



Sector Leaders

Tech

Utilities

Consumer

Stock Gainers

- AFRM 15%
- SDC 9.5%
- FOLD 7.25%
- MRVL 6%
- NET 6%
- NTES 5.5%

Volatility Gainers

- DNA
- CRTX
- LIDR
- SDC
- LUMN
- TSP

High Call Volume

- ELAN
- TXRH
- LEVI
- FIVN
- GIS
- LICY

Bullish Options

- MRNA
- BABA
- TSLA
- COIN
- MDB
- NFLX
- TEVA
- KRYS
- EXPE
- NVDA
- AMAT
- NRG

Market Review: Global markets were weak overnight as energy concerns in the UK and China have tempered growth expectations and yields rose to 1.57%. Meanwhile, Washington remains a focus for investors as both parties tow-the-line on the debt ceiling and other fiscal issues. ADP Employment came in at 568K vs 405K estimated. Natural Gas faded the early strength today and put in a pretty bearish candle on the day while crude oil pared recent gains and closed on the lows. Energy and materials were the major weak spots on the day. Staples outperformed. The S&P continues to trade in a well-defined range under the 8-EMA at 4347 but buyers have stepped in each of the last four sessions and defended the 4,275 area. We broke through short-term resistance in the afternoon after headlines that McConnell is willing to make a short-term debt ceiling offer to the President but the odds they accept are low because it would put Democrats in a tough position going into year-end. Again, the overall environment remains cautious but clear areas of interest where we can start to sentiment shift one way or the other and until then avoid the chop.

S&P Chart:



Resistance	Support
4,465	4,350
4,485	4,230
4,525	4,135

Options Action Trends: It was a quiet day for larger, new positioning despite the early strength. We saw bullish flow in the afternoon into chemicals names like **OLN**, **CC**, and small-cap **ALTO**.

What's On Tap: Weekly Claims, Fed's Williams Speaks, Consumer Credit. Earnings from CAG, LW, and HELE. Analyst Days from LDOS, VMW

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Energy

Materials

Healthcare

Stock Losers

- DNA -18%
- TAK -9%
- SAVA -8%
- X -7.5%
- EA -7%
- BTU -6%

Volatility Losers

- CEI
- XENE
- RUTH
- UNG
- LAUR
- EGHT

High Put Volume

- DNA
- GOGO
- CRTX
- FIVN
- LEVI
- LSPD

Bearish Options

- CRTX
- LOGI
- Z
- BRK.B
- POSH
- BYND
- KMX
- EFX
- IRBT
- TJX
- PTGX
- RRX



FEATURED OPTIONS RADAR REPORT



Bull Spread Sees Brighter Days Ahead of Former CNS Leader

Ticker/Price: SAGE (\$45)

Analysis:

Sage Therapeutics (SAGE) large spread on 10/5 opened 4,000 January \$50/\$65 call spreads for \$3.85 and name with little notable open interest but does still have 1,600 January \$40 short puts in OI from earlier this year. SAGE has seen some large insider buying recently including \$1M investment in August from the CEO at \$43.15. He also bought \$500K in June at \$56.32 and another director bought \$1M at \$56 in June. SAGE has been under pressure all year and the stock cut in half from January's peak and back at a big volume node from 2020. Shares are basing in a narrow range since the July lows and a move above \$47 has a low-volume gap to fill back to \$54.50 and then eventually to \$65. The \$2.59B company trades 4X earnings and 2.33X sales with a sizable cash position. SAGE is focused on their lead product SAGE-217, a treatment for major depressive disorder and postpartum depression. The company hit its Phase 3 mark in MDD and discussing steps with the FDA for seeking approval, despite data that was underwhelming. They have another trial in PPD running with results due in mid-2022. SAGE-217 could be a pivotal drug approval for both MDD and PPD as it offers faster onset of efficacy and short treatment windows than the current SoC. Analysts have an average target for shares of \$81 with a Street High \$102. Needham starting at Buy on 9/22. The firm thinks lead product SAGE-217 for major depressive disorder, or MDD, and post-partum depression, or PPD, could be submitted for approval as early as the end of 2021 and projects total sales for the drug growing to about \$950M in 2026. Piper out positive on 10/4 ontng that recent data is sufficient for an NDA filing. They think the Street remains fixated on the somnolence rates but that overall zuranolone profile is sufficient for NDA filing and should be able to take the drug across the approval line. Hedge fund ownership fell 2.5%. Biogen has a 6.2M share stake while Artal Group with 1M shares.

