



## MARKET RECAP 5/6/2022

### Sector Leaders

Energy

Utilities

Financials

### Stock Gainers

BRBR 18%

FRGE 13.5%

UNM 13%

MRVI 9.9%

GRFS 9.5%

AVLR 9%

### Volatility Gainers

- AXSM
- CVNA
- VRM
- PLTK
- RADJ
- MSTR

### High Call Volume

- UNM
- MUR
- TDC
- LYFT
- CNK
- REI

### Bullish Options

- FWONK
- DISH
- UNM
- NVDA
- NKE
- XOM
- APA
- PAR
- EBAY
- WYNN
- EXPE
- CHTR

**Market Review:** Stocks remained weak overnight after one of the worst days for the market in history on Thursday as rate hikes in the US and globally weigh on risk-sentiment and Oil moved back above \$110 while the US Dollar is at a twenty-year high, a mounting list of market headwinds as laid out to start the week. Markets moved modestly off lows after release of the April Jobs Report that beat expectations though wage growth slowed and participation declined again. Energy showing relative strength in early trading with the majority of sectors in the red. Chipmakers were also a pocket of early strength with leadership from AMD. Treasuries fell to session lows in the afternoon with yields continuing to climb and the 10-year now above 3.12%. Initial selling this morning found buyers just above the Monday lows at 4060 and put in a strong bounce back into the 4150 zone which is VPOC for the week. We faded off that level into the afternoon and closing just below the value area low for the week at 4105. Overall, remains a very cautious market with cumulative AD and NYSI both in bear trends.

S&P Chart:



Resistance	Support
4230	4100
4300	4060
4400	4100

**Options Action Trends:** Metals names **CLF**, **X** saw some smaller low Delta call buys in June into oversold moves. We saw bearish flow into the internet realty space for both **ZG** and **RDFN**. Footwear names **NKE** and **CAL** both saw buyers into weakness following the Adidas warning today

**What's On Tap:** The main focus on the macro side will be the US CPI data on Wednesday. We'll also get China trade data and inflation. It'll also be 'Victory Day' in Russia which has been rumored to be a focal point for Putin. Earnings continue with notables from ENR, TSN, IAC, RNG, SPG, XPO, BHC, H, PLNT, PTON, EA, OXY, WEN, BMBL, BYND, DIS, TPR, and AFRM of note.

### Trade Tracker Portfolio Changes:

- 1) No Changes

### Sector Laggards

Materials

Industrials

Communications

### Stock Losers

UA -25%

GH -23.5%

BE -20%

BILL -18%

NET -17%

DISH -16%

### Volatility Losers

- CFLT
- DASH
- BILL
- TDC
- ZG
- SPCE

### High Put Volume

- VST
- BGS
- BLL
- OTLY
- IGT
- RDFN

### Bearish Options

- CCJ
- JEF
- DKNG
- JD
- OTLY
- BLL
- IVV
- W
- ATGE
- KR
- TSM
- RDFN



## FEATURED OPTIONS RADAR REPORT



### Large Put Buyer Targets Restaurant Operator After Bold M&A Move

Ticker/Price: PLAY (\$44)

#### Analysis:

**Dave & Busters (PLAY)** large bearish trade today with 8000 June \$40 puts bought up to \$2.18 to open and name that hasn't seen many notable flows in 2022. PLAY traded 9.5X average puts on 5/5 with IV30 up 7.5%. PLAY has \$750K in January \$40 puts in open interest from September and 2500 deep ITM January \$25 calls remain in OI. PLAY has held up well but closing below the monthly value low on 5/5 and back at the 55-EMA. A move lower targets \$40 and then a broader move down has room to \$30. The \$2.38B company trades 12.45X earnings, 1.85X sales, and 12.5X FCF. PLAY owns and operates entertainment and dining venues targeting young adults. They've also expanded into live sports viewing and long-rumored to be entering the sports betting market. PLAY is coming off a mixed quarter and faces risks from a slowdown in consumer spending given rising gas prices and inflation. The company also announced plans to move back into more promotions like their Eat and Play deal which could put pressure on margins. PLAY recently announced a deal for Main Event, a Dallas-based competitor that focuses more on families and children. The \$835M all-cash deal is sizable versus the company's market cap and expands their offerings into areas like bowling, laser tag, and VR. Analysts have an average target for shares of \$53 with a Street High \$63. Stifel out on 4/6 calling their deal with Main Event a bold move but one that introduces integration/strategic risk and additional leverage during a period of rising uncertainty. Hedge fund ownership fell 9.5% last quarter. MIC Capital remains a top holder while Samlyn Capital a new position. Insiders remain active buying stock including the interim CEO and CFO in April at \$40.50 to \$45. Short interest 9.3% but down from near 20% in early 2021.

