



## MARKET RECAP 1/3/2023

### Sector Leaders

#### China Internet

Gold

Bonds

#### Stock Gainers

BILI 15%

PDD 7%

NTES 7%

CLF 6.4%

BIDU 6.4%

PYPL 5.5%

#### Volatility Gainers

- RETA
- ALGN
- PINS
- META
- MBLY
- U

#### High Call Volume

- RGLD
- BE
- BOX
- WB

#### Bullish Options

- SHOP
- HLT
- SQ
- AZUL
- CRM
- EVA
- MLCO
- APA
- BE
- LVS
- BBWI
- YOU
- 

**Market Review:** Stocks kicked off 2023 on a higher note with strength in Tech despite a sharp rally in the USD with Europe Macro data showing resilience. Commodities declined with weak Macro numbers out of Asia. We saw a strong open fade hard early as sellers quickly took some quick profits into key moving average resistance which is the norm when NYSE is in sell-signal. The morning dip found buyers and saw a strong recovery in breadth indicators. Gold Miners and Bonds were strong along with Chinese Internet stocks but Energy, Consumer Discretionary and Tech lagged. It was a choppy session as the weekly chart still shows potential to hold the 200-week and tomorrow could be more volatile with the Fed Minutes.

S&P Chart:



Resistance	Support
4030	3900
4110	3800
4200	3700

**Options Action Trends:** There were no major trends in the action today with the options market fairly quiet to start the year outside of retail action in weeklies.

**What's On Tap:** ISM Manufacturing, JOLTS Job Openings, Auto Sales, FOMC Meeting Minutes; Japan PMI, French CPI, German PMI, Eurozone PMI; Citi's Communications Media & Entertainment Conference, Consumer Electronics Show.

#### Trade Tracker Portfolio Changes:

- 1) No Changes

### Sector Laggards

Energy

Tech

Consumer Disc.

#### Stock Losers

NFE -11%

TSLA -10%

OLK -9%

PBR -9%

ACDC -7%

EVA -7%

#### Volatility Losers-

- COTY
- VERV
- GIII

#### High Put Volume

- EVA
- AMKR
- FANG
- FISV
- LUV

#### Bearish Options

- CS
- BABA
- JPM
- MBLY
- BX
- SLB
- GE
- CVE
- BILI
- ENPH
- CF
- NEE
- CLF
- ETSY
- NCLH



## FEATURED OPTIONS RADAR REPORT



### Bottom Buyers in Decarbonization and Grid Modernization Mega Trend Leader

**Ticker/Price:** GNRC (\$100.66)

#### Analysis:

**Generac (GNRC)** is a name that has seen 3000 February \$90 calls bought to open into weakness from trades on 11/2 and 11/3 as ITM call buys and has also seen 1000 February \$95 calls bought and 1000 January \$100 calls bought. GNRC shares have fallen 70% over the past year buy saw some strength to close 2022 off oversold levels and a key long-term VPOC at \$96.75 while weekly MACD is nearing a bull cross signaling a potential longer-term bottom in place. Generac is a leading energy technology solutions company that provides backup and prime power generation systems for residential and commercial & industrial (C&I) applications, solar + battery storage solutions, energy management devices and controls, advanced power grid software platforms & services, and engine- & battery-powered tools and equipment. GNRC has a market cap of \$6.4B and trades 14.1X Earnings, 10.3X EBITDA and an estimated 8% FCF yield for 2023. Forecasts see revenues and EBITDA down Y/Y in 2023 following a peak year in 2022 but 2024 estimates call for recovered momentum to record high results through 2026 with 2023 a transition year. GNRC's latest quarter showed continued strong momentum across commercial and industrial. It sees plenty of mega trends supporting the business including grid resiliency concerns have been increasing as decarbonization trends accelerate, causing a widening gap between supply and demand, leaving many utilities and grid operators scrambling to avoid rolling blackouts over the past several years. It sees the home as a sanctuary megatrend will persist as the shift to remote or hybrid work remains intact. The electrification of homes continues to grow and demographic trends are driving increased levels of aging in place. With the nationwide penetration rate still in the mid-single-digit range the opportunity ahead for home standby remains robust. Analysts have an average target of \$150 with short interest at 8% of the float. Northland named GNRC a top pick for 2023 citing near-term installation bottlenecks distracting investors from the continued strong demand with recent outage events and grid vulnerability theme. Janney started shares at Buy with a \$160 value last week noting the Home-Standby market is seeing a downturn already priced into shares while there is a free option on the clean energy growth potential and consistent FCF and buybacks can support the stock. Jefferies downgraded shares to Underperform in late November on concerns of disruption from Electric Vehicle bidirectional charging to the ack-up power space with likely negative revisions continuing through 2024.

