



**Sector Leaders**

Bonds

Housing

Ag

**Stock Gainers**

MBLY 5.5%

EDU 5%

INST 4%

JBHT 4%

AEHR 7%

**Volatility Gainers**

- YPF
- ZS
- CHGG
- BMA
- MSTR
- CWH

**High Call Volume**

- SCPL
- QFIN
- IAC
- OTIS
- VNO
- ANF

**Bullish Options**

- DASH
- YPF
- TEAM
- DIS
- QFIN
- SCPL
- PINS
- META
- LTHM
- NOC
- UBER
- BA

**Market Review:** Stocks were higher overnight as the BOJ stayed dovish and Europe saw further cooling of inflation and some positive earnings remarks. In early US data PPI came in very soft while Retail Sales also showed some weakness but improved versus November. A weak USD and falling Yields fueled gains into the open. Industrial Production came in weaker than expected. Bullard's early comments capped gains seeing inflation sticky and higher rates but did see higher odds of a soft landing. Breadth was strong off the open but after the opening hour started to weaken as SPY 400 was a tough level to crack into earnings season. Most sectors turned red with Housing one area outperforming. Banks and Consumer Goods led downside moves while Industrials also fell. The S&P 500 touched its rising 8-MA midday with the pullback where we stabilized but saw very little rebound. Fed/ECB speakers and earnings in focus into a massive January 2023 OpEx day Friday.

**S&P Chart:**



Resistance	Support
4030	3800
4110	3700
4200	3550

**Options Action Trends:** Put buyers were active in RV plays WGO, CWH and THO. We also had put buyers in cereal names GIS, K. Put buyers returned to consumer credit names like COF, SYF as well. We also had buyers in Cruise liner puts CCL, NCLH into recent rallies.

**What's On Tap:** Philly Fed Manufacturing Index, Jobless Claims, Housing Starts, Crude Oil Inventories, Fed's Brainard Speaks; ECB President Lagarde Speaks; Earnings from FAST, NTRS, PG, TFC, NFLX, PPG

**Trade Tracker Portfolio Changes:**

- 1) Long FIS April \$70/\$75 Call Spreads at \$2.40

**Sector Laggards**

Banks

Consumer Goods

Utility

**Stock Losers**

YOU -11.5%

YETI -7.7%

GDS -7%

CELH -6%

THO -5.7%

IRTC -5.5%

**Volatility Losers**

- RETA
- GME
- 

**High Put Volume**

- LEG
- PSTG
- ARCC
- NVCR
- THO
- HRL

**Bearish Options**

- ATVI
- COIN
- SE
- MU
- LLY
- F
- SBLK
- OIH
- AFRM
- KMX
- W
- ABNB
- WYNN
- WGO



## FEATURED OPTIONS RADAR REPORT



### Unusual Put Sale Sees Value in Orthopedic Device Co.

**Ticker/Price:** ZBH (\$123)

#### Analysis:

**Zimmer Bio (ZBH)** large opening seller of 1600 February \$125 puts for \$4.70 on 1/17 as the first notable trade in the name that makes it to the database. ZBH shares put in a strong run to close 2022 and last week pulled back to lower monthly value support just above the rising 55-day moving average. ZBH shares peaked in April 2021 and the recent move has also carried shares above the downtrend and the recent high came right at VWAP off those April 2021 highs as well as a 38.2% retracement, so clearing \$129 can open up a move to \$140. Zimmer Biomet is a global leader in musculoskeletal healthcare with orthopedic reconstructive products; sports medicine, biologics, extremities and trauma products; spine, craniomaxillofacial and thoracic products; dental implants; and related surgical products. ZBH screened positively for the 2023 outlook as a name with rising estimates and improving margins as well as the potential for a strong product cycle. ZBH has a market cap of \$25.85B and trades 12.4X EBITDA, 17.75X Earnings and 25.75X FCF with revenues seen rebounding in 2023 along with EPS though still modest growth seen. ZBH is seeing strong demand for ROSA and Persona cementless form factor, additional launches in S.E.T. category and a hip product launch early in 2023. ZBH also should see improving results out of China and recently did a tuck-in deal for Embody. Analysts have an average target of \$128 with short interest low at 1.3% of the float. RBC upgraded to Outperform last week with a \$141 target on easing currency headwinds, product launches, market share gains and backlog upside. RayJay upgraded to Outperform on 1/5 with a \$144 target saying large joint volumes are showing signs of inflection and can see upward skew to estimates.