Hawk Vision:



Hawk's Perspective: SAGE is clearly a speculative position but the risk/reward is favorable and could be a nice surprise into year-end with more positive developments from the FDA

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Consumer Credit Leader Sees Bullish Flow Accumulate Ahead of Travel Recovery

Ticker/Price: MA (\$343)

Analysis:

MasterCard (MA) buyers on 10/5 for more than 5,350 March \$360 calls for \$19.25 to \$19.50, sizable opening trades in the name that has lagged peers. MA has seen buyers recently in the November \$360 calls, November \$380 calls, and November \$345 calls while the December \$370 calls with buyers on 9/22. The November \$355 calls remain in OI as well from a large \$15M buy on 9/1 and pricing just below the opening price. MA has been consolidating below the 200-day MA and back at a big volume node from late 2020 at \$340. VWAP from the March 2020 lows is just below at \$330. MA has been in a large rising channel from the November lows and back at the low-end now with a move higher targeting \$400+. The \$327B company trades 32.3X earnings, 19.65X sales, and 48X cash with a small yield. MA continues to see improving trends around spending as the reopening gains momentum and travel picks up which is benefitting their credit business. The company expects borders to reopen further in the 2H and into 2022 which will benefit cross-border spending. MA is focusing on building out their digital capabilities both online and in stores, contactless payments, and within BNPL. They announced partnerships recently with Stripe and Verizon to help leverage their large user base with new services. Analysts have an average target for shares of \$420 with a Street High \$482. Deutsche Bank positive on 9/3 while Wells Fargo raising estimates after earnings citing the notable ramp-up in card present travel spend growth. Bernstein positive on the name citing the company's accelerating cash digitization, as well as the emerging next chapter of growth beyond C2B payments, and eventual recovery in cross-border. Hedge fund ownership fell 2%.

Hawk Vision:



Hawk's Perspective: MA has struggled lately and below the 200-MA, so want to see it shift back above the \$360.50 level for more confidence, but remains a favorite long-term and think we can see sentiment shift back in favor into 2022 and a more normalized environment

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Convertible Bond ETF (CWB) with 4,700 January \$84/\$74 put spreads bought to open for \$2.55

Regional Banks (KRE) buyer of 12,000 October 29th (W) \$70/\$75 call spreads for \$1.25, should capture the majority of early bank earnings this quarter

Nasdaq (QQQ) spread sells 10,250 November \$370 calls and buys the \$330/\$290 put spread for a net credit

Retail (XRT) opening spread today sold 12,500 January \$100 calls and bought the \$80/\$70 put spread

Financials (XLF) buyers of more than 12,000 December \$37 puts for \$1.15 this morning. **XLF** also with over 70,000 December \$36 puts bought today up to \$0.89

Biotech (XBI) buyer of 5000 November \$117/\$102 put spreads for \$2.76

Consumer Goods

Beyond Meat (BYND) buyer of 500 May \$100 puts for \$15.15 to \$15.20 today as peer Impossible Foods rolls out in more Burger King locations

Under Armour (UAA) with 2,500 November \$20 puts sold to open today from \$1.10 to \$1.08

Logitech (LOGI) buyer this morning of 3,750 December \$85 puts for \$4.90, closing the December \$105 puts bought on 9/28

Nike (NKE) opening sale of 400 January 2024 \$120 puts for \$12 in a stock replacement as shares base around the 200-day

Tempur Sealy (TPX) with 4000 March \$55 calls bought to open this afternoon for \$1.55 to \$1.60

Hanes (HBI) buyers of 2,500 November \$16 calls this afternoon for \$1.20

Consumer/Business Services

Wayfair (W) sellers active this morning for 600 January 2023 \$220 puts for \$41.40

Expedia (EXPE) buyer of 2,750 November \$170/\$190 call spreads this morning for \$7.67