#### Hawk Vision:



**Hawk's Perspective:** PLAY has held up surprisingly well, so need to see a close below some key technical levels to present a better risk/reward but they have both near- and long-term risks and earnings in early June in focus

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bull Spread Sees Further Upside for Relative Strength Defense Leader

**Ticker/Price:** NOC (\$466)

#### Analysis:

**Northrop Grumman (NOC)** with 1200 August \$500/\$400 bull risk reversals opening for \$8.20, name holding up well and near a multi-week breakout. NOC has little other notable open interest but does have 700 August \$280 short puts in open interest from 2/1. A breakout move above the \$475 level has upside to \$540-\$550 and continuation of the longer-term bull trend. NOC has shown relative strength since early 2021. The \$73B company trades 17X earnings, 2X sales, and 33.5X cash with a 1.35% yield. NOC is a leading aerospace and defense company with an industry-best aeronautics unit which develops aircraft systems including UAVs and strategic ISR systems. NOC is coming off a strong quarter with their backlog now \$76B or roughly 2X annual sales. The company is also executing well on a cost efficiency program as well. NOC expects to ramp their growth rate in 2023 as they benefit from expanded NASA budgets and a favorable DoD budget environment. Analysts have an average target for shares of \$445 with a Street High \$520. UBS raising estimates on 4/29 and Jefferies noting on 3/29 that the company is among the biggest beneficiaries of the new DOD budget request. The firm notes that the 2% growth is likely a baseline and Congress will push forward further funding in FY23. Susquehanna positive citing their favorable portfolio and shareholder-friendly capital return policy of returning most of its FCF through dividends and buybacks. Hedge fund ownership rose marginally. Castleview Partners and Sanders Capital both buyers of stock.

#### Hawk Vision:



**Hawk's Perspective:** NOC looks great in a market that mostly does not and think they'll continue to benefit from near-term headline risk, a supportive Washington DC, and anticipation into the mid-terms in November

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Media Company Draws Bullish Positioning into Discounted Valuation

**Ticker/Price:** CMCSA (\$40.40)

#### Analysis:

**Comcast (CMCSA)** saw a lot of bullish activity on 5/5 with more than 2500 October \$42.50 calls bought in offer sweeps at \$2.49 and buyers active in January \$40 and \$42.5 calls with more than 4000 of each trading. On 5/4 a trade sold 5000 October \$35 puts to open and recent buyers in October \$45 and July \$42.5 calls. CMCSA also has 25,000 June \$42.5 and 25,000 January \$40 short puts in open interest. CMCSA sold off sharply last week but interestingly held right at VWAP from the August 2015 low and has solid support in the \$35/\$40 zone. CMCSA is a global media and technology company with three primary businesses: Comcast Cable, NBCUniversal and Sky with 76% of EBITDA coming from Cable and Media/Studio/Sky/Theme Parks smaller contributors. Cable Communications offers broadband, video, voice, wireless, and other services while NBC Universal has launched its Peacock DTC streaming service. CMCSA has a market cap of \$190B and trades 10X Earnings, 7.3X EBITDA and 12.75X FCF with a 2.5% dividend yield and 8.5% FCF yield. CMCSA revenues have a forward three year CAGR of 3.1% and EBITDA at 6.2%. The cable/satellite group is challenged by rising competition and slower broadband additions. CMCSA sees its shares undervalued and is utilizing buybacks while having a low cost of debt with shares near their cheapest level compared to the S&P in over a decade. CMCSA recently announced a JV with Charter to develop a new streaming platform, an interesting move. Analysts have an average target of \$57 with short interest low at 1.5% of the float. MSCO has a \$55 target and calls CMCSA the top pick in the space. BAML cut shares to Neutral recently noting that ramping fixed wireless access deployments and accelerating fiber builds present real threats to Comcast's broadband subscriber business.

#### Hawk Vision:



**Hawk's Perspective:** CMCSA is cheap and has great assets with some intriguing potential down the road but the core business is slowing. It is the kind of name attractive for put sales, such as January \$40 puts for \$4.50, willing to be long at an even cheaper \$35.50/share.