#### Hawk Vision:



**Hawk's Perspective:** ZBH looks good if clears the 8-MA back inside value for a potential run to \$140, seems to be an undervalued name with momentum and not much attention.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



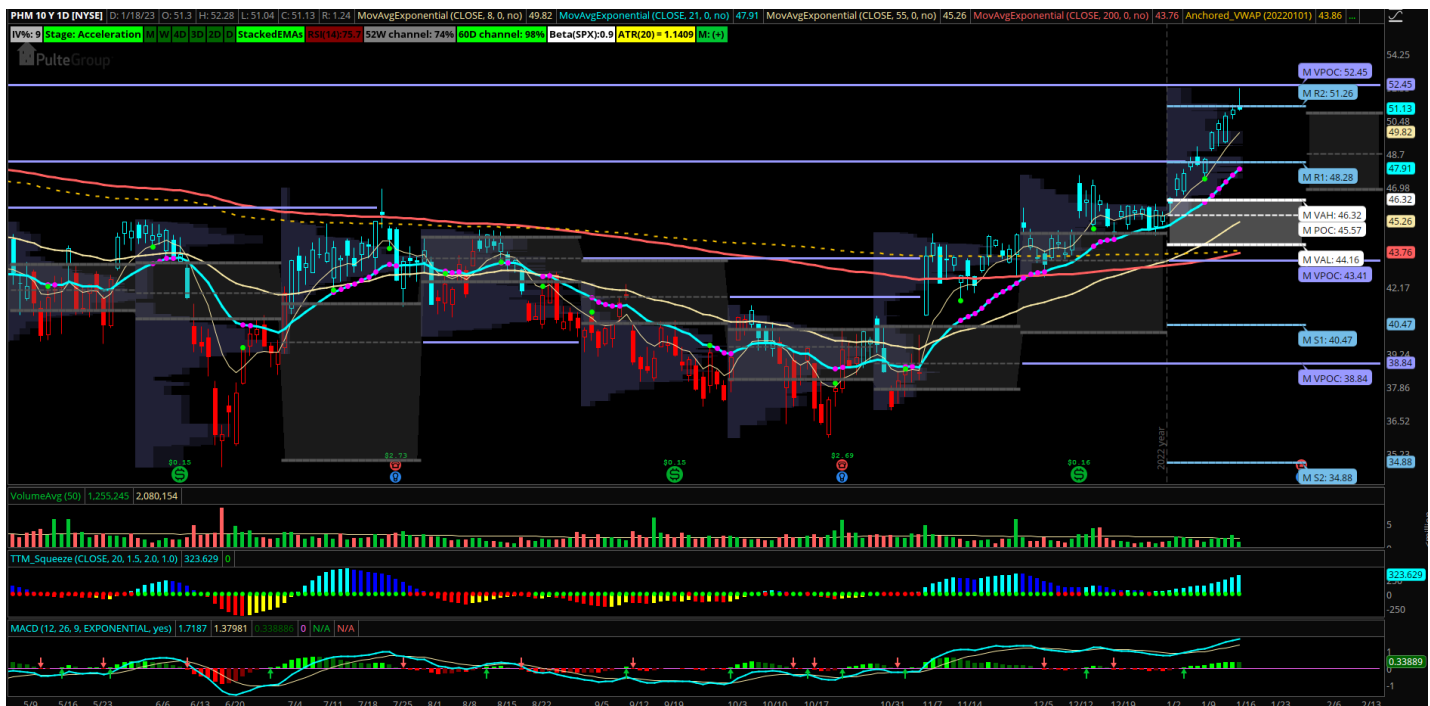
### Overextended Homebuilder Sees Large Put Spread Buy into Resistance

