



Sector Leaders

Cyber Sec.

Oil Services

Insurance

Stock Gainers

FTNT 13.5%

NYT 11.8%

VOYA 8.5%

INSP 7.5%

FOXA 6.5%

DASH 5%

Volatility Gainers

- AI
- MANU
- BHP
- ISEE
- GOOGL

High Call Volume

- FRPT
- TRIP
- SPB
-

Bullish Options

- BTU
- ATVI
- AIG
- PSX
- PANW
- VRTX
- FRPT
- AI
- RIVN
- AMZN
- MET
- MNST
- FISV
-

Market Review: Stocks worked lower off the rally highs into Wednesday's open while the USD rebounded off lows and Bonds were stable as Oil & Gold climbed. After opening higher stocks rolled over from resistance as breath weakened following the opening hour. Housing, Internet, Biotech, Metals and Retail were all very weak. We also saw the VIX rise back above the 20 level as the 8-day moving average threatened to break. A strong bond auction stabilized things as rising 1-week VWAP also was supportive into the dip, market resiliency continues to be a theme. The schedule is quiet tomorrow while earnings remain active and the market likely now focused on the 2/14 CPI report due to recent data and Fed implications.

S&P Chart:



Resistance	Support
4150	4000
4300	3850
4600	3800

Options Action Trends: We saw some put buying in the XHB along with components like PHM, KBH as yields have risen. There was a good amount of put buying in consumer-related names as well while bull flow slowed notably.

What's On Tap: Jobless Claims, 30-year Bond Auction; Japan Machine Orders, PPI, UK House Prices; Earnings from ABBV, PEP, AZN, PM, UL, SPGI, PYPL, TRI, MSI, DXCM, APO, HLT, MTD, WTW, K, BAX, EXPE

Trade Tracker Portfolio Changes:

1. Closed **CSCO** Puts \$3.05 (Opened \$2.50)

Sector Laggards

Internet

Housing

Biotech

Stock Losers

VSH -13%

BKH -9.5%

JKHY -9%

PAYC -8.5%

DT -8.5%

PVG -6.5%

Volatility Losers

- NYT
- GME
- WU
- ILMN
- PAYC
- BG

High Put Volume

- RILY
- PWR
- TPR
- TUR
- KBH
- TOST

Bearish Options

- LUMN
- UBER
- CHK
- KBH
- TOST
- LKQ
- PWR
- VRT
- OSTK
- TRIP
- K
- RILY



FEATURED OPTIONS RADAR REPORT



Bull Spread Sees Favorable Risk/Reward in Oil FCF Generator

Ticker/Price: COP (\$112)

Analysis:

Conoco (COP) with a large trade on 12/7 that sold 12,735 May \$90 puts to buy the \$120/\$140 call spreads for net \$1.85 debit. COP also recently with a large buy of 4500 June \$105 calls and seen opening sales of May \$120 and \$110 puts. COP has some bearish open interest in June with the \$130 calls short 3450X and the \$110 puts bought 2000X but overall a bullish flow profile. COP is pulling back with Energy names in 2023 but this week trying to hold its rising 200-day moving average as support and put in a strong candle Tuesday though shares remain just under VWAP off the July 2022 low but also basing this week right at a 50% retracement level. Shares have plenty of overhead supply and need to get back over \$118 to inflect bullish but a potential turning point. ConocoPhillips is an independent E&P company headquartered in Houston, Texas with operations and activities in 14 countries. Its diverse, low cost of supply portfolio includes resource-rich unconventional plays in North America; conventional assets in North America, Europe, and Asia; LNG developments; oil sands assets in Canada; and an inventory of global conventional and unconventional exploration prospects. COP has a market cap of \$138B and trades 4.8X EBITDA with a 12% FCF yield and 4.7% dividend yield. Like peers, COP's 2022 is seen as a peak year in the cycle for earnings as it focuses on capital returns and FCF. COP checks all the boxes for sustained outperformance: disciplined investment and consistent return of cash coupled with a high quality, diversified, low cost portfolio that can deliver an attractive combination of FCF and growth. The WSJ reported a month ago that COP may sell its oil in Venezuela where it is owed \$10B, a potential catalyst. Analysts have an average target of \$138 with short interest low at 0.8% of the float. Barclays raised its target to 160 after the latest quarter. Mizuho started at Buy on 1/9 with a \$151 target due to strong balance sheet and peer-leading cash generation.

