



MARKET RECAP 2/24/2023

Sector Leaders

Energy

Banks

Staples

Stock Gainers

MP 5.5%

TPB 4%

LNTH 3.5%

IRTC 4%

OLED 4%

Volatility Gainers

- DIA
- LAC
- SHOP

High Call Volume

- ROST
- COP
- MRNA

Bullish Options

- COF
- MP
- AMZN
- GOOGL
- MRVL
- BIDU
- FCX
- SGML
- GM
- CTSH
- ORCL
- ROST
- SMCI
- TTWO
- AZN
- WDC
- MTCH

Market Review: Stocks worked to lows of the week into the open following the release of January PCE Price data the Fed relies on which showed hotter than expected inflation while Personal Income missed estimates and Spending came in very strong. The data caused 2- and 10-year Treasury yields to surge even higher to multi-month highs. Most every sector was red with value and defensive groups holding up best while Software, Internet, Solar and Retail were weakest. The Nasdaq tested the key 290 level where the 200-day comes in and bounced though breadth remained weak. The market will try to find stability next week with a bunch of economic reports and still some key Retail & Tech earnings reports but we remain in a sell-signal and best to wait for a strong reversal candle rather than predict one.

S&P Chart:



Resistance	Support
4150	4000
4300	3940
4600	3850

Options Action Trends: Bulls continue to position for a mega-cap tech rally in late March, call buys in GOOGL and AMZN.

What's On Tap: The earnings schedule slows next week but still some key reports left in Tech and Retail including AVGO, COST, CRM, LOW, TGT, SNOW, WDAY, ROST, MRVL, KR, DLTR, DELL, VEEV, HPQ, ZM, BBY, ZS, SPLK, FSLR and more. The economic schedule will be active with Durable Goods Orders, Chicago PMI, and ISM Manufacturing/Services while Fed speaker is expected to be quieter.

Trade Tracker Portfolio Changes:

1. No Changes

Sector Laggards

Metals

Software

Internet

Stock Losers

MORN -14.5%

ADSK -11%

LYV -10%

RUN -8%

ADBE -7%

MBLY -7.5%

Volatility Losers

- W
- LYV
- RETA
- ADSK
- MELI
- MP

High Put Volume

- IAA
- IEI
- FORG
- WB
- FND
- MBLY

Bearish Options

- FRC
- DD
- LVS
- IAA
- XLE
- BMBL
- H
- CVNA
- SLG
- ZUMZ
- BX



FEATURED OPTIONS RADAR REPORT



Airline Turnaround Story with International Exposure Favored by Bulls

Ticker/Price: AAL (\$15.87)

Analysis:

American Airlines (AAL) traded 2X daily calls on 2/23 with notable buyers of 10,000 March \$16 calls and a block of 27,000 April \$17 calls bought for \$0.64 which traded 50,000X on the day. AAL also with a recent opening seller of 2000 August \$15 puts, a 12/19 seller of 40,000 September \$10 puts, and a buyer of 15,000 September \$23 calls. AAL shares are up 24.5% YTD with the robust travel market but filled a gap this week and the weekly consolidating below key trend resistance and VWAP off June 2021 highs. A move over \$17 can target the 200-week at \$20. AAL is a major network air carrier, providing scheduled air transportation for passengers and cargo through our hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. and partner gateways, including in London, Doha, Madrid, Seattle/Tacoma, Sydney and Tokyo. AAL has a market cap of \$10.3B and trades 7X EBITDA with a 14.7% FCF yield, and revenues seen rising 8.8% in 2023 with 27% EBITDA growth. American had the best completion factor of any major U.S. airline and fourth quarter margins that are higher than the fourth quarter of 2019 despite our fuel price increasing by approximately 70%. Post-holiday bookings are off to a strong start. Demand for domestic and short-haul international travel continues to lead the way. AAL also achieved its highest 4Q revenue in the company's history. Mgmt. also laid out a few drivers of revenue growth and assumptions for 2023, including 1) AAL's network, partnerships, and fleet changes over the last few years, 2) the assumption that airline industry revenues will regain their historical relationship with GDP, and 3) the assumption that there will be the same historical relationship between revenue and fuel price. AAL is also making major progress in reducing debt on its balance sheet and turning into a strong turnaround story. International and corporate though its Asia exposure are likely to lead to more beats later in 2023. Analysts have an average target of \$16.55 with short interest high at 13.5% of the float. Redburn upgraded to Buy on 2/8 with a \$25 fair value seeing AAL at the right end of the capex cycle.