**Ticker/Price:** PHM (\$51.10)

#### Analysis:

**Pulte Group (PHM)** on 1/17 saw a large buyer of 8000 April \$50 puts for \$2.88 and spread against sales of the \$40 puts as the Homebuilder rally gets extended. PHM does not see as much option flow as other builders, so this action stands out. PHM still has Jan 2024 \$33 puts in open interest as well as 3000 Jan 2025 \$25 puts in open interest from buyers in September at \$2.85. Shares have been strong since the October lows as the stock bottomed near 35 and now hitting 52 this week right into a large VPOC resistance level and potential to pullback to 48 where the 21 EMA sits and monthly value lower at 46 roughly. PHM has a strong trend so possibly just a overextended chart that needs some time to dip and reset. The 200-day EMA long term support is at 43.75 currently. The \$11.6B company trades at 7.2x earnings, 1.0x sales, FCF yield at 17.3% while revenue is expected to grow +11% in FY22 and -8% growth estimated in FY23. Its Homebuilding operations are aggregated into six segments: Northeast, Southeast, Florida, Midwest, Texas and West. Its Financial Services segment consists of mortgage banking, title, and insurance brokerage operations. Average analyst target is \$57. BAML upgraded the stock to Buy last week and raised its price target to \$60 from \$46 and sees a more favorable setup for homebuilder stock performance. Citi boosted its target to \$56 from \$49 and has a Buy rating saying housing starts to bottom in 2023 and expects new home prices to fall 15% from peak, ultimately unlocking affordability and stabilizing activity in in the second half of 2023. They have a preference for construction materials names citing attractive relative valuations, pricing power, and recession-resistant demand. The analyst is selectively positive on homebuilders. The spring selling season should be weak, but a stabilization of second half net orders should be a catalyst. Short interest is at 4.0%. Hedge fund ownership rose 3.0% last quarter.

#### Hawk Vision:



**Hawk's Perspective:** PHM is a solid chart but due for a breather so shorting here against a close above 52.50 or just using those April put spreads for a way to trade back to 45-46 is ideal. That support likely a longer term buy though.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



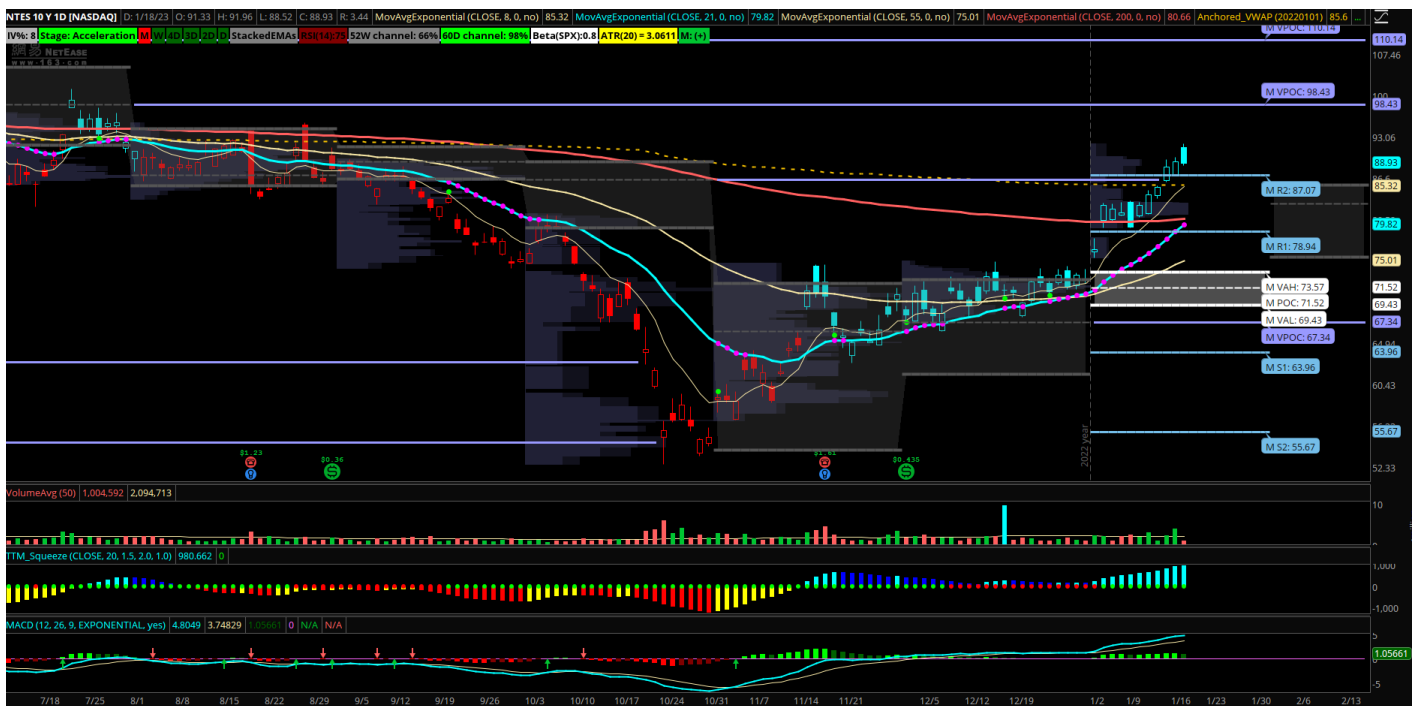
### China Gaming Tech Name Seeing Call Buyers Look for Follow Through