Sony (SONY) opening buyers of 1000 January \$105 calls this morning for \$6.10 to \$6.50 into the 200MA

Coursera (COUR) opening sale of 850 January 2023 \$30 puts for \$6.50

CarMax (KMX) buyers of 700 April \$120 puts for \$8.40 today

Roblox (RBLX) trading back near support this week and seeing 1000 April \$65 puts sold to open for \$7.07 in stock replacements

Dutch Bros (BROS) with 500 April \$50 calls sold for \$6.80 in a buy-write

RH (RH) seeing 500 January \$470 short puts close today and roll out to open 500 February \$530/\$420 bull put spreads for \$18.06

Stride (LRN) spread this morning is selling the November \$44 calls and buying the \$35/\$30 put spread into 10-25 earnings

Poshmark (POSH) buyer of 2,250 November \$25 puts for \$3.70 to open mid-day

TAL Education (TAL) jumpy this afternoon with 7000 November \$5 calls bought for \$0.70

Energy

Azure Power (AZRE) spread today is selling 3000 November \$22.50 calls to buy the \$17.50 puts for \$1.05, tied to stock

Denbury (DEN) buyer of 1000 November \$80 calls for \$3.20, strong name early in 2021 and now consolidating in a narrow range

Helmerich & Payne (HP) buyer of 1100 January \$32.50 calls for \$2.45 this afternoon. **HP** also seeing stock replacements sell 1000 March \$27.50 puts for \$2.70 to \$2.75

Ovintiv (OVV) with 16,850 January \$38/\$50 call spreads bought this afternoon to open for \$2.50, energy name that is sitting at recent highs

Financials

Metlife (MET) buyer of 1000 November \$65 calls for \$1.78 to \$1.82 with shares flagging above the 8- and 21-EMA

Affirm (AFRM) opening sale of 500 January 2023 \$110 puts for \$29.70

PagSeguro (PAGS) buyer of 1000 November \$50 calls up to \$1.50, name with some large January call open interest

Coinbase (COIN) relative strength early and seeing 600 December \$245 calls bought from \$24.30 to \$25.20

Berkshire (BRK.B) with 500 September \$265 puts bought this afternoon for \$18.10

Zillow (Z) with 1600 May \$75 puts bought for \$7.40 as some puts adjust from January

Blackstone (BX) with 1000 June \$125 calls bought to open for \$6.70 to \$7.30

Lexington Trust (LXP) highs of the day and 10,000 February \$12.50 calls bought \$1.35

Healthcare

AbbVie (ABBV) with next week's \$109 calls bought 3,000X early for \$1.75 to \$1.80

Protagonist Therapeutics (PTGX) with 1000 November \$17.50/\$12.50 put spreads bought this morning for \$1.90

Evolent Health (EVH) another 1000 November \$30/\$35 call spreads bought today for \$2.15 with the buyout rumors

Cardinal Health (CAH) buyers of 1000 November \$47.50 puts today from \$1.85 to \$2.20

Teladoc (TDOC) with 1200 March \$120 puts sold to open for \$12.65

Merck (MRK) opening sale of 2000 November \$77.50 puts for \$1.50 in a stock replacement today

Teva Pharma (TEVA) buyer of 13,000 January 2024 \$12/\$15 call spreads this morning for \$0.75

Krystal Bio (KRYB) seeing 1,500 December \$60 calls close and adjust out to open 1,500 January \$60/\$100 call spreads for \$14.82

Quest Diagnostics (DGX) with 1000 January \$150 calls bought up to \$4 to open

Establishment Labs (ESTA) interesting trade today with buyers of the November \$65 calls this afternoon for \$8.40 to open and also 500 November \$70 calls for \$6.20 to \$6.30, aggressive trades on a wide bid-ask. The \$1.7B company is back at the 200-MA and forming a narrow bull wedge with room above \$75 to run. ESTA markets medical devices for aesthetic and reconstructive plastic surgery.