#### Hawk Vision:



**Hawk's Perspective:** GNRC is a name I believe will rebound and is attractive at this valuation with a ton of opportunities ahead I see its best days still ahead of it and attractive long-term at these levels though 1H23 is likely to remain choppy.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



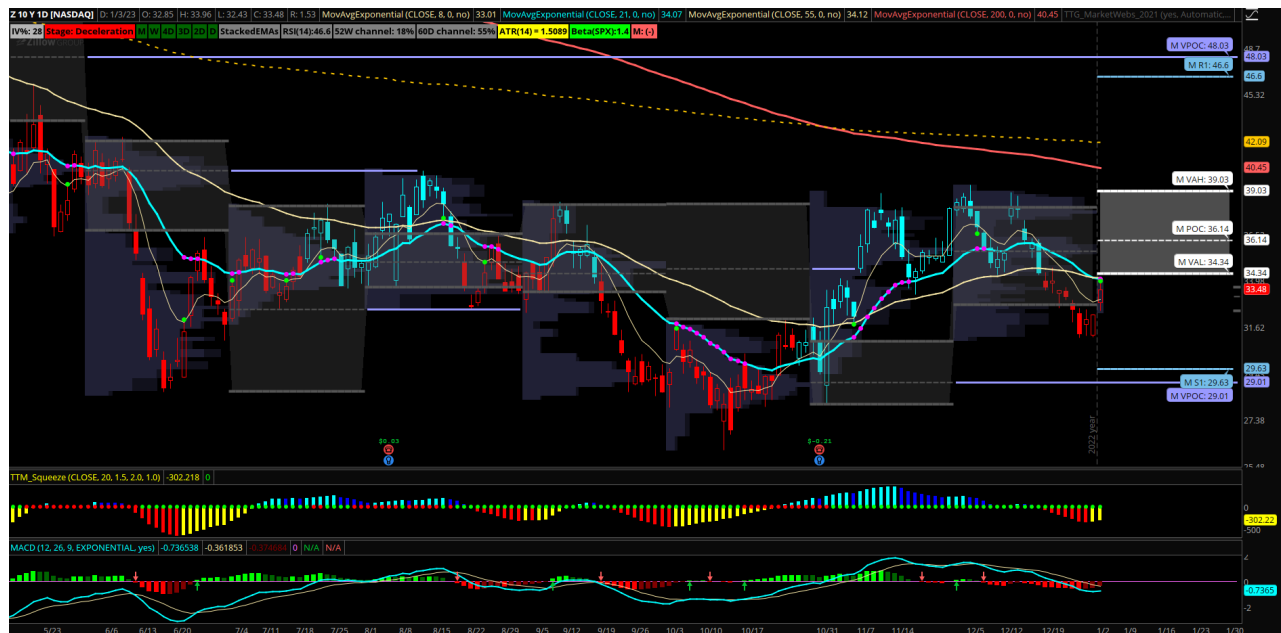
### Online Real Estate Leader Sees Bulls Position for Rebound

**Ticker/Price: Z (\$33.50)**

#### Analysis:

**Zillow (Z)** on 12/30 saw a large buyer of 9000 January 2024 \$55 calls at \$2.05 in stock replacements and this follows mostly bullish flow the past month with opening put sales active in Jan 2024 \$35 and \$30 puts over 1000x each and the December 2023 \$30 puts sold to open over 3000x at \$4.00. The 30 level looks to be popular with put sellers showing confidence in a longer-term level to be long against. Z also has over 5000 May \$35 calls in open interest from buyers on 10/5 at \$4.48 for over \$2.2M. Shares have held up decent compared to other growth names, staying above the October lows and December made a higher low possibly with the 30 level a strong support. Z has resistance at 34.50 monthly value area but a close back above can see a quick reversal up to 36 POC and then 39 the top of value. The stock seems to be forming a longer-term inverted head and shoulders that could confirm on a breakout above 40 and measured move would be up to 55. The \$7.6B company trades at 27.2x earnings, 3.1x sales, FCF yield at 7.8% while revenue is expected to fall -24% in FY22 and -70% growth decline estimated in FY23. The real estate company faces well-known pressures from a weaker housing market but now a lot has been priced in and with Homebuilders rallying strong from recent lows it points to a potential recovery in 2023 as supply of homes still stays low. Average analyst target is \$37. Citi initiated last month with a Buy rating and \$50 target and sees multiple growth vectors ahead across most every internet vertical but recognizes the macro uncertainty. They favor those companies that are leaders in their respective categories, are innovative, and deliver improving margins and profitability. Z plans to launch its cash-offer feature (through partnership with Opendoor) in 1Q23 and roll it out to new markets throughout '23. Morgan Stanley lowered its target to \$38 while Jefferies keeps a Buy rating and \$40 target. Short interest is at 6.1%. Hedge fund ownership fell -1.9% last quarter.

