



MARKET RECAP 4/22/2022

Sector Leaders

REITs

Utilities

Staples

Stock Gainers

SIVB 10%

KMB 9%

RLX 5.5%

AN 5.5%

SLB 4.5%

EA 3.5%

Volatility Gainers

- HEAR
- GPS
- VRAY
- W
- MQ
- CRSR

High Call Volume

- EAT
- HEAR
- PLTK
- THC
- ULCC
- TWTR

Bullish Options

- DB
- EAT
- HPQ
- SE
- ADBE
- AMD
- TWTR
- CVS
- THC
- AFRM
- PBF
- NEX

Market Review: Stocks were lower overnight but rebounded into the US open amid mixed earnings, strong Eurozone Services PMI and China indicating some stimulative policies with the recent slowdown. Stocks rolled over early following the April Flash PMI report that misses estimates and reflects the slowing growth. Earnings were a bit disappointing this morning with underwhelming results from AmEx, Verizon, and HCA Healthcare. By mid-day there wasn't a single sector in the green with selling broad-based. The biggest laggards were in the materials and commodity stocks while safety groups outperformed, albeit still in the red. Breadth was weak as well with today's move with 86% down volume on the NYSE and declining stocks outnumbering advancers by a 5-to-1 margin. The S&P is approaching monthly VPOC at 4264.25 and a significant spot within this broader bottoming pattern that has been building since January. That being said, we remain in a cautious environment with NYSE in a bearish position and a confluence of downward sloping moving averages just above at 4400-4450 that will act as a tough hurdle on an initial re-test.

S&P Chart:



Resistance	Support
4600	4500
4650	4450
4735	4330

Options Action Trends: There was bearish flow this morning into airlines like **ALGT**, **UAL**, and **JBLU**. For the second straight day saw some massive call positions in tech names adjust out to Aug/Sep expiration with **AMD** and **ADBE** today.

What's On Tap: The big focus will be on earnings with key reports from WHR, KO, GE, DHI, GLW, MMM, PEP, RTX, SHW, UPS, CMG, COF, GM, MSFT, TXN, V, BA, GD, KHC, SPOT, STX, AMGN, F, FB, NOW, PYPL, QCOM, BAX, CAT, CMCSA, LLY, LUV, MA, MCD, TWTR, AAPL, AMZN, GILD, INTC, KLAC, ROKU, WDC, ABBV, CVX, BMY, HON, and XOM. On the macro side, we'll get the BOJ decision, US GDP, inflation data in the US and EU, and more.

Trade Tracker Portfolio Changes:

- 1) None

Sector Laggards

Materials

Healthcare

Financials

Stock Losers

GPS -20%

HCA -18.5%

ISRG -13.5%

GMED -13.5%

THC -12.5%

UHS -12%

Volatility Losers

- SNAP
- PTGX
- ESTA
- RVNC
- XM
- CLF

High Put Volume

- NOV
- BAX
- BBWI
- BHP
- FLR
- PFSI

Bearish Options

- DKNQ
- GM
- FOUR
- DG
- JBLU
- X
- FLR
- SPG
- K
- HZNP
- PFSI
- UAL



FEATURED OPTIONS RADAR REPORT



Large Put Sale Sees Little Downside in Clean Energy Leader

Ticker/Price: APD (\$251)

Analysis:

Air Products (APD) with an interesting large trade on 4/21 as 1000 January \$250 puts were sold to open at \$21.50 with shares trading near \$250, seeing limited downside. APD does not have much notable open interest with 5000 June \$270 calls recently sold to open and has 1000 January \$230 short puts from a trade on 6/24/21. APD also has 750 January \$220 long calls in open interest. APD shares are flagging on the daily and a move above \$255 would break shares out of one year value and set up for a run to the 200-day MA near \$274 and on the weekly MACD is nearing a bull cross signal. APD will next report on 5-5 and shares have closed lower 7 of the last 8 reports. APD serves customers globally with a unique portfolio of products, services, and solutions that include atmospheric gases, process and specialty gases, equipment, and services. APD is the world's largest supplier of hydrogen and has built leading positions in growth markets such as helium and liquefied natural gas process technology and equipment. APD has a market cap of \$56B and trades 21.5X Earnings, 14X EBITDA and has a 1.4% FCF yield. Forecasts see APD revenues rising 15.7% in 2022 before moving back to 6-8% annual growth while EBITDA seen growing around 10% annually. APD will continue to face rising energy and power costs particularly with natural gas in Europe. Analysts have an average target near \$300 and short interest is low at 1.2% of the float. Wells Fargo lowered its target to \$275 this week citing concerns with margins from higher energy prices. Barron's was out positive earlier this month noting APD as a winner from the clean energy push with its investments in hydrogen. JPM upgraded shares to Overweight in March with a \$275 target seeing strong earnings from the Jazan project in Saudi Arabia.

Hawk Vision:



Hawk's Perspective: APD is a former high quality name that has struggled but with Energy likely peaking out it could be a nice time to own a compounder before the cycle turns higher, and the chart provides an easy reward/risk.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Flow Accumulates in Refiner into Seasonally Strong Period

Ticker/Price: PBF (\$27.30)

Analysis:

PBF Energy (PBF) with 3,000 July \$30/\$25 bull risk reversals bought today for \$0.85 debit, reports next week 4-28. PBF has seen a lot of bullish flow recently including buyers in the July \$31, \$32 and \$35 calls, the September \$35 calls, and the June \$30 calls while the June \$25 and \$22 puts being sold to open. Shares are in a strong trend since December and has near-term support at the top of April value and prior breakout near \$26. PBF broke a long downtrend in 2022 and \$35 level above is a big HVN from the prior 4-5 years. The \$3.23B company trades 15.88X earnings, 0.12X sales, and 7X FCF. PBF operates both refining and logistics for petroleum products throughout the Northeast, Midwest and Gulf Coast. PBF is coming off of a strong quarter as the delayed recovery from the pandemic accelerates and they become cash flow positive in the 2H of 2021. They also continue to benefit from extreme pricing in the markets, low inventories, more capacity rationalizations and slower adds. Analysts have an average target for shares of \$23 with a \$36 Street High. Scotiabank upgrading to Neutral on 4/18 citing their view that the global refined product market will remain extremely tight for the remainder of the year and the analyst does not expect PBF stock to have as much downside. MSCO with a \$32 PT for shares as all industry signs are pointing toward a very robust set-up into summer driving season. BAML upgrading to Buy in March. The firm sees U.S. refiners overlooked as net beneficiaries of structurally higher natural gas costs outside the U.S. given that nat gas is a critical input to the margin necessary for international refiners to clear higher costs. With tailwinds from IMO in 2022, net capacity cuts and an expected post-COVID demand recovery, the analyst sees the potential for a structural reset in mid-cycle margins underpinning a regional 'Golden Age' for U.S. refiners. Short interest is 12.5%.

Hawk Vision:



Hawk's Perspective: PBF is a bit extended near-term but the setup for refiners is great going into the 2H of the year and would be a nice dip buy back near \$25-\$26

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Spread Sees Rebound in Auto Parts Company Accelerating Shift Towards Electrification

Ticker/Price: BWA (\$38)

Analysis:

BorgWarner (BWA) with a large spread on 4/11 that bought 40,000 July \$37.50 calls for \$2.62 and sold 85,000 of the \$35 puts for \$1.97. BWA had 1500 October \$27.50 puts sold to open on 4/19 as well. BWA has pulled back to the low-end of a big volume node from 2020 as well as the 50% retracement of the rally from the pandemic lows. A move above \$39.65 has room to run to \$46 and then the prior highs. The \$9.25B company trades 7.25X earnings, 0.62X sales, and 8X FCF with a 1.75% yield. BWA provides solutions for autos including ICE, hybrid and EV models through engines, transmissions, and drivetrains. BWA has been shifting more of their mix towards electric cars with their 'Charging Forward' plan that includes divesting assets and M&A. BWA has risks in the near-term from inflationary headwinds but they should continue to benefit from a ramp in auto production into the 2H as the overall environment normalizes. Analysts have an average target for shares of \$48 with a Street High \$60. Deutsche Bank positive on the name and their growing traction in the electrification space. In Q3, BorgWarner disclosed its largest inverter award to date and indicated it has already booked 90% of its targeted 2025 electric vehicle revenue, which showcases the company's overall solid traction with EV. The firm thinks BWA could announce large supply agreements with majors like GM which would help materially improve investors' perception of BWA's future role in an EV world. Short interest is 3.65%. Hedge fund ownership rose 7.5%.

Hawk Vision:



Hawk's Perspective: BWA could face more pressure near-term as the picture around costs, supply chain and consumer demand becomes clearer but it's an interesting long-term story as their business shifts and the overall environment normalizes in 2023

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Consumer Staples (XLP) with 3000 July \$80 puts bought for \$2

Nasdaq (QQQ) opening sale 5000 January \$310 puts for \$21.95 adjusting September \$205 short puts

Treasury (TLT) buyer 5000 August \$115 puts for \$3.60 as 2500 June \$130 puts close with large profit and leaves a runner

S&P (SPY) \$414 puts active with size buyers in May and June for over \$17M combined premium

Brazil (EWZ) with 50,000 June \$35/\$32 put spreads bought got \$1.16

Consumer Goods

Turtle Beach (HEAR) into weakness this morning following the Corsair guidance a buyer of 1150 May \$20 calls for \$1

The Gap (GPS) buyers of 3000 May \$11 calls for \$1.14 and follows the January \$15 calls bought earlier 2000X

Dollar General (DG) seeing 1000 May 6th (W) \$252.50 puts bought for \$5.35 as the \$260 strike roll down from earlier this week

GM (GM) with 3000 next week \$39 calls sold to open \$2.10 with earnings 4-26

Kellogg (K) buyer of 1000 May \$67.50 puts for \$1 to open today ahead of earnings on 5-5

Nio (NIO) with 1000 September \$17.50 calls bought for \$3.50 to \$3.65 today

Target (TGT) today with 2500 June 3rd (W) \$210 puts sold to open for \$2.49, earnings in mid-May

Bath & Bodyworks (BBWI) with 4500 May \$53/\$46 put spreads bought for \$2.25, adjusting some spreads back

Nike (NKE) the May \$145 calls being sold to open for \$0.65 to \$0.58, over 8000X

ConAgra (CAG) with 1800 June \$36 puts bought this morning for \$1.15 to \$1.20 into strength

I Robot (IRBT) with 1500 May \$50 puts bought for \$4.70, stock tied

Consumer/Business Services

DraftKings (DKNG) with 7000 next week \$14 puts opening as the \$12 adjust

UBER (UBER) buyer 1500 May 6th (W) \$33 calls \$1.48 to \$1.53

Caesars (CZR) with 1200 January \$90 calls sold for \$5.95 in a buy-write

Brinker (EAT) with 2000 May \$45 calls bought for \$0.80/\$0.85

Cinemark (CNK) with 1250 December \$20 ITM puts sold to open for \$5.20

Far Fetch (FTCH) the May \$12.50 calls bought 4000X for \$1.12 today, adjusting back some higher strikes

Lowe's (LOW) falling here with the June \$195 puts bought in size from \$8.75 to \$9.10 to open, over 2300X. **LOW** the May \$190 puts also being bought today for \$5.25, over 1000X

Wayfair (W) today the June \$90 puts opening 1920X for \$13.95/\$14 tied to long stock

Sabre (SABR) with 3000 January \$10 puts bought for \$1.71/\$1.72, tied to stock

AirBnb (ABNB) with 1000 January 2024 \$155 puts sold to open today for \$34.60

Energy

Baker Hughes (BKR) buyer of 1000 May \$35 calls for 0.80 to 1

Sunnova (NOVA) more bullish flows today as 1000 October \$15 puts sold to buy the \$20/\$30 call spread

Schlumberger (SLB) with 2000 January \$45/\$55 call spreads bought for \$3, nice snapback after the early gap lower and continues to flag in a multi-week range

Nextier Oilfield Solutions (NEX) with 3000 October \$10 puts sold to open this morning for \$1.30, follows some Sept. call buys on 4/12 and 4/14

Cheniere (LNG) with 400 January \$160 calls sold to open \$9.35

NOV (NOV) with 2,500 May \$18/\$15 put spreads bought for \$0.71 with the \$22 calls sold for \$0.46

Noble (NE) with 1000 June \$30 puts sold to open for \$1.60 to \$1.55 this afternoon into the rising 55-MA

Occidental (OXY) with 1000 January \$62.50 calls sold for \$8.65 in a buy-write today. **OXY** also with 1800 October \$52.50 puts sold to open for \$6.90 today, stock replacement

Valero (VLO) with 1000 May 27th (W) \$100 puts sold to open today for \$3.35 to \$4.10

Financials

Shift Four (FOUR) with the May \$50 puts being bought 1000X early for \$3.65 to \$3.70 and spread with the \$65 calls sold near \$0.90, earnings on 5-5

Deutsche Bank (DB) buyer of 1870 October \$10 calls for \$2.70. **DB** with 3500 Oct \$10 calls now as action picks up

MasterCard (MA) with 1000 May \$320 puts being sold to open near \$4 ahead of earnings next week

Simon Property (SPG) buyer of 6000 June \$120/\$100 put spreads for \$2.90 ahead of early May earnings, rejected at the declining 55-MA this week

T Rowe Price (TOW) with 400 August \$120 puts bought \$4.50

Paychex (PAYX) buyer of 500 September \$120 puts for \$4

PennyMac (PFSI) with 1,350 August \$40 puts bought for \$2.26/\$2.27 as some positions adjust out

Black Knight (BKI) buyer of 5000 July \$70/\$80 call spreads for \$3 to open, follows the bull flow and write up this week

Prologis (PLD) with 1000 June \$175 calls bought for \$4.70, stock replacement

Marqeta (MQ) with the June \$10/\$15 call spread being bought 5000X for \$0.95, looks like spreads adjusting from the \$12.50/\$17.50 strikes

Schwab (SCHW) with 600 September \$67.50 calls bought for \$8.55 to open today

Square (SQ) with 500 October \$100 calls bought mid-day for \$22.40 to \$22.50

Affirm (AFRM) with 4000 May \$29 puts bought for \$3.84 to open as the \$35 puts adjust down for 5-12 earnings. **AFRM** now with the June \$35 calls bought 3000X for \$4.15

Jefferies (JEF) near session lows and 4000 June \$30 puts bought up to \$0.90, laggard recently and back into its declining 55-MA

Western Union (WU) the May \$20 puts being bought 2000X for \$1.25

UpStart Financial (UPST) with the May 13th (W) \$90 calls bought from \$6.05 to \$6.20, 1200X

Healthcare

Establishment Labs (ESTA) big move recently and up 13.5% today seeing 2,500 May \$70 calls close and roll up to buy 4,500 of the May \$90 calls for \$8.30

Horizon Therapeutics (HZNP) with the May \$100 puts being bought 3000X for \$2.50 as the \$110 puts close and adjust down from earlier this week

Healthcare Trust (HTA) with 1275 May \$32 calls bought for \$0.80 this morning after the May 6th (W) call buys late yesterday

Iqvia (IQV) buyers today of 650 May \$240 calls for \$5.10 to \$5.30 into earnings next week

ThermoFisher (TMO) the May \$550/\$500 put spread being bought 500X for \$9.82 ahead of earnings next week

Molina (MOH) with 1,500 December \$190 puts sold to open for \$2.30 this morning, reporting on 4-27