Hawk Vision:



Hawk's Perspective: AAL is usually not the preferred Airline with UAL/DAL quality, but can see reason for it into the rest of 2023. May calls look cheap to capture the next earnings report if trading long vs. the \$15 level.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



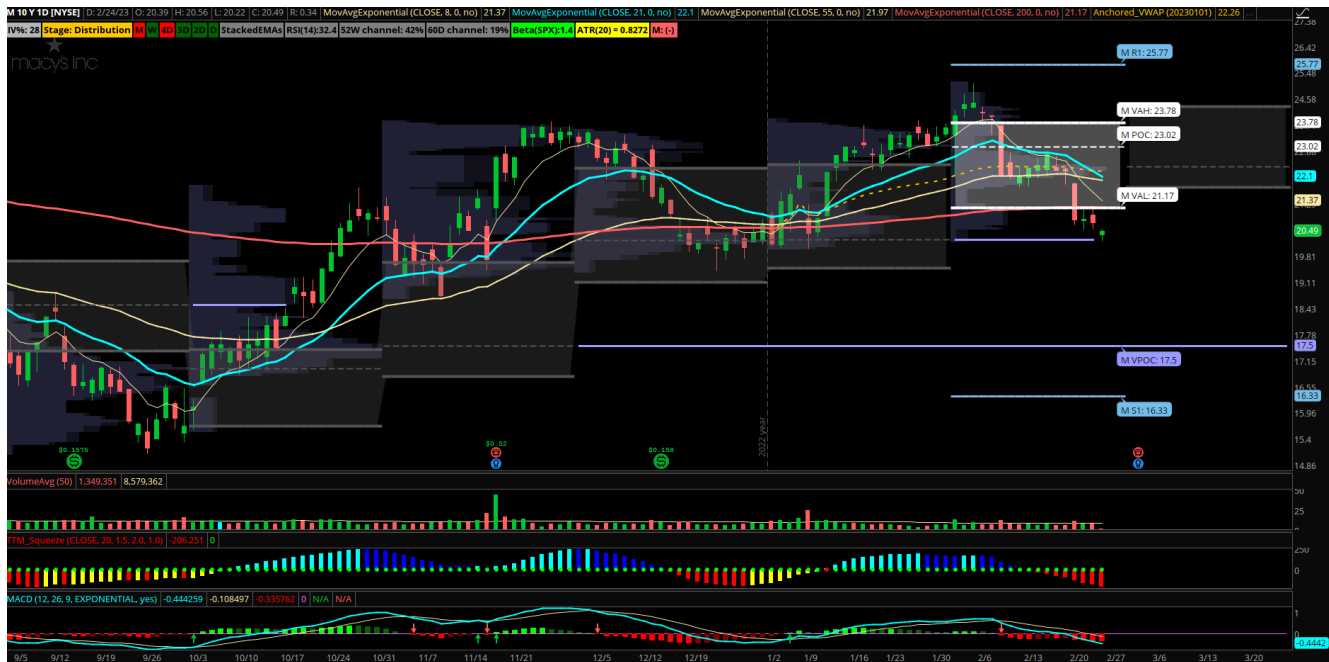
Bulls Visit Department Store Name Driving New Initiatives

Ticker/Price: M (\$20.50)

Analysis:

Macy's (M) on 2/23 saw a large buyer of 10,500 May \$24 calls at \$0.90 for nearly \$1M in the department store name and also a opening put sale of 5000 May \$20 puts for \$1.78 showing confidence in these levels holding into Spring as the name pulls back off early year highs near 24. M also still has large size in March \$22 calls bought over 7000x in Jan at \$1.37 and the May \$26 calls bought on 1/11 over 10,000x for \$1.16. Shares have been rangebound this year between 20 and 25 on the high side but back down to lower end of the range now ahead of earnings next week and the 200 day EMA here at 21. The stock has large support near this level but yearly value area at 18.50 a strong level lower while 2022 POC at 22.50 a resistance overhead and then 26.30 the top of yearly value. Longer term M is forming a nice inverted bullish bottom pattern with upside towards 30 possible. The \$5.6B company trades at 5.4x earnings, 0.3x sales, 25% FCF yield and a dividend yield of 3.1% while revenue is expected to decline -3% in FY23 with -1% growth estimated in FY24. Macy's is an omnichannel retail company operating stores, Websites and mobile applications under three brands, such as Macy's, Bloomingdale's and bluemercury. Average analyst target is \$24. Goldman initiated with a Buy last month and \$28 price target saying the company's strengthening execution and inventory management, coupled with its new initiatives to drive market share and profitability position Macy's favorably. Strong margins and free cash flow with ample share repurchase opportunity provide a ballast to a choppy apparel backdrop. Citi raised to \$23 and expects inline guidance on the report next week. Guggenheim has a Neutral rating and expects end-of-year inventories at Macy's to be slightly below last year and down mid-teens % compared to pre-pandemic levels. Short interest is at 8.6%. Hedge fund ownership fell 2.3% last quarter.