**Ticker/Price: NTES (\$88.90)**

#### Analysis:

**NetEase (NTES)** on 1/13 saw a large buyer of 2000 February 10<sup>th</sup> \$83 calls at \$6.00 of over \$1.4M and also a smaller buy of 1000 Feb 10<sup>th</sup> \$90 calls for \$3.60. NTES also has recently seen buys for 450 January 2024 \$110 calls at \$7.70 and still has 1750 June \$75 calls in open interest from buyers on 11/4 at \$6.00. Earnings due Feb 23<sup>rd</sup> so these call buyers looking for follow through higher into early Feb ahead of earnings. Shares have been strong with China names rallying to start the year and NTES hitting 90 this week so a bit extended and can pull back to its 8 EMA at 85.50 possibly. The stock has pushed above its one-year VWAP also showing strength so any consolidation here above 85 likely sets up next leg higher to 98 where an untested VPOC is still near the 100 round number and 105 is top of 2022 yearly value area. The \$58.5B company trades at 17.3x earnings, 3.0x sales, FCF yield at 6.2% while revenue is expected to grow +5% in FY22 and +8% growth estimated in FY23. NetEase is a China-based technology company. The Company operates through four business segments. The Online Game Service segment is engaged in developing and operating online game services that cover mobile games and personal computer (PC) games. Average analyst target is \$107. Morgan Stanley out positive this week saying the share price of NetEase will rise in absolute terms over the next 60 days due to raised forecasts/guidance as game revenue growth inflection coming earlier than the Street expects, driven by strong performance of Egg Party, and license approval for Justice mobile on January 17. They have a \$107 target and Overweight rating. Citi raised to \$100 target recently and has a Buy rating citing the company's solid Q3 results and has strong self-development capability and cash flow generation. HSBC lowered their target to \$105 from \$122 but still keeps a Buy rating. Short interest is at 0.8%. Hedge fund ownership fell 10.5% last quarter.

#### Hawk Vision:



**Hawk's Perspective:** NTES is a solid trend so any dips to 8 EMA at 85-86 is likely a buy for next run to 100 level. These shorter dated call buys are interesting and look for a quicker move.

**Confidence Ranking: \$\$**

## **Additional Options Flow**

### **Market/ETFs**

**S&P (SPY)** this morning with 45,000 Feb. 10th (W) \$410 calls bought for \$2.80, also seeing 40,0900 March \$381 puts open \$5.24, and a buyer of 1500 September \$350 calls at \$65.85

**Regional Banks (KRE)** with 15,000 March 31st (W) \$57 puts bought \$1.42

**Emerging Markets (EEM)** with 25,000 June \$41 puts sold to open for \$1.76

**Oil Services (OIH)** buyers of 10,000 June 4300 puts \$18 to \$18.20

**Oil (USO)** with 5000 February \$66 synthetic long opening

**China (FXI)** opening sale 5000 September \$35/\$30 strangles for \$3.92

**Bonds (TLT)** with 10,000 June \$115/\$98 strangles sold to open

**Industrials (XLI)** with 19,000 March \$100 puts bought today

**Russell (IWM)** ugly candle today failing right at November and December rally highs and around 11am this morning Feb. 3rd (W) \$182 puts got hot at \$1.70 trading 50,000 contracts with many spread vs. 175