Tenet (THC) buyer of 2000 January \$90/\$120 call spreads for \$5.50 into weakness

Arcus Bio (RCUS) with 3,500 May \$25 puts bought for \$2.60 to open and spread with the June \$17.50 puts sold for \$0.75

Amgen (AMGN) buyers today of 1000 May \$240/\$225 put spreads for \$2.15 into earnings next week

CytoKinetics (CYTK) buyer of 1500 May \$35 puts for \$3 this afternoon as shares move back near the 200-MA

Industrials

Jet Blue (JBLU) seeing 17,000 May \$12 puts close and roll back to buy 7500 May \$13 puts for \$0.67

Fluor (FLR) with 2500 January \$15 puts bought \$0.65 to \$0.70

Delta (DAL) with 1000 December \$40 puts sold to open today \$3.65 in a stock replacement

United (UAL) with 1925 September \$46 puts bought \$4.55 to \$4.60 this morning while the \$43 puts also active with buyers 3000X. **UAL** now with 1000 June 2023 \$75 calls sold to open for \$4.50

Allegiant Travel (ALGT) with 500 May \$165 puts bought for \$5.40 to open earlier, earnings in early May

Materials

US Steel (X) with 4000 June \$26 puts being bought 0.66

Freeport (FCX) with 10,000 August \$50 calls bought \$2.39 as the \$55 roll back

Commercial Metals (CMC) with 450 January 2024 \$40 calls bought for \$11.30 today and also seeing 1000 of the May \$40 puts sold to open

BHP Group (BHP) with 1000 June \$65 puts bought today for \$2.60 to open with their outlook cut this week

Cliff's (CLF) with over 9,500 May \$28 puts bought up to \$1.66 this afternoon with shares moving green-to-red today

Cameco (CCJ) with 5000 May \$30 puts bought for \$3.25 to open as shares continue to work off the recent highs

Mosaic (MOS) the January \$60 puts being bought 1500X for \$8.20 to \$8.30

Crown (CCK) with 1,500 June \$120/\$100 put spreads bought this afternoon for \$5 with earnings on 4-25 after the close

Arch Resources (ARCH) with 1000 May \$135 puts bought for \$10.60 today, stock tied

Tech

Sea (SE) with 2500 January 2024 \$95 puts sold to open for \$28. **SE** also with 1000 June 2023 \$95 calls bought \$26.30

HP (HPQ) the November \$40 calls being bought today 2500X for \$3.00 to \$3.05

Monday (MNDY) unusual buy of 500 August \$100 puts \$9.30, under \$127 can breakdown

Palo Alto (PANW) with 350 January 2024 \$580 puts bought for \$96.50 and follows the Sep. calls closing

Netflix (NFLX) today with a buyer of 600 December \$270 calls for \$16.40 as well

Taiwan Semi (TSM) with 5000 May \$106 calls being sold to open today from \$0.98 to \$0.90

Global Online (GLBE) with 1500 July \$20 puts bought for \$1.45 this morning to open, nearing a multi-month breakdown

Bilibili (BILI) with 10,000 May \$16 OTM puts bought today for \$0.75 to \$0.77 and spread with the \$40 calls sold for \$0.35

AMD (AMD) with 1000 June 2023 \$90 puts sold to open for \$17.20 this morning. **AMD** now with 10,000 August \$70 ITM calls bought for \$23.22 to open, adjusting some June calls down and out

Adobe (ADBE) with 10,000 September \$390 calls bought for \$57.66 to open, adjusting the May \$415 calls out

Twitter (TWTR) strong in a weak tape and seeing 10,000 July \$45 puts sold to open this morning from \$3.50 to \$3.35

IBM (IBM) with 1800 January 2024 \$140 calls bought for \$16.03 to \$16.04, adjusting higher the \$120 calls

Communications/Utilities

Lumen (LUMN) buyer of 7500 June \$12 puts for \$1.31, stock tied

Disclaimer:

Not Investment Advice or Recommendation

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