Hawk Vision:



Hawk's Perspective: M is a high short float name that can see upside surprises but perhaps in a weak market best to wait for a close above the 8 EMA currently near 21.40. Playing through May calls seems appealing if bullish though.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



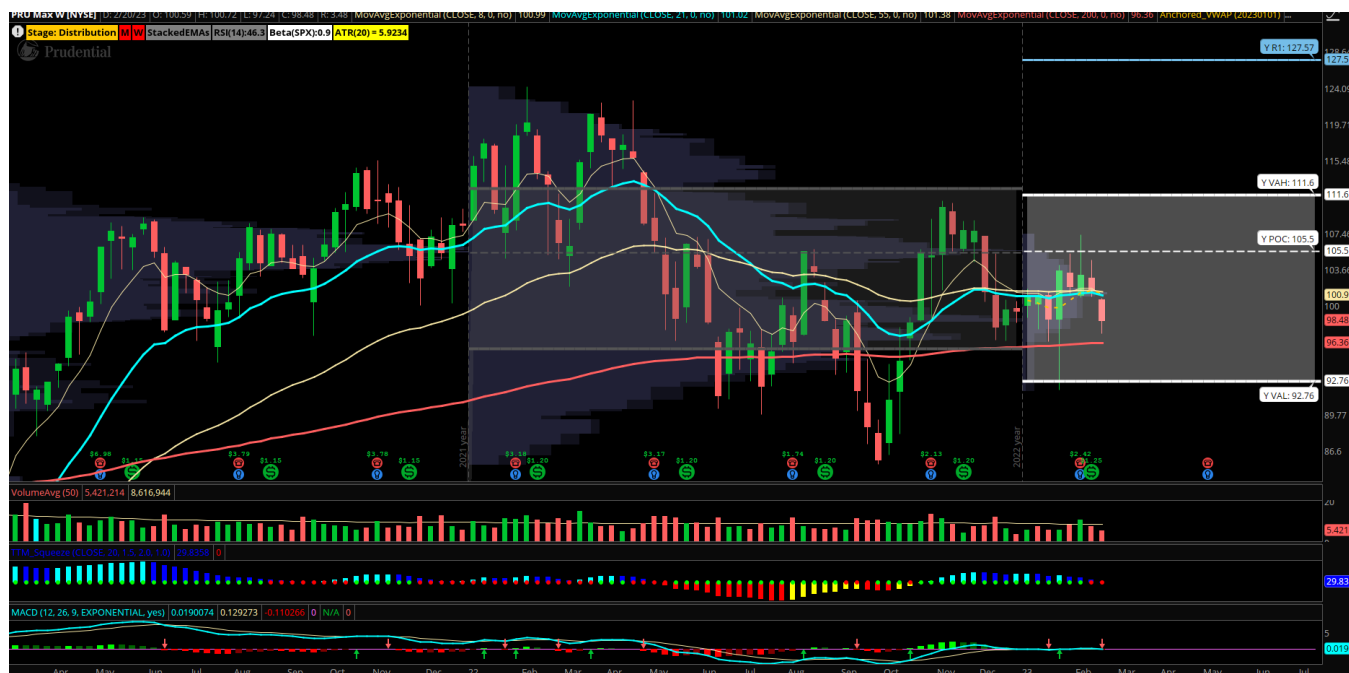
Insurer Sees Massive Opening ITM Put Sale Look for Floor

Ticker/Price: PRU (\$98.50)

Analysis:

Prudential (PRU) on 2/23 saw a sizeable opening put seller for 1250 December 2025 \$105 ITM puts for \$19.18 adjusting the January short puts and staying bullish after the stock recently authorized a \$1B share buyback. Over \$2.35M in puts sold to open looking for a long term floor at these current levels and PRU offers a fat yield at 5.1% so get paid to wait in addition to collecting the put premium willing to be long here. PRU also still has a large amount of short puts in open interest in Jan 2025 \$100 and \$95 puts sold last Fall for over \$10M combined so a popular strategy in the name. Shares have been rangebound and now retesting under 100 and close to the 200-week EMA after a high near 107 earlier this month was hit and failed from. Now back to 97.50 the lower edge of monthly value support and likely to bounce here. Large resistance is up at 107 but if can close above that then 115-116 the next VPOC levels of interest. These put sales look confident in the 100 level holding and insurance stocks overall do well within an inflationary environment. The \$36B company trades at 8.0x earnings, 0.8x sales, ROE of 18.2% and a dividend yield of 5.1% while revenue is expected to decline -11% in FY23 with +2% growth estimated in FY24. The Company operates a global financial services and global investment manager. The Company, through its subsidiaries and affiliates offer an array of financial products and services, including life insurance, annuities, mutual funds and investment management. Average analyst target is \$103. Citi opened a Catalyst Watch on PRU last month and boosted its target to \$105 while Wells upped its target to \$100 and RBC has a \$110 target saying Prudential has embarked on a multi-year program to increase the proportion of earnings from capital light and growth oriented businesses. Raymond James has a Strong Buy and \$115 target while JPM has a \$118 target and recently said the rise in interest rates is a notable positive and should alleviate, although not eliminate, tail risk in legacy blocks. Short interest is at 1.9%. Hedge fund ownership fell 6.3% last quarter.

Hawk Vision:



Hawk's Perspective: PRU is a sloppy chart but put sales a good idea here as under 100 has been a solid support level the past 6 months. Selling puts here willing to own stock works or long shares with a 5% yield also attractive.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Energy (XLE) with 70,000 June \$76 puts opening as March 80 adjust

Ark (ARKK) seeing 10,000 March 24th \$35/\$33 put spreads bought here midday for \$0.47

Gold (GLD) stock replacement buys 5000 January 2025 \$270 calls at \$2.65, large move needed for this one next few years but monthly chart setting up for big move it seems

Corporate Bonds (LQD) buyer of 46,885 April \$105/\$101 put spreads for \$1.02, adjusting March puts

Nasdaq (QQQ) large buyer of 10,000 March 24th \$290/\$265 put spreads for \$6.56

Vanguard REIT (VNQ) rare trade buys 5000 September \$80 puts for \$3.50, adjusting March puts

Junior Gold Miners (GDXJ) seeing buyers of 5000 May \$34 calls at \$2.00

Consumer Staples (XLP) with 11,500 March \$67 calls bought at \$6 in a stock replacement

Consumer Goods

GM buyer 10,000 May \$45 calls \$0.76 as April adjust. **GM** with 2000 January 2025 \$25 puts bought for \$1.78

Take Two (TTWO) trade opens 1000 April \$115/\$90 bull risk reversals for \$1.75. **TTWO** also with 2090 March 103 puts selling to open 1.32

Tesla (TSLA) with 1216 March 10th \$155 ITM calls bought here for \$42.33, adjusts the Feb 24th calls

Consumer/Business Services

Weibo (WB) opening sellers 7000 April 17.50 puts for 0.60, reports 3-1

Las Vegas Sands (LVS) buyer 5500 June \$46 puts \$1.25

IAA (IAA) buyer 5000 March \$40 puts to open \$1.40

Bumble (BMBL) buyer 8500 April 17.50 puts for 0.25 to 0.30

Hyatt (H) buyer 1050 March \$110 puts \$2.15 offer aggressively

Carvana (CVNA) with 5500 April \$10 puts being bought \$3.70 after an ugly report

Ross (ROST) with 4500 March \$113/\$123 call spreads bought into 2-28 earnings at \$2.50, a top off-price play

Spotify (SPOT) opening sale of 400 January \$160 deep ITM puts for \$47

Match (MTCH) with 1500 September \$45/\$32.5 bull risk reversals opening \$3.15 debit

Uber (UBER) opening sale of 5000 March \$32 puts at \$0.97. **UBER** seeing stock replacements buy 929 March \$29 calls for \$4.75