### **Consumer Goods**

**Activision (ATVI)** buyer 5000 February \$72.5/67.5 put spreads

**SciPlay (SCPL)** triggered a breakout this morning and seeing 10,000 May 415 calls bought \$2.55 as February adjust

**Ford (F)** buyer 1200 June 2025 \$12 puts for \$2.54

**Legget (LEG)** with 1500 February \$35 puts opening \$1.04 as January adjust

**Camping World (CWH)** buyers of 5000 March \$22 puts for \$1.50

**Kraft (KHC)** buyer 5000 January 2024 \$32.5 puts for \$1.30, stock tied

**Winnebago (WGO)** with 2000 April \$55 puts bought to open \$4.50

**Macy's (M)** buyers of 3250 June \$23 puts \$2.75

**P&G (PG)** with 3500 April \$145 synthetic longs opening as January \$150 adjust. **PG** with 1600 June \$160 puts bought ITM this afternoon into earnings tomorrow at \$15.25 offers

**General Mills (GIS)** buyer 1000 April \$77.5 puts for \$2.75

**Bed Bath & Beyond (BBBY)** buyer of 1050 April \$6 ITM puts for \$4.30 offer

**General Motors (GM)** seeing buyers of 10,000 Feb 3rd \$32 calls at \$4.75

**Coca Cola (KO)** block of 7500 February \$47.5 calls opens \$12.56 into weakness

**Kellogg (K)** buyer 2300 February \$67.5 puts \$1.60

**Life Time (LTH)** bear flow with 1000 April 17.50 calls sold to open 2.10

**Guess (GES)** with 2500 March \$21 calls bought for \$2.67 as January calls adjust

**Nike (NKE)** with a block of 4000 Feb \$125 bull synthetics opening for \$2.05 debit

**Mondelez (MDLZ)** buyers of 2000 Feb 3rd \$65 calls for \$1.45, captures earnings 1/31

**Home Depot (HD)** with buyers of 2000 May \$310 puts for \$12.92, spread against sales of 3000 \$290 puts for \$7.55, in ratio put spreads likely protecting long stock

### Consumer/Business Services

**Disney (DIS)** buyers of 8000 March \$110 calls this morning \$2.38 to \$2.44, OI check tomorrow

**CarMax (KMX)** keeps failing at resistance and buyers 1600 February \$67.50 puts \$3.20 offer

**Wayfair (W)** buyer 400 June \$35 puts for \$5.50. **Wayfair (W)** buyer of 1500 June 2025 \$22.50 puts for \$7.70

**Uber (UBER)** size buyer 10,000 September \$37.50 calls \$2.07 to \$2.09

**Netflix (NFLX)** with 1200 April \$300 puts sold to open into lows at \$21.50 into earnings. **Netflix (NFLX)** with 2500 Feb 24th \$270 puts bought for \$4.30 to \$4.90 ahead of earnings. **NFLX** also seeing buyers of 1000 April \$305 puts for \$24.05 ahead of earnings

**DoorDash (DASH)** heavy action in February \$65 calls 5000X and the \$70 calls 9000X with big blocks into day lows here, strong JustEat profit outlook providing a lift today

**Wynn (WYNN)** buyer of 1000 June \$90 puts \$6.70 as Casinos been on a big run. **Wynn (WYNN)** with 1500 March \$115 calls bought for \$1.53

**Airbnb (ABNB)** buyers of 1500 March \$100 puts \$6.75 looking to fade the rally

**Starbucks (SBUX)** opening seller 1000 April \$105 puts \$5.15. **SBUX** buy-write sells 1500 January 2024 \$140 calls 2.63

**Carnival (CCL)** bear flow with 5000 July \$11 puts bought \$1.95 offer

**Norwegian Cruise (NCLH)** seeing large buyers of 5800 June \$15 puts for \$1.70 to \$1.88 after sharp rally to start year

**Etsy (ETSY)** seeing buyer of 1500 Feb \$120 puts at \$2.97, adjusting the \$105 puts

**Lyft (LYFT)** green in weak tape but seeing 3700 May \$20 calls sell to open at \$0.89

**Shopify (SHOP)** buyer of 30,000 June \$30 calls \$12.53 as the January \$25 calls wrote up back in October close at +45%