Hawk Vision:



Hawk's Perspective: COP is cheap at key support and offers a fat yield, not a bad spot to consider and as someone seeing Oil range-bound, it will likely outperform more volatile peers.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Mortgage Originator Sees Bearish Flow Return as Rates Rebound

Ticker/Price: COOP (\$45.90)

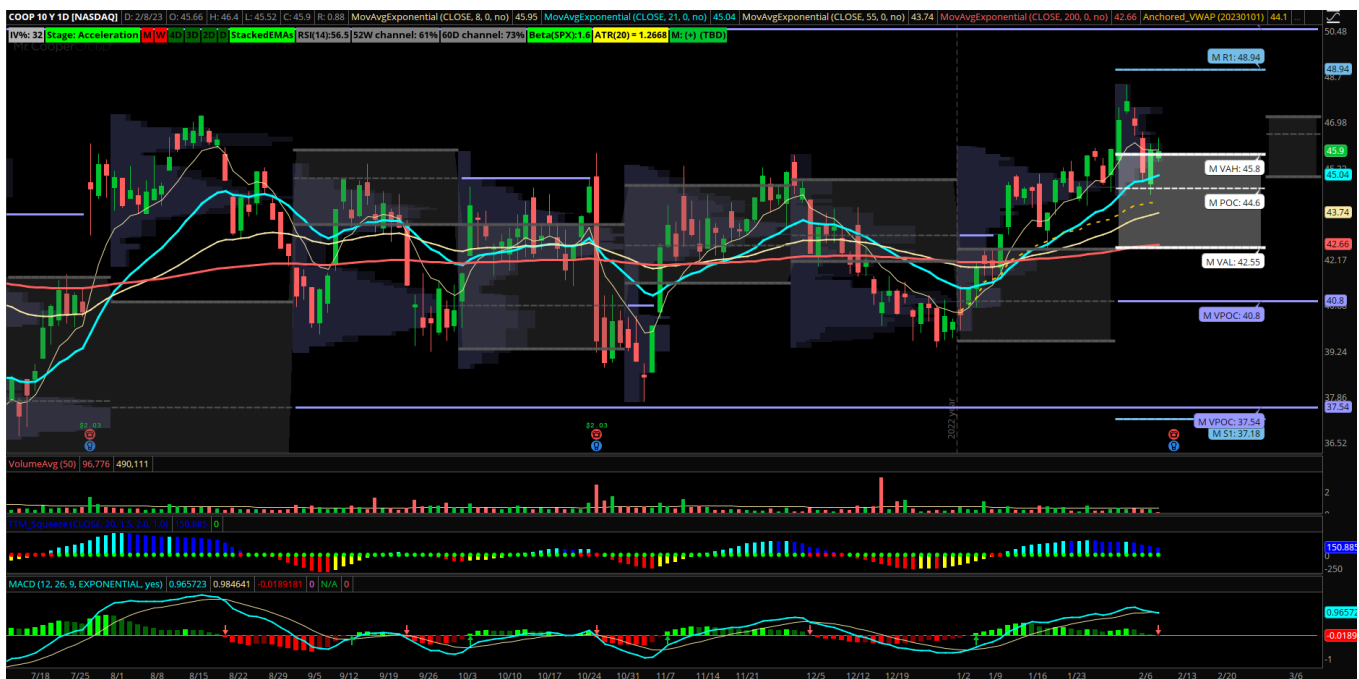
Analysis:

Mr. Cooper (COOP) on 2/6 saw a buyer of 1000 April \$45 puts at \$3.20 and this follows recent bearish flow in the name since mid-January including a marge buyer of 7500 April \$42.50 puts for \$2.15 on 1/23 and another 5000 bought at \$2.55 on 1/18. All in total over 12,500 sit in open interest and near \$3M in combined premium bought in the April \$42.50's. COOP also saw a buyer of 1000 January 2025 \$30 puts at \$3.40 and 5000 April \$40 puts at \$1.45 so really targeting that April expiration for a potential selloff. Shares have been rallying into the start of the year as rates fall but now starting to see mortgage rates rebound off the January lows. COOP hit a high of 48 last week and since pulled back to the top of value area at 45.80, a close back under 21 EMA at 45 can see a slide back to the 200 day EMA at 42.60 with larger support at a VPOC near 40.80. The \$3.2B company trades at 9.4x earnings, 1.8x sales, and 0.7x book value while revenue is expected to fall -31% in FY23. Mr. Cooper Group Inc. provides servicing, origination and transaction-based services related to single-family residences throughout the United States. The Company operates through two segments:

 Servicing and Originations. COOP reports earnings on 2/10 Friday morning and also is scheduled to be part of the Credit Suisse Financial Services conference next week on 2/13. Average analyst target is \$53. Piper raised its target back in November to \$64 and remains a bull with an Overweight rating citing Mr. Cooper is one of the very few mortgage companies on pace to produce increasing earnings over the next few quarters. Barclays has a \$41 target and Equal Weight saying Card issuers and instalment lenders could struggle against the economic backdrop and may trade at trough multiples. The analyst sees more value in air lessors, with AerCap raised to top pick and Air Lease also rated Overweight. DeVries also thinks a transition to a weaker credit environment may put pressure on mortgage insurers.

Short interest is at 4.5%. Hedge fund ownership fell 66% last quarter.

Hawk Vision:



Hawk's Perspective: COOP is a sloppy chart so could play for a short fade lower if can close back under 21 EMA as a trigger level near 45.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



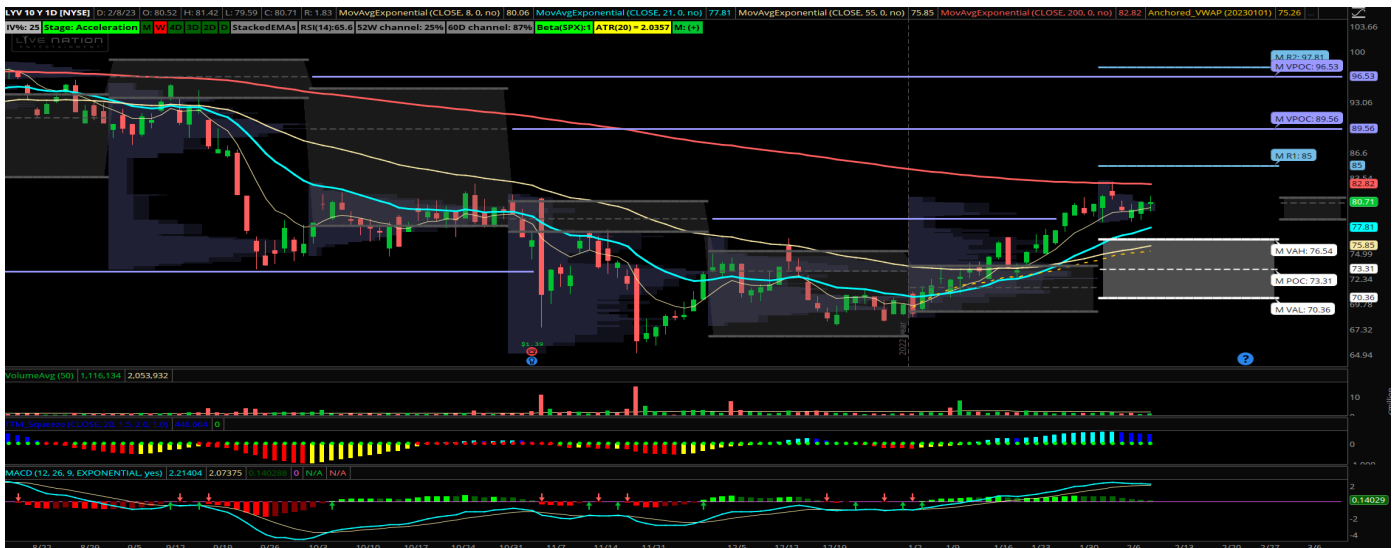
Live Entertainment Leader Sees Bulls Position for Recovery into Summer

Ticker/Price: LYV (\$80.71)

Analysis:

Live Nation (LYV) on 2/6 saw a large buyer of 2500 June \$80 calls at \$7.60 for nearly \$2M in total call premium bought. This follows mostly bullish options flow since the end of last year including buyers in March \$77.50 calls on 1/13 over 1250x for \$4.10 and 1000 June \$82.50 calls bought for \$5.10 as well as a large opening put sale of 2000 July \$55 puts at \$1.80 and 430 July \$67.50 puts sold to open for \$5.50. LYV also has nearly 1000 April \$75 calls in open interest from buyers on 9/26 at \$11.20. Shares have been carving out a basing bottoming pattern and now forming a bull flag just below the 200 day EMA at 82.80. The 78 level it has cleared also recently is the yearly value area low and now back inside it for two weeks points to a move to the other side of value way up at 116 by year end. A close above there can see a breakout trend move higher to 89.50 where there is a VPOC volume resistance but still has space above that to 100 which is the 2022 yearly POC and likely a target on the upside later this year. The \$18.6B company trades at 59x earnings, 12.8x EBITDA, 1.2x sales, and FCF yield at 4.6% while revenue is expected to grow +8% in FY23 after a stronger rebound year in 2022 as entertainment recovered post pandemic. Live Nation Entertainment, Inc. is a live entertainment ticketing, sales, and marketing company. The Company's segments include Concerts, Ticketing, and Sponsorship & Advertising. Average analyst target is \$100. Citi upgraded to Buy late last year with a \$82 price target and says If Live Nation remains a single firm, the firm notes shares are worth \$90 per share. If the company is forced to split into two firms, the shares are worth \$48, says the firm, who ascribes an 80% likelihood that the firm remains intact and a 20% likelihood that Live Nation is forced to unwind the 2010 merger. Following the recent share selloff, the firm says Live Nation's risk/reward profile looks more reasonable. Jefferies has a \$92 target and Buy rating on shares and recently stated that shares are near the lower end of the valuation range the past five year and the regulatory pressures surrounding the Ticketmaster execution issues around Taylor Swift are temporary. Short interest is at 7.9%. Hedge fund ownership rose 1% last quarter. In early December an insider buy was seen when a director bought 13,740 shares at \$73.28 for over \$1M.

Hawk Vision:



Hawk's Perspective: LYV is a nice rounded bottom so buying the next dip to 21 EMA looks attractive for potential longer term recovery into Spring or Summer season with stops under that yearly value low at 77.50

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Homebuilders (XHB) buyers 4000 March \$69 puts \$2.04 offer, lines up with KBH puts and rising yields

Nasdaq (QQQ) March 31st (Q) options active with 21,000 of the \$335/\$285 strangles bought, leans bearish, also opening seller 5000 of the \$310 puts for \$11.23. QQQ also 4000 Feb. 24th (W) \$303 puts bought for near \$2M, 4000 March 3rd (W) 410 puts bought \$3.5M. **QQQ** trade put on 7000 Feb. 14th (W) \$320/\$300 bull risk reversals for a \$0.48 credit this morning, that is CPI day

Gold (GLD) seeing 15,000 December 29th \$235 calls sell to open \$1.62, adjusting the \$225 short calls

Treasury (TLT) buyer of 5000 April \$100 puts at \$1.26, stock tied and possibly adjusting the March \$100 puts that are sold

Semis (SMH) seeing 2000 March \$250 puts bought 10.85 offer sweeps

Emerging Markets (EEM) opening sale 6000 December \$38 puts 1.70

S&P (SPY) April \$392 puts popular with buyers today 9000X for around \$6M

Russell (IWM) opening seller 3000 March 2024 \$190 puts for 13.02 while near-term seeing buyers of 10K Feb. 24th (W) \$189 puts for \$1.93

Consumer Goods

Activision (ATVI) bull flow into weakness with 10K April 70 puts selling to open \$2 following earlier seller of \$65 puts and more April \$70 call buys. **ATVI** also seeing buyers of 4800 March \$75 calls at \$2.70, adjusting some \$80 calls it seems

LKQ (LKQ) with unusual 1040 March 57.5 ITM puts opening \$2.75 to \$2.95

Capri (CPRI) big drop today on earnings and seeing 2000 January \$37.50 puts bought for \$3.10. Also another trader selling to open 2800 March \$42.50 puts for \$0.45. **CPRI** seeing some buyers of March \$50 and \$52.50 calls today at \$2.22 and \$1.35 each

FreshPet (FRPT) buyer 10,000 May \$75 calls \$5.45 as the \$70 calls adjust as stock dips to 21-Ma

Kellogg (K) buyer 2500 Feb. 65 puts \$0.55, reports tomorrow morning

Rivian (RIVN) with a seller 1000 January 2025 17.50 puts to open 5.96. **RIVN** also a buyer 2000 January \$42.50 calls today \$1.78