Luminar (LAZR) large trade sells 50,000 April \$8/\$12 bear call spreads at \$0.77 and buys the \$7/\$5 put spreads for \$0.70, earnings next week

AMC large buyer of 16,000 May \$3 puts for \$1.09, adjusts the March puts

Carnival (CCL) with a block of 6000 Oct \$8 puts sold to open at \$0.84 in stock replacements

Royal Caribbean (RCL) seeing buyers of 1000 Sept \$60 puts at \$4.95, could be closing the short puts from last month, added to OI checks

Disney (DIS) seeing an interesting trade open 6000 March 3rd/March 10th \$98/\$102 double diagonal spreads for \$1.40 debit. Expecting range bound next few weeks

Wayfair (W) with 1300 May \$40 bear synthetics opening for \$3.00 debits

Starbucks (SBUX) buyer of 1200 May \$97.50 calls for \$7.90

Target (TGT) reports next week and seeing opening sales of 2100 June \$190 calls for \$5.15

Energy

Obsidian Energy (OBE) unusual buys 2700 April \$5 calls ITM \$2.05 to \$2.35 with a long base breakout today

ConocoPhillips (COP) sells to open 4280 May \$90 puts at \$2.25 to buy the \$110/\$125 call spreads for \$3.70

Southwestern Energy (SWN) opening sales of 5000 January \$5.50 calls for \$1.10

Schlumberger (SLB) buyers of 2300 January 2025 \$47.50 puts for \$6.95

Financials

Capital One (COF) early trades selling 1000 April \$100 puts to buy 1000 of the \$110/\$120 call spreads

Citi (C) buyer 5000 April 50 puts 2.08, stock tied. **Citi (C)** opening seller 1112 April 6th \$51 calls at \$1.35, adjusts March 3rd short calls

First Republic (FRC) buyers of 1400 March \$120 puts \$3.70 to \$3.80 offers

SL Green (SLG) buyer 1250 December 27.50 puts for 2.80. **SLG** also 1480 April 30 puts bought

Fidelity Info (FIS) spread sells 450 January \$55 puts to buy \$65/\$80 call spreads, net \$1.80

Iron Mountain (IRM) unusual buy 1000 January \$62.50 calls \$1.80

Blackstone (BX) buyer 2800 June \$80/\$70 put spreads

PayPal (PYPL) stock replacement buys 3030 September \$90 calls \$3.94, also a buy-write sells 1800 Oct. 80 calls 7.85 and 1800 Mar. 24th (W) \$74 calls bought \$3.15 offer

PennyMac (PFSI) seeing large buyers today for 2800 January 2025 \$25 puts for \$2.10

Block (SQ) staying green today after earnings but 1600 April \$67.50 puts bought for \$2.85

Healthcare

Medtronic (MDT) with 1790 April 6th \$77 puts sold to open \$0.85

AstraZeneca (AZN) buyer 11,000 June \$70/\$72.5 call spreads \$0.90, likely adjusting back

Centene (CNC) with 6075 April 72.5 calls sold to open for 2.50

Viking Therapeutics (VKTX) with 800 Aug \$16 calls sold to open \$1.90

Aclaris Therapeutics (ACRS) buyer of 1100 April \$10 puts for \$1.40 sweep offers

Moderna (MRNA) buyer of 1450 July \$195 calls at \$3.75. **MRNA** also buyers of 1300 July \$180 calls at \$6.10

Pacific Biosciences (PACB) large opening sale of 15,000 April \$9 calls for \$0.90 bids

Industrials

Babcock (BW) with 1500 April \$5 calls open \$1.47 as March adjust. **BW** seeing another 1500 April \$5 calls bought at \$1.45, up to 3k on day

American Airlines (AAL) 7000 August \$14 puts bought \$1.12

Spirit AeroSystems (SPR) buyer of 1000 April \$36 calls at \$1.60

Watsco (WSO) large buy of 1500 August \$270 puts for \$12.70

Materials

MP Materials (MP) opening sale 1000 September 30 puts 3.20 to 3.10 following solid results

DuPont (DD) buyers of 4000 March \$67 puts \$0.55 offer

Teck (TECK) stock buyer selling January \$47/\$32 strangles

Freeport (FCX) buyer of 1000 May \$39 calls for \$3.75

Vale (VALE) large trade opens 15,000 March 10th \$17 bear synthetics at \$0.66 debit