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**S&P High Beta (SPHB)** buyer 3500 June \$65/\$55 put spreads as May puts adjust

**Biotech (XBI)** buyer 9000 June \$61 puts for \$1.92 as the \$65 puts adjust

**Short Bonds (TBT)** spread today sold 10,000 Nov. \$22 puts to buy the \$27/\$35 call spreads, adjusting 5K spreads at lower strikes

**S&P (SPY)** size buyers this morning in June \$388 puts with 15,000 trading for around \$15M. **S&P (SPY)** with over 10,000 September 30th (Q) \$295 deep ITM calls being bought today around \$118 to \$121.50

**Russell (IWM)** buyers active in June \$172 puts this morning for 25,000X, around \$12M. **IWM** also seeing 20,000 August \$155/\$130 put spreads bought today for \$2.38, some June spread adjusting

**S&P Core (IVV)** another large put buy today with 5500 September \$365 trading for around \$7.5M

**Treasury (TLT)** with 5000 April 2023 \$125 puts opening today as the \$129 puts adjust from December expiry

**Consumer Discretionary (XLY)** with over 10,000 May \$150 puts bought this afternoon for \$2.15 to \$2.18

**Tech (XLK)** spread bought 7000 May \$146 calls for \$2.29 today and sold the June 10th (W) \$125 puts for \$1.70 to open

**Energy (XLE)** also with 2,500 January 2024 \$80/\$60 put spreads bought today for \$7.65

**Nasdaq (QQQ)** with 10,000 July \$250 puts bought this morning from \$3.25 up to \$3.60

**Medical Devices ETF (IHI)** buyer of 8500 May \$55 puts for \$1.90, adjusting down the \$58 puts

**MSCI EAFE ETF (EFA)** with 75,000 June \$65/\$58 put spreads bought today for \$1.14, adjusting some May puts down and out

### **Consumer Goods**

**P&G (PG)** with 24,000 of next week's \$162.50 calls bought off the open around \$0.25

**Clarus (CLAR)** pops off the lows with another 1,400 August \$22.50 calls bought today for \$4.80, spot where 3,000 have accumulated. **CLAR** now with 5000 June \$22.50 calls bought for \$2.95 in a stock replacement

**Oatly (OTLY)** with 10,000 May \$4 puts bought 0.80 to 0.90

**Under Armour (UAA)** into 22% move lower with 1125 January \$10 puts sold to open \$1.53. **UAA** now with 1000 January 2024 \$5 ITM calls bought for \$6.50 to open

**Lucid (LCID)** with over 9,000 May 27th (W) \$22 calls bought near \$0.50 today

**Nike (NKE)** with 3000 May \$113/\$110 bull risk reversals opening into weakness today for \$0.60 net debit. **NKE** spread today is also buying stock and opening the January 2024 \$140/\$85 collar

**Ferrari (RACE)** buyer 500 June 200/210 call spreads for 4.40

**VF Corp (VFC)** buyers of 550 January \$40 puts for \$3.50

**Int'l Game (IGT)** buyer of 5000 June \$19/\$14 puts spreads for \$1.28, some positions adjusting. **IGT** now also seeing the May \$23 calls bought 10,000X for \$0.74

**B&G Foods (BGS)** buyer 5500 August \$25 puts for \$2.60, adjusts May puts

**Village Farms (VFF)** shares higher mid-day with 2000 January \$4 calls bought for \$1.10 to \$1.20

**Camping World (CWH)** with the January \$30 calls sold to open today for \$5.20 to \$5.10, 650X

**Altria (MO)** the January 2024 \$57.50 puts bought for \$8.70, 500X

**Kellogg (K)** the June \$75 calls active today with 2500 bought up to \$0.75 into strength

**Caleres (CAL)** buyers of the June \$25/\$30 call spread today 1850X for \$1.27 and still has 4000 of the May \$22.50 calls in open interest

### **Consumer/Business Services**

**AMC Theaters (AMC)** the December \$14 calls sold to open 1000X for \$4.45 with shares near a multi-month range breakdown

**Formula 1 (FWONK)** with 2,000 May \$60 calls being bought here from \$2.50 up to \$3.30 to open as IV climbs, shares green after opening higher and pulling back. **FWONK's** Netflix series just got renewed for 2 seasons

**Uber (UBER)** with 10,000 May \$32.50/\$20 bull risk reversals bought to open for \$0.58

**Disney (DIS)** sales to open 1150 November \$125 calls for \$6.80, reports 5-11

**eBay (EBAY)** large opening sale 3000 January \$47.50 puts for \$5.25

**Kroger (KR)** more bear flow today as 1500 October \$48 puts bought for \$2.59

**Wynn (WYNN)** the January 2024 \$67.50 puts being sold to open today for \$15.60

**Adtalem Global (ATGE)** buyer of 4000 August \$30 puts for \$2.90 to open today into the move higher on earnings

**Xponential Fitness (XPOF)** buyer of the December \$20/\$35 call spread 1000X2000 for \$2.16 with the \$12.50 puts sold 1000X for \$1.66, earnings 5-12