Sonos (SONO) into earnings with 1500 January \$17.50 puts bought \$2.56 offer, also seeing sellers of 1200 July \$20 calls on bids and buyers of 1000 July 17.50 puts \$1.75 offer sweep. **SONO** also with sellers 2000 January 20 calls

PVH (PVH) opening sale 1500 March \$80 puts for \$3.20

Nikola (NKLA) large buyer of 60,000 March \$5 puts at \$2.63, adjusting the Feb puts

Tyson (TSN) opening sale 1450 July \$55 puts for \$2

British American Tobacco (BTI) reporting tomorrow and seeing buyers of 1500 March \$38 calls at \$0.80

Monster (MNST) with 1200 March \$100 synthetic longs opening for \$2.83

American Axle (AXL) buyer of 10,000 March \$9 puts for \$0.55, reports Friday AM

Gap (GPS) with 3500 Feb. 24th (W) \$13.50 calls bought \$0.63

British Tobacco (BTI) opening seller 1200 January \$37 puts for 2.95

Abercrombie (ANF) with 1500 March 3rd (W) \$29 puts bought \$1.78 for earnings 3-1 with Feb. 24th (W) sold against in calendars

Nordstrom (JWN) buyer 4000 March 3rd (W) \$22/\$19 put spreads as higher strikes adjust down

Consumer/Business Services

Uber (UBER) fading and 2000 March 3rd (W) \$37 puts bought up to 2.02. **Uber (UBER)** with 8000 April 37.50 calls sold to open as it gives back all the earnings gain. **UBER** buyers 10K May 32.50 puts

Toast (TOST) more buying of February \$22 puts 5000X at \$0.80

AutoNation (AN) with 400 March 120 calls bought ITM up to \$16

Overstock (OSTK) falling back into value and more bearish opening call sellers with 2000 March 20 at \$3.20 bid

TripAdvisor (TRIP) up 5% on double upgrade but seeing 3500 April 25 calls sell to open 2.45 to 2.40 into 2-14 earnings

Starbucks (SBUX) buyer 1000 September \$90 puts for \$3

Carnival (CCL) trader opens 25,000 diagonals buying the March \$11 puts at \$0.44 and selling the April \$9 puts for \$0.29, net debit of \$0.15. Adjusting the March \$9 long puts it seems

Royal Caribbean (RCL) opening sale of 37,000 January \$30 puts at \$0.84, adjusting the \$25 short puts

Lyft (LYFT) with 2750 March \$15 puts bought \$0.78 for earnings

TH International (THCH) unusual 2300 September \$7.50 calls trading \$1 to \$1.20 with September IV up sharply. The \$630M Co. operates Tim Hortons in China, Hong Kong and Macau.

Chipotle (CMG) with 200 June \$1620 calls opening, \$2.8M position, as weekly calls adjust from ITM

Energy

ChargePoint (CHPT) with 15,000 May \$15 calls bought for \$0.92, adjusting Feb calls

Chesapeake (CHK) bearish opening sales ITM March \$80 calls 1800X \$5.70 to \$5.40. **CHK** also with 1000 July 85 calls sold to open for 6.05

Phillips 66 (PSX) sweep buyers 2900 low-Delta March 110 calls \$1.10

Occidental (OXY) block of 1200 August 62.50 puts sold for \$6.10, see if adds to OI tomorrow

BP (BP) buy write sells 10,000 March \$41 calls for \$0.31

Scorpio Tankers (STNG) large, unusual buyer of 825 January 2025 \$50 ITM calls for \$20 to \$20.80. Reports next week and breaking out of monthly value past few days

Hess (HES) seeing 500x1000x May \$130/\$120 put ratio spreads open for \$0.97 credits

Financials

AIG buyer 1500 May 62.50 calls for \$2.90 offer, earnings 2-15

Lemonade (LMND) buyer 1660 March \$18 puts for \$2.05, a junk name that has rallied

Upstart (UPST) buyer 1400 June \$20 puts \$6.45, another junk name that has rallied

B Riley (RILY) with 3000 July \$30 puts bought \$2.52 to open after some earlier put action sent IV higher

US Bank (USB) with 5100 March \$50 bull synthetics open at \$0.49 credit

Metlife (MET) seeing 3400 March \$70 bull synthetics open for \$1.48 debits

Paychex (PAYX) with 1200 March \$115 synthetic longs opening at \$1.40

Truist (TFC) opening sale 700 September \$50 puts for \$4.165

Fiserv (FISV) big move this week on earnings and today 600 September \$120 calls bought \$7.80 offer