Peabody (BTU) buyer of 2000 April \$24 calls for \$3.80, adjusting the \$28 calls

Linde (LIN) strong move +4% today and seeing large buyers of 720 March \$335 calls at \$9

Consol Energy (CEIX) large buyer of 1000 April \$45/\$60 call spreads for \$8.00

Tech

Google (GOOGL) early buyer 1000 Mar. 24th (W) \$89 calls \$3.85. **GOOG** buyers of 8500 March 10th \$91 calls for \$1.60, looks to be adjusting March 3rd calls. **Google (GOOGL)** with 6500 May \$80 puts sold to open here at \$2.40 bids

Amazon (AMZN) buyer 1000 March 24th (W) \$92 calls \$5.35 to \$5.45, same expiration as the GOOGL trade

Baidu (BIDU) with 1000 April \$145 calls opening \$6.71 as higher strike calls adjust

Innodata (INOD) unusual 1000 May \$5 calls bought \$2.25 to \$3, a name that has seen shares more than double the last few weeks. INOD has a \$170M market cap and trades 2.1X Sales, and has been getting recognized as an AI play

Marvell Tech (MRVL) early buyers 2850 May \$47.50 calls aggressive on \$3.45 offer into 3-2 earnings, Semis reporting solid numbers particularly in Auto

Apple (AAPL) opening seller 6500 March 148 calls this morning 3.65. **AAPL** large buyers of 12,000 March \$146 puts for \$3.95

Mobileye (MBLY) opening seller 5000 April \$30 puts for 0.63

Palo Alto (PANW) with 1000 March \$185 puts bought for \$5.70, stock tied

Meta (META) buyer 1000 next week \$165 calls \$6.20 offer

Cognizant (CTSH) buyer 1870 April \$67.5 calls for \$1.10

Oracle (ORCL) strong name with 2100 March 88 calls opening \$2.97, reports 3-13, rolling next week calls

Super Micro (SMCI) buyer 300 August \$95 calls \$16.40 offer

Lumentum (LITE) with 600 September 52.50 short puts opening \$4.85 as the 57.5 adjust

Western Digital (WDC) with 4000 January 2025 \$40 synthetic longs opening for \$2.50

DataDog (DDOG) trade opens 4000 March \$75 synthetic longs at \$1.96

AMD (AMD) buyer 1250 October \$70 puts \$7.25, stock tied

Alibaba (BABA) with 1500 December 80 puts sold to open \$9 to \$8.95 and 1500 December \$85 puts sold to open for \$10.90.

Alibaba (BABA) buyer of 900 Aug \$70 puts for \$3.80. **BABA** also into weakness with buyers of 4000 April \$90 calls for \$7 to \$7.70

Forgerock (FORG) seeing IV fall as 4500 April \$20 puts sell to open at \$0.60, reports next week

Pure Storage (PSTG) sweep buyers 2000 April \$27 puts \$1.60 offer

Microsoft (MSFT) large opening seller 10,000 April 225 puts 3.50 to 3.45

Fidelity National (FIS) stock replacement sells 900 April \$67.50 puts for \$4.23

Twilio (TWLO) opening sale of 3000 June \$80 calls at \$3.69, looks to be adjusting the \$70 short calls

Splunk (SPLK) buyer of 1000 January 2025 \$140 calls at \$15.25, adjusts the Jan 2024 calls it appears, will add to OI checks

Salesforce (CRM) buyer of 1800 April \$170 calls for \$6.80, looks to be adjusting the \$190 calls. **CRM** also an opening put seller for 1700 April \$140 puts at \$2.89

ON Semi (ON) opening seller of 2400 March \$73 puts for \$1.86

JD (JD) large opening sales of 2000 Sept \$42.50 puts for \$4.80, reports 3/9

Communications/Utilities

Comcast (CMCSA) with 1300 April 6th \$38 calls sold to open \$0.96

NRG Energy (NRG) seeing 2000 June \$35 puts bought in offer sweeps at \$3.10

Verizon (VZ) with 1090 April \$37 puts sold to open at \$0.82

Southern (SO) buyer of 3000 June \$55 puts for \$0.75

Frontier Communications (FYBR) buyer of 2500 Jan \$22.50 puts for \$2.40

Disclaimer:

Not Investment Advice or Recommendation

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