 puts bought 3000X at \$13.45 to \$13.55; November \$325 calls bought 4500X for \$7M as weekly calls adjust

Peloton (PTON) buyers 3K July \$10 calls now with June \$9 calls bought 8500X in the opening minutes

Li Auto (LI) opening sales 1800 March \$25 puts \$2.44

Guess (GES) sweep buyers 2000 July \$20 puts \$0.60

Home Depot (HD) sale of 1100 June \$295 puts for \$2.34

Autoliv (ALV) with another 1100 July \$75 puts bought here for \$1.10, over 4k on the day

Ford (F) buyers of 7500 December \$16 calls for \$0.60 offers

Consumer/Business Services

Airbnb (ABNB) sweep buyers 1200 August \$120 puts \$8.20 offer into this pop, BTIG report showed weakening site traffic

Shopify (SHOP) IV rising this morning with 10,000 OTM July 70 calls being bought offers

Netflix (NFLX) resuming higher seeing buyers 1500 August \$480 calls \$11.90 offer

Marine Max (HZO) buyer 1100 Oct. \$40 calls for 2.30

Joyy (YY) opening seller 3000 January \$30 calls for \$3.40 to 43.20

Papa John (PZZA) opening sale 5000 August \$62.5 puts for 1.32

Target Hospitality (TH) unusual buy 1000 Oct. 17.50 calls 1.90 offer with stock running

Norwegian Cruise (NCLH) buyer 2000 December \$22 calls for \$0.89 offer

Domino's Pizza (DPZ) opening seller of 580 July 28th \$265 puts for \$3.60, captures earnings 7/20

Royal Caribbean (RCL) with 500 June 2024 \$100 puts bought at \$17.95

Energy

Sigma Lithium (SGML) with a block of 4000 October \$25 puts sell to open for \$0.40

Baker Hughes (BKR) opening sale 7000 July 27 puts for 0.35 to 0.30

Petrobras (PBR) with 15,000 January \$16 calls bought \$0.35 offer

TC Energy (TRP) with unusual 2000 November \$45 calls bought for \$0.90 as tries to clear monthly value high

Nextdecade (NEXT) odd aggressive buyer of 2500 next weeks June \$6 calls for \$0.80 in stock replacements here midday. Small cap LNG energy name

Hess (HES) midday opening sale of 700 August \$135 puts for \$6.90 bids. **HES** also with 500 January \$145 calls sell to open at \$12.40, adjusting Aug \$140 short calls

Frontline (FRO) popping and seeing buyers of over 4500 July \$15 calls for \$0.50 up to \$0.70

Chevron (CVX) with 600 January 2025 \$165 calls bought \$18.90, also buys 900 of the \$160 puts for \$19.05, ratio strangle buys that lean bearish delta

EOG (EOG) with 800 August \$125 calls buy for \$2.65 sweep offers

Financials

CBOE (CBOE) opening seller 1350 January \$150 calls at \$4, adjusting June \$135 short calls

Apollo (APO) with 2139 Sept \$77.50 calls sold to open \$2.70, adjusting June \$70 short calls

Sofi (SOFI) buyer 1000 January \$9 puts \$1.81. **Sofi (SOFI)** buyer of 30,000 June 30th \$9 calls at \$0.33 adjusting June \$7.50 calls

Capital One (COF) with 1100 Dec. 80 puts sold to open for \$2. **Capital One (COF)** stock replacement sells to open 400 June 2024 \$120 ITM puts for \$17.90

HSBC (HSBC) buyer 2000 December \$38 straddles for \$4.62

JP Morgan (JPM) large buyer of 1700 December 2025 \$140 puts at \$17.52, adjusts June 2024 puts

Goldman (GS) block of 1000 January \$315 puts sells to open \$16.85

Payoneer (PAYO) massive buy of 18,000 November \$4 calls for \$1.17

AmEx (AXP) seeing 700 June 2024 \$195 calls sold in buy writes for \$11.15, also selling the \$145 puts for \$7.50, covered strangles willing to be long more shares lower or called away higher

Healthcare

Uniqure (QURE) buyer 2000 July 17.5/10 put spreads for 2.80

AstraZeneca (AZN) stock buyer sells 1000 January 2025 \$95 calls and buys 1000 of the \$72.5/\$62.5 put spreads in a collar

ImmunoGen (IMGN) continues to be a great small Biotech play with the write-up a few weeks ago and today 4000 October \$18 calls are bought 2.80 to open. **IMGN** also opening sales of 2600 July \$16 puts for \$0.90

Industrials

Generac (GNRC) opening seller 550 June 2024 \$125 calls for \$23.10 bids

Johnson Controls (JCI) seeing a large opening sale for 10,000 October \$67.50 calls at \$1.95, adjusting the June \$62.50 short calls

KB Homes (KBH) buyer 1000 Dec. 2025 \$60 calls for \$750K as Jan. \$40 adjust

Generac (GNRC) seeing high Delta June 2024 \$125 calls bought to open today \$23 to \$23.70, follows bull November spreads yesterday

CSX (CSX) block 1350 June 2024 \$32.50 puts sold to open 2.60

Xometry (XMTR) spikes with unusual July \$22.50 calls bought \$1.30 to \$1.55 2200X

Delta (DAL) buyer 10,000 July 40/45 call spreads as June 35/40 adjust. **DAL** also with 8715 July \$35 puts sold to open today for \$0.31