Guardant Health (GH) weak recently but seeing buyers of 475 January \$130 calls today for \$4.90 to \$5, rumors they were looking at M&A with Neogenomics a potential target

Cortexyme (CRTX) seeing large bearish trades today in the name with 2,000 December \$30 puts bought this afternoon for \$14 and follows 2,000 November \$25 puts bought in the morning up to \$8.80 to open. CRTX has Alzheimer's Data due in November and Citi out negative recently.

Sanofi (SNY) the December \$50/\$55 call spread bought more than 13,000X today for \$0.90

Industrials

Tesla (TSLA) early buyers of 3000 October 22nd (W) \$805 calls for \$20.50 to \$23. **TSLA** also seeing 800 May \$700 puts sold to open this morning for \$84.70, a more than \$6.75M position

Jetblue (JBLU) buyers of 1500 November \$15 calls for \$1.13 to \$1.16 into earnings on 10-26

Regal Rexnord (RRX) with 500 November \$135 puts bought today for \$5

ZTO Express (ZTO) with 3000 April \$28 puts sold to open this morning for \$1.85

Lockheed Martin (LMT) buyer of 700 June \$400 calls for \$7, earnings on 10-26. **LMT** also seeing the June \$395/\$440 call spreads bought this afternoon 500X1000

TuSimple (TSP) buyer of 2500 November \$55 calls today for \$1.20

Boeing (BA) buyer today of the May \$270/\$320 call spread 700X1400 for \$3.20 debit

Materials

US Steel (X) into weakness today a buyer of 3000 June \$20 calls for \$4.15 to \$4.20. **X** also seeing the April \$17 puts sold to open this morning for \$1.47, over 6000X

Huntsman (HUN) buyer of 1000 November \$30 puts this morning for \$1.05 to \$1.10

Olin (OLN) with 400 February \$45 calls bought to open today for \$6.90

Chemours (CC) buyers of 1,100 January 2023 \$27 calls for \$6.70 this morning

Alto Ingredients (ALTO) unusual volume today with buyers in the January 2023 \$2 calls for \$3.30 to \$3.40, over 2800X. The \$358M company focuses on specialty alcohols used in mouthwash, cosmetics, pharmaceuticals, hand sanitizers, disinfectants, and cleaners.

Newmont Mining (NEM) the March \$40 puts sold to open 4000X for \$0.60

Tech

Palantir (PLTR) buyer of 1,500 January 2024 \$37 OTM calls this morning for \$5.50 with their contract win

Netflix (NFLX) buyer of 1,500 October 29th (W) \$640 calls for \$23 as the \$610 calls adjust higher, earnings on 10-19

Gogo Wireless (GOGO) with 2,800 January \$20 calls bought today up to \$1.05 into weakness

Z-Scaler (ZS) with 950 October 22nd (W) \$255 ITM calls bought today \$13 to \$13.20

Twitter (TWTR) large opening buyers this morning of the March \$55 ITM calls for \$10.40, over 1250X for \$1.3M. **TWTR** now also seeing 8000 October 22nd (W) \$65 calls bought for \$0.65

Alibaba (BABA) buyer of 4000 January \$140 synthetic long spreads for \$4.30 debit. **BABA** also with 2000 June \$145 calls bought for \$23.80 in a stock replacement

American Tower (AMT) buyer of 500 June \$220 puts for \$8, tied to long stock

Applied Materials (AMAT) with 800 March \$120 ITM calls bought today for \$16.15

MongoDb (MDB) with 2000 November \$460 synthetic long spreads opening for \$5.42

Cisco (CSCO) opening sale of 4000 January 2023 \$30 puts for \$0.98

Palo Alto (PANW) buyers of 1245 January \$480 calls for \$31 to open this afternoon after the large put sales in the name lately

Elastic (ESTC) spreads this afternoon are selling the November \$165 calls to buy the \$125 puts for a small net credit, 1600X

Telecom/Utilities

NRG Energy (NRG) with 2,500 January 2024 \$45 calls bought for \$5.20, some Jan. 2023 calls adjusting higher

Next-Era (NEE) large opening sale of 10,000 November \$75 puts today for \$1.15, best-in-class utility that's making a big shift towards renewables; NEE also has shown an appetite for M&A recently

Disclaimer:

Not Investment Advice or Recommendation

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