#### Hawk Vision:



**Hawk's Perspective:** Z is a rebound play into 2023 after tax loss selling finished. A long trade against last months lows at 31 makes for nice risk/reward up to 39-40 possibly.

**Confidence Ranking: \$\$**



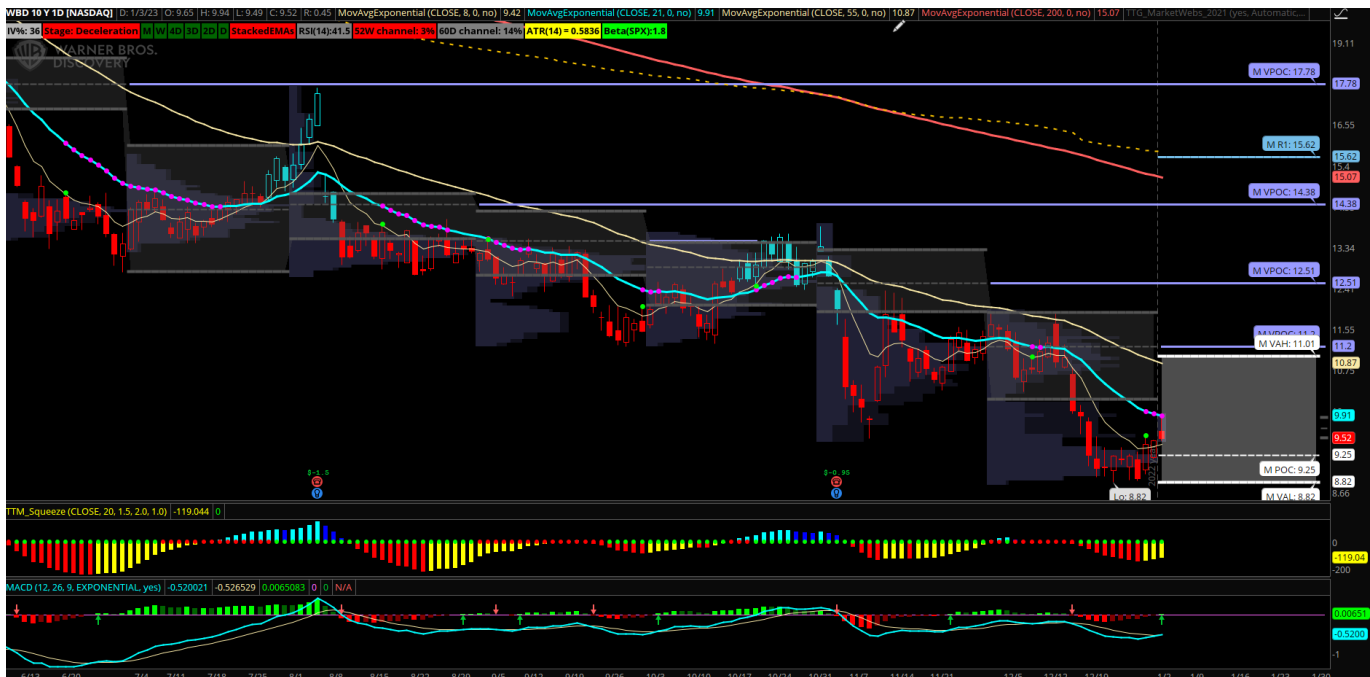
## Struggling Entertainment Name Sees Large Call Buys Look for Bounce