United Air (UAL) large trade sells to open 11,100 July \$44 puts at \$0.52 to buy the \$52.50/\$57.50 call spreads at \$1.28, adjusting the June call spreads

Copa (CPA) with 500 August \$115 calls bought \$5.50 to \$5.60

Willscot (WSC) with 2000 July \$47.50 puts sell to open at \$1.60 in stock replacements

Materials

Kinross Gold (KGC) opening sales of 6000 July \$5 puts for \$0.31

Teck (TECK) opening sale 1000 August \$42 straddles for \$6

Huntsman (HUN) with 8000 August \$23 puts bought up to \$0.60

Vale (VALE) with a massive trade selling to open 65,000 July 14th \$13 puts for \$0.18 to buy the \$15.50 calls for \$0.18, zero cost bull risk reversals

Albemarle (ALB) strong recent bounce back over YTD VWAP now this week and seeing buyers of 600 December \$290 calls at \$7.40 to \$7.50 offers

Tech

Oracle (ORCL) again with sweep buys active for 1200 December \$140 calls at \$0.93 to \$0.97. **ORCL** now seeing sales of 2000 December \$120 calls at \$5.50, maybe closing into strength. **ORCL** 1100 June 30th (W) 112 calls sell to open 3.25. **ORCL** sweep buyers 1000 Dec. \$125 calls \$3.65 offer. **ORCL** seeing 1280 Sept \$125 calls sell to open \$1.86, adjusting June 23rd \$106 short calls

Teradyne (TER) with 1400 August \$110 calls bought \$5.50 offers

AI seeing 2000 August \$40 puts bought for \$8.80 into strength

Wolfspeed (WOLF) buyer 950 August \$60 calls for \$4.13 as June \$45 adjust

Advanced Micro (AMD) with 2225 December 2025 \$200 calls opening for \$4.8M as June 2025 \$160 and \$180 adjust. **AMD** 1000 November \$160 calls bought \$6.60 to \$6.85. **AMD** trades look to be closing August \$125 calls 5500X and buying 14,000 August \$140/\$170 call spreads. **AMD** staying strong today and seeing late day opening sales of 2700 June 2025 \$110 puts sold for \$19.00, relentless put sales this week into strength

Qualcomm (QCOM) buyers 1800 June 30th (W) \$120 calls \$3.50 to \$3.60. **QCOM** also 700 July 14th (W) \$115 calls bought \$6.80. **QCOM** August \$115 puts being sold to open 1445X \$4.45 to \$4.60

Hashi (HCP) buyer 1500 July \$30 calls \$1.35 offer after getting whacked on results

Baidu (BIDU) buyers of 1300 July \$145 calls \$4.65 offer as nears flag breakout

Gen Digital (GEN) buyer 5500 January \$19 calls \$1.25 adjusting the \$17 calls from a recent write up

DocuSign (DOCU) with 1000 January 2025 37.50 short puts opening 4.65 and lower. **DOCU** buyer 1000 June 2024 \$40 puts for \$3.80

Nvidia (NVDA) August \$315 puts selling to open 2000X today near \$3.55. **NVDA** trade closes June \$300 calls and opens September \$430/\$350 bull risk reversals 5810X3,485. **Nvidia (NVDA)** today with 2400 July \$380 bull synthetics open for \$11 debit

Apple (AAPL) put sellers again today with 5000 November \$180 at \$8.85 and 5000 December \$180 puts at \$9.55. **AAPL** with 2000 March \$215 calls sold to open \$4.30, also seeing opening sales of 6000 March \$180 puts for \$11.45

Palantir (PLTR) with 7500 August \$15 puts bought \$1.80

Match (MTCH) with 2690 July \$42.50 calls sold to open \$1.54 while also sells Sept \$35 puts for \$1.51, calendar strangles possibly covered since odd lots. **MTCH** June 41 calls were bought 7500X this morning

Zoom (ZM) seller 4000 July 75 calls for 1.18. **ZM** offer buyers active in August \$70 calls 3000X, OI check. **ZM** now seeing 4000 July \$75 calls to open \$1.39

Broadcom (AVGO) buyer 1250 September \$1000 calls at \$7.50 offer

Alibaba (BABA) with 1870 June 2024 \$85 puts sold to open for \$12.01

Adobe (ADBE) also with 1000 July \$460 bull synthetics opening at \$4.50 debits, stock replacement

Salesforce (CRM) nice bounce today and seeing buyers of 3000 July \$230 calls for \$3.50 to \$4.20. **CRM** also with some opening sales of 1300 Sept \$240 calls at \$5.50

Shopify (SHOP) with buyers of 1200 Sept \$65 calls at \$5.70

Mongodb (MDB) with a stock tied buyer of 450 January 2025 \$310 puts for \$60

Snowflake (SNOW) with 630 Sept \$180 calls sold to open \$17 down to \$15.50

Communications/Utilities

SBA Comm (SBAC) buyer 480 July \$230 calls \$7.50, tower stocks trying to carve out a bottom

Verizon (VZ) buyer of Oct. \$30 ITM calls 3200X at \$5.90 while the \$37 calls sold to open 6000X

T-Mobile (TMUS) with 2700 January \$145 calls bought at \$5.40 sweep offers

NextEra (NEE) with 3000 January \$82.50 calls bought for \$2.45 here midday in a stock replacement

Disclaimer:

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