### Energy

**Daqo New Energy (DQ)** opening seller 600 July \$40 puts for \$5.10

**Exxon (XOM)** buyer 600 January 2025 \$165 calls for \$5

**ConocoPhillips (COP)** buyer of 3000 March \$130 calls for \$3.65. **COP** spread bought 1500 June \$110 puts \$6.66 and sold 2000 of the \$130 calls at \$6.66

**Chesapeake (CHK)** buyer 1000 March \$95 calls \$4.30 into Nat Gas sell-off. **Chesapeake (CHK)** opening sale of 1200 July \$100 calls for \$5.80

**Valero (VLO)** with 2000 March \$150 calls bought \$3.55 following nice upgrade note yesterday

**SunRun (RUN)** buyer 1000 August \$25 puts for \$3.70 offer

**Apa (APA)** seeing 3500 Feb \$50 ITM puts sell to open at \$6.15, adjusting Jan short puts

### Financials

**Coinbase (COIN)** early buyers 2000 March \$55 puts near \$9

**Morgan Stanley (MS)** block of 1500 April \$105 puts sold to open for \$9.50. **MS** also buyers of 2000 April \$100 puts for \$6.40

**Payoneer (PAYO)** large opening sale 10K May \$5 puts for 0.45 to 0.50

**Schwab (SCHW)** opening seller 400 January 2025 \$70 puts \$6.925 into earnings weakness

**Banco Marco (BMA)** unusual buy 2000 April \$25 calls \$1.40 with a recent parabolic move

**Citigroup (C)** seeing 22,000 Feb \$50 straddles sold to open \$2.96

**AGNC (AGNC)** opening seller 2000 January 2024 \$13 puts 42.75

**Mr. Cooper (COOP)** buyers of 5000 April \$42.50 puts at \$2.55

**Block (SQ)** seeing buyers of 4000 Feb 3rd \$76 calls for \$2.70 to \$3.45

**Berkshire (BRK.B)** with 1280 June \$285 puts bought \$5.50 offers

**Capital One (COF)** with 3500 February \$100 puts bought \$3.50 to \$3.60

**Synchrony (SYF)** with 4000 February \$34 puts bought for \$2.15

**Bank America (BAC)** buyer 10,000 April \$36 calls at 0.90, sells the \$38 calls which may be adjusting

**Shift4 (FOUR)** spread selling 2000 February \$80 calls to buy the \$60/\$50 put spreads, potentially protective

### Healthcare

**Eli Lilly (LLY)** buyer of 1000 April \$370/\$330 put spreads adjusting the January spreads, stock churning for a few months now

**Madrigal (MDGL)** opening seller 250 April 350 calls for \$24

**Moderna (MRNA)** seeing 990 July \$190 puts bought into strength for \$23.55

**Bristol Myers (BMY)** buyer 450 June 2024 \$80 calls for \$5.30

**CVS (CVS)** buyer of 800 August \$70 ITM calls for \$21.15

**DexCom (DXCM)** with 1000 March 120 short calls opening 3.60 to 3.50

**TelaDoc (TDOC)** with 1500 February 425 calls bought \$3.60 offer

**HCA Healthcare (HCA)** with 1400 March \$280 calls sold to open for \$6.50

**Humana (HUM)** with 1000 Feb \$480 puts bought for 11.95, and selling the May \$400 puts in a spread for near \$7 net debit

**RCM Health (RCM)** buyer 5000 February \$12.50 calls for \$1.55 as January \$10 adjust and also selling 2000 of the \$12.50 puts for \$0.60

**Amylyx (AMLX)** pops off lows with IV surge as 1700 February \$40 OTM calls being bought up to \$1.50

**Inmode (INMD)** spread sells 1000 May \$30 puts to buy the \$35/\$40 call spreads

**Apellis (APLS)** with 1000 March \$35 puts selling to open 3.30

### Industrials

**Generac (GNRC)** with 300 June \$115 puts sold to open \$14.50 also sellers to open 400 of the \$115 calls \$17.70

**Northrop Grumman (NOC)** very oversold seeing 500 March 3rd (W) \$470/\$420 bull risk reversals open at \$4 debits

**Manitowoc (MTW)** rising with 1680 June \$12 calls opening as the \$10 strike adjusts up

**Polaris (PII)** unusual large buy 2000 February \$105 puts \$4.40 to \$4.65, large candle rejection at upper value

**United Airlines (UAL)** pulling back after earnings and a buyer of 1500 Sept \$50 puts for \$5.90, stock tied

**CSX (CSX)** with 3000 January 2024 \$30 puts sold to open \$2

**Virgin Galactic (SPCE)** buyer 1700 July \$5 puts 1.37 offer

**Lennar (LEN)** seeing 720 August \$115 calls sell to open at \$4.88 to buy the \$95/\$75 put spreads for \$5.18, likely protecting long stock after a big run in Homebuilders