Rocket (RKT) buyer 4000 April \$8 puts \$0.485

HR Block (HRB) buyer 2100 May \$40 calls \$2.40 as April calls closed earlier

Healthcare

Vertex (VRTX) held key VPOC on earnings weakness and 235 Jan. 2025 \$310 calls bought for \$57

Cardinal Health (CAH) seeing 2100 March \$80 straddles bought for \$4.75

Illumina (ILMN) into earnings weakness a buyer of 100 January 2025 \$200 calls \$57.60

Altimune (ALT) IV rise with 1500 April 10 puts bought up to 2.90

Abbott (ABT) with 3400 March 110 synthetic longs opening for debit of \$0.89

Industrials

KB Homes (KBH) buyer 12000 March \$37 puts \$1. **KBH** also with 3000 May \$40 puts bought now \$3.50

Quanta (PWR) buyer 2000 March \$140 puts \$1.80

Zurn Water (ZWS) large opening buy 7500 August \$27.50 calls for 1.20, recent weak report but May 22.5 calls are adjusting. ZWS is a \$4B industrial name that supplies a range of advanced water system solutions to protect human health and the environment. The Company is engaged in designing, procuring, manufacturing, and marketing products that provide and improve water quality, safety, flow control, and conservation. It operates across the United States and Canada.

American Airlines (AAL) with 8600 March \$17 bull synthetics open for \$0.07 credit

Emerson (EMR) weak report today with 500 January \$82.5 puts bought \$6.20 to \$6.50

nVent Electric (NVT) with a buyer of 1250 March \$45 calls at \$1.30, adjusting the Feb calls higher after massive move this week to new highs post earnings

Mercury Systems (MRCY) interesting trade with it exploring a sale, sells 800 Feb. \$55 calls to put on 800 June \$55/\$45 bull risk reversals, net \$2.84 debit

United Air (UAL) buyer of 2514 Feb 24th \$48 puts at \$0.75, also sells the \$52 calls at \$0.53 for small net debit collar likely protecting long stock since odd lot trade

Griffon (GFF) with 1455 April \$32 calls bought at \$5.70, adjusting the Feb \$32 calls and also buys the April \$32 puts for \$1.10 in long strangles that lean heavy bullish

Materials

Peabody (BTU) buyer 3000 Feb. 24th (W) 30/34 call spreads

Sigma Lithium (SGML) with 3000 July \$22.50 puts sold to open for \$2

Tech

Palo Alto (PANW) buyer 9000 March \$200 calls \$0.76 as 1K of the \$170 adjust

C3.AI (AI) with 4700 Feb 24th \$25 calls bought for \$5.00

Google (GOOG) opening sale 4300 January \$80 puts for \$4.29

Alibaba (BABA) June 120/140 call ratios trading 3000X6000

Amazon (AMZN) buyer 2500 September \$105 calls for \$10.43, sells 7500 of the June \$150 calls

Nvidia (NVDA) buyer 1000 July \$190 puts up to \$14.35

ON24 (ONTF) up 3.3% on activist push seeing 2500 June 10 puts sold to open for \$1

Pinterest (PINS) buyer 1500 March 10th (W) 23.5/27.5 call spreads

Motorola (MSI) seeing 500x750x March \$260/\$240 put ratio spreads open for \$3.25 debits, reports tomorrow night

Tenable (TENB) with 1000 March \$50 calls bought \$1.30 aggressive, potential M&A target in cyber-security

Skyworks (SWKS) big move on earnings this week seeing 400 January \$130 calls bought \$13.70 in a stock replacement

Salesforce (CRM) seeing a buyer of 3150 March \$170 straddles at \$18.80, stock tied

Digital Turbine (APPS) buyer 1000 Sept \$20 calls at \$2.72

Communications/Utilities

Lumen (LUMN) July \$4 calls up to 15,000X sold to open \$0.70 into earnings weakness

Dish (DISH) trade sold 3500 January 22.50 calls for 0.97 and bought 5000 of the \$7.50 puts for \$1.51

Impinj (PI) a hot name seeing 1300 Feb. 110 puts bought 3.10 with the March 155 calls sold 1300X at 2.10, likely protective into earnings tonight

Disclaimer:

Not Investment Advice or Recommendation

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