**Ticker/Price: WBD (\$9.60)**

### Analysis:

**Warner Brothers Discovery (WBD)** on 12/30 saw a large buy of 10,000 January 2024 \$12.50 calls at \$1.41 and over \$1.4M in total bought looking for a potential snapback rally to start the new year after tax loss selling in the struggling entertainment name. WBD also recently saw buyers in 5000 January \$8.50 calls at \$2.24 and opening put sales on 12/22 for 1800 July \$12.50 ITM puts at \$3.90 for over \$725K in sold put premium showing confidence at these levels. Shares have bounced off the recent lows near 8.80 and now seeing MACD cross higher so short-term momentum shifting up while still in monthly value area so needs to get back over 10 for follow through up to the 11 resistance at top of monthly value. Potential upside target has a VPOC at 12.50 while 11.20 a lower level that could be first level to look for from here. The \$23.0B company trades at 6.4x EBITDA, 1.6x sales, FCF yield at 21.1% while revenue is expected to grow +2% in FY23. Average analyst target is \$21. BAML was out last month saying that WBD is the best value in media and Discovery management has implemented a tremendous amount of both operational and strategic changes since the merger closing in April. They anticipate the company will deliver on its goal of \$2B-plus in incremental synergy in 2023. The analyst, who sees a lot of low hanging fruit in almost every division where they can be more efficient and monetize better and they keep a Buy rating and \$21 price target. Citi lowered its target to \$18 and keeps a Buy rating while Deutsche Bank is a bigger bull with a \$35 target and Credit Suisse has an Outperform rating and lowered its target in October to \$36 from \$39. Short interest is at 3.7%. Hedge fund ownership rose 414% last quarter. WBD is scheduled to be at the Citi Media and Entertainment Conference later this week on 1/5.

## Hawk Vision:



**Hawk's Perspective:** WBD is a ugly chart but one that is overdue for mean reversion so if can close above 21 EMA currently at 9.90 it may be worth a long side trade

**Confidence Ranking: \$\$**

## **Additional Options Flow**

### **Market/ETFs**

**Gold (GLD)** bull flow active with a buyer 3000 March \$172 calls \$5.64, a buyer of 1500 June \$184 calls, opening seller of 1500 February 172 puts

**S&P (SPY)** IV surge here as break day lows with a lot of size trading in February \$368, \$363 and \$353 puts for around \$65M. **S&P (SPY)** large collar sold 10,000 April \$405 calls 8.24, and bought 15,000 of the \$365 puts \$12.54

**Treasury (TLT)** seeing 5000 July \$103 calls to buy the \$101 puts for net credit of \$0.30, stock tied so likely collar hedge

**Nasdaq (QQQ)** large opening seller 3500 June 30th (Q) \$260 puts for \$17.53, buyers 4000 March \$293 calls \$3.17 offer sweeps, and a buy-write sold 12,000 January 276 calls

**MSCI ACWI (ACWI)** with 10,000 April \$86 synthetic longs opening for \$0.20 credits

**Russell (IWM)** opening seller 5000 February \$162 puts for 2.42, also seeing 5000 March \$175 short calls adjust to September

### **Consumer Goods**

**Netease (NTES)** with the breakout gap higher open seeing 2000 Jan. 27th (W) \$73 calls open \$5.20 ITM but indicated as sales

**Tesla (TSLA)** with 500 September \$135 puts bought \$37.90. **Tesla (TSLA)** seeing 800 July \$120 calls sold to open for \$22.50. **TSLA** seeing 2000 Feb 3rd \$90/\$120 bull risk reversals open for \$1.65 debit

**Ford (F)** with 3000 Sept \$11 puts sold to open at \$1.31 bids

**Bath & Body (BBWI)** buyer of 1500 February \$42.5 calls for \$3.35 as Jan. 40 adjust

**Gamestop (GME)** with 2000 Feb \$20 calls sold to open at \$1.67. **GME** buying 14,000 Feb \$17.50 married puts at \$2.75. Potentially converting short stock to long puts as well

**Li Auto (LI)** with 1000 June \$25 calls bought for \$2.78

**Sysco (SYY)** seeing 3300 Feb 3rd \$70 puts sold to open for \$0.70 bids, captures earnings 1/31

**Nikola (NKLA)** seeing 40,000 Jan 2024 \$2 puts bought for \$1.12, adjusting the April puts and staying bearish

**Target (TGT)** with 1350 Feb. 10th (W) \$155 calls opening \$5.25 to \$5.45

**Rivian (RIVN)** with 20,000 January 2024 \$45 calls sold to open 1.29 as June adjust short calls once again

**Ambev (ABEV)** with 20,000 January \$4 synthetic shorts opening \$1.40

### **Consumer/Business Services**

**Shopify (SHOP)** with 3300 Jan. 13th (W) \$36.50 calls bought \$1.66 as this week adjust out, moving higher with press reports today of its new products/services