**Boeing (BA)** held the 8-MA and remains strong overall, large buy late day 1500 April \$210 calls \$16.35 offer

### Materials

**Livent (LTHM)** buyers of 3500 February 22.50 calls ITM as January adjust

**Newmont (NEM)** with 4500 Feb \$52.50 straddles sold to open \$3.75

**Dow Chemical (DOW)** with 2500 January 2024 445 short puts opening \$2.35

**LyondellBasell (LYB)** opening seller of 6000 March \$100 calls for \$1.25 in sweeps

**DuPont (DD)** massive buy of 20,000 July \$65 calls \$11.70 in a stock replacement

**Mosaic (MOS)** into day lows with a stock replacement buying 2500 June \$55 calls for \$2.62

**Alamo Gold (AGI)** opening sale 7500 June 10 puts for 0.675

**ATI (ATI)** buyer 1500 February \$37.50 calls \$1 and still has the 4270 Feb \$35 bought in OI

### Tech

**Sea (SE)** buyer of 1000 March \$70 puts \$10.65 offer. **SE** also with 2225 February \$65 puts bought \$5.05 offer

**Apple (AAPL)** with 15,000 Feb. 24th (W) \$132 puts sold to open \$3.10 to \$3



**Meta (META)** with 10,000 Feb. 3rd (W) \$125 puts sold to open for \$3.40, captures earnings

**Atlassian (TEAM)** with 2270 June \$160 calls bought up to \$26 to open as clears monthly value range and high-valuation software coming back into favor. **TEAM** also 2000 June \$90 puts sold to open for \$3.60

**Micron (MU)** with 3485 February \$57.5 puts bought up to \$2.27

**Nvidia (NVDA)** with 2100 Feb 3rd \$180 calls sold to open \$6.45, adjusting Jan

**Pinterest (PINS)** with 2000 ITM March \$24 calls bought \$4.05

**ASML (ASML)** with 200 June \$690 puts opening \$1.5M

**GitLab (GTLB)** opening seller 520 June \$50 calls on 8.70 bid

**Palo Alto Networks (PANW)** with 1200 June \$135 puts sold to open for \$9.00

**Viant (DSP)** with 2500 July \$5 short puts opening \$1.25/\$1.30 as January adjust

**Intel (INTC)** with 1500 June 2024 \$27 puts sell to open at \$3.55 in stock replacements

**Veeva (VEEV)** with 1000 January 2024 \$160 puts sold to open \$20 while 1250 June \$150 puts also sold to open as January 170 adjust

**Google (GOOGL)** buyer 2000 June \$95 calls \$7.05 to \$7.10 spared vs. \$107 calls. **GOOG** buyer of 9000 June \$85/\$45 put spreads

**Seagate (STX)** with 3000 February \$57.50 puts opening near \$3 into this multi-week run

**Snowflake (SNOW)** buyers in August \$205 and \$210 calls on the offer for over \$1M premium with 700X and 850X

**Microchip (MCHP)** buyer 500 January 2024 \$67.5 calls \$15.60 offer

**Jabil (JBL)** buyer 575 September \$80 calls \$7.90 offer

**Twilio (TWLO)** IV dropping hard into day lows with 3000 February \$50 puts selling 3.35 bids

**DocuSign (DOCU)** unusual buys 3000 March 3rd (W) \$70 calls \$0.65 offer, far OTM

**IBM (IBM)** buy write sells 1700 March \$140 calls for \$5.90, stock tied

**Oracle (ORCL)** with 2000 February \$80 calls opening \$1.58M as January adjust, going to see a lot of adjustments next few days

### Communications/Utilities

**Digital Realty (DLR)** opening seller 500 April 100 puts for \$4.25

**Exelon (EXC)** trade put on 1000 January 2024 \$50/\$40 bull risk reversals for \$1.05 credit

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**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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