**Hilton (HLT)** buyer 1100 January 2024 \$145 calls for \$12.60

**Melco (MLCO)** with 50K January \$14 calls opening for \$0.33 as some lower strikes adjust. **MLCO** block of 25,000 February \$9 puts bought \$0.35 as Jan. 10 adjust

**Wayfair (W)** buyer 1000 March \$30 calls \$3.30 to \$3.35

**AMC Entertainment (AMC)** with 5000 April \$3 calls being bought ITM this morning near 1.48

**Grab (GRAB)** with 10,000 February \$4.50 calls bought near \$0.20, name that has also seen large upside call spreads open

**Roku (ROKU)** with 800 Jan 2025 \$60 calls bought at \$11.75, also buying 800 of the \$65 calls for \$10.55. **Roku (ROKU)** with 2100 Feb 10th \$40 straddles sold to open for \$8.05, captures earnings

**Las Vegas Sands (LVS)** with 6000 June \$55/\$65 call spreads bought for \$2.56

**Etsy (ETSY)** opening sale of 2000 Feb \$135 calls for \$2.67 in buy writes. **ETSY** also with 1500 February \$105/\$90 put spreads bought

**JD (JD)** opening seller 1500 June \$40 puts for \$2. **JD (JD)** buyers of over 5000 March \$90 calls at \$0.66

**Carnival (CCL)** with 2000 June 2024 \$5 ITM calls bought at \$4.50

**Groupon (GRPN)** seeing 2250 July \$9 bear synthetics open for \$0.05 credit

**DoorDash (DASH)** with 2000 February \$45/\$35 put spreads bought today, see how OI reflects tomorrow

**Airbnb (ABNB)** buy write sells 700 Jan 2024 \$105 calls for \$12.54

**Disney (DIS)** with 5000 January \$84 puts sold to open on \$1.11 bids

**Uber (UBER)** with 1250 Feb 10th \$27 calls bought for \$1.41

**Royal Caribbean (RCL)** with 1000 February \$50 puts opening \$4.72 as January adjust

### Energy

**Diamondback (FANG)** with 4000 January \$128.84/\$123.84 bull put spreads opening in early trade

**Cenovus (CVE)** with 1420 March \$20 puts bought \$2.30 offer

**Apache (APA)** buyer 350 April \$35 calls \$12.40 offer

**Enphase (ENPH)** with 200 May \$240 puts bought \$32.40 to \$32.95. **ENPH** stock replacement bought 200 May \$250 calls \$44.65

**Cheniere (LNG)** into weakness with 1000 December \$125 puts sold to open \$12.80 and 1000 June \$125 puts sold to open \$7.90 as well as 850 June \$175 calls sold to open

**Schlumberger (SLB)** stock replacement buys 700 August \$62.50 calls for \$4.05

**Solar Edge (SEDG)** buyer 200 January 2024 \$320 calls \$59.25 as January \$350 adjust

### Financials

**Credit Suisse (CS)** with 1500 June \$4.50 puts bought \$1.40

**Block (SQ)** buyer 1250 January \$66 calls \$3.70 offer with upgrade this morning



**JP Morgan (JPM)** buyers active 2500 February \$140/\$120 put spreads

**PayPal (PYPL)** with 1475 April \$80 calls sold to open on \$5.90 bids. **PYPL** opening seller of 500 July \$85 calls at \$6.95

**MicroStrategy (MSTR)** with 1675 February \$140 puts opening \$21.40 as Jan. 170 adjust, Bitcoin remaining weak unable to rally

**Deutsche Bank (DB)** into lows a buyer 3000 February \$12 calls for \$0.54

**SilverGate (SI)** with a buyer 500 January 2025 \$12.50 ITM calls for \$10.80

**Goldman (GS)** with 200x400x July \$320/\$270 put ratio spreads opening for \$4.40 debits, likely protecting stock into earnings

**Wells Fargo (WFC)** seeing 2600 Jan 2025 \$42.50 straddles bought for \$14.55, stock tied

### Healthcare

**Axsome (AXSM)** buyer 200 June \$90 calls \$12.25

**Align (ALGN)** with 475 February \$250 calls bought as January \$230 adjust

**Bristol Myers (BMY)** with 1675 March \$72.5 calls bought \$2.85

**Novocure (NVCR)** with 1400 January \$100/\$150 call spreads bought for \$9.40

**Illumina (ILMN)** with 400 February \$185 puts sold to open \$8.90 bids

**Lab Corp (LH)** long flag forming near 200-MA and 500 March 260 calls are bought \$3.65

**CVS (CVS)** with 500 Jan 2025 \$87.50 puts sold to open for \$9.85 in stock replacements

**Novo Nordisk (NVO)** buyer 1500 March \$130 puts up to \$3.90

**Eli Lilly (LLY)** with 1330 next weeks Jan 13th \$352.50 puts sold to open for \$2.93

**TelaDoc (TDOC)** with 2000 April \$22.50 calls sold to open on \$3.95 bids

### Industrials

**General Electric (GE)** buyer of 1000 March \$85 puts \$5.60 offer

**CSX (CSX)** buyer of 2000 Jan 27th \$32 calls for \$0.60

**American Airlines (AAL)** large buy blocks of 10,000 June 2025 \$5 puts bought at \$0.79, with stock trading 12.50

**Northrop (NOC)** buyer 200 May \$550 puts for \$37.40

**United (UAL)** with 2400 January 2025 \$35 puts sold to open today near 7.20

**Caterpillar (CAT)** with 750 August \$200 puts sold to open \$9.95

### Materials

**Enviva (EVA)** with 1475 July \$50 short puts opening \$6.52 as Jan. 55 short puts adjust

**Peabody (BTU)** buyer 1500 February \$28 calls for \$1.80

**Comstock Resources (CRK)** with 4000 Feb \$11 puts bought for \$0.50, adjusting Jan \$15 puts

**Enovix (ENVX)** with 2000 Feb \$12.50 puts sold to open \$1.65, adjusting Jan short puts

**Cliff Natural (CLF)** with 4000 June \$16 puts bought \$2.21 to open today and IV surging, China a big factor for Iron Ore prices

**Piedmont Lithium (PLL)** with 1000 May \$30 puts sold to open for \$2.20

**Pan American (PAAS)** buyer 2000 April 19 calls for \$1.20

**Nutrien (NTR)** with 875 June \$70 puts bought \$6.60 as Ag faces tough comps this year

**SSR Mining (SSRM)** with 2050 June \$18 calls sold to open \$1.25, also looks to be selling 1025 of the \$15 puts at \$1.20

### Tech

**Amazon (AMZN)** buyer 2300 January 13th (W) \$87 calls for \$2.58 as this week adjust

**Salesforce (CRM)** massive opening seller of 15,000 March \$150 ITM puts for \$19.20

**Mobileye (MBLY)** failed breakout move seeing 2200 January \$35 calls sold to open down to 2.20

**Unity (U)** with 10,000 January \$22 puts sold to open 0.25

**Alibaba (BABA)** buyer 1800 Jan. 13th (W) \$94 puts for \$3.90 into early strength. **Alibaba (BABA)** buyer 2000 April \$125 calls for \$2.92

**Apple (AAPL)** with 2000 June 2025 \$95 deep ITM calls opening today as Jan. 2025 calls adjust. **AAPL** with sweep buyers of 10,000 March \$105 puts earlier today. **AAPL** with 20,000 January \$124 calls sold to open this morning 5.15 to 5, a common trend the last few weeks, and a bearish signal. **AAPL** also with 7000 Feb \$125 bear synthetics open for \$0.25 debit

**Bilibili (BILI)** buyers of 1800 April \$30 puts at \$7.45. **BILI** now also seeing 2275 Feb \$35 calls sold to open \$1.45

**Clear Secure (YOU)** also now 2000 Aug 22.5 puts sold to open 2.80 after an earlier buyer of 1000 May \$29.75 calls

**Qualcomm (QCOM)** seeing 2500 June \$110/\$115 call spreads bought for \$2.24. **QCOM** opening sale 500 June 2024 \$105 puts for \$17

**Mongodb (MDB)** with 150 January 2025 \$350 calls bought at \$40.55, also buying the \$380 calls at \$35.65

**Palo Alto (PANW)** with 2000 June \$120 puts bought for \$7.40, weak of late and 8-MA rejection today

**Oracle (ORCL)** with 400 Jan 2025 \$110 calls bought for \$6.25, also buys the \$125 calls at \$3.45 for a call stupid

**SAP (SAP)** with 500 June \$110 calls bought for \$5.70

**Zscaler (ZS)** \$2M buy of 380 July 2024 \$150 ITM puts

**Pinterest (PINS)** well off morning lows seeing 1900 September \$25 calls bought today \$4.20 to \$4.45

**WolfSpeed (WOLF)** with 1200 June \$40 puts sold to open for 2.05

### Communications/Utilities



**Dominion Energy (D)** stock replacement sells to open 3500 Feb \$57.50 puts for \$0.76

**Disclaimer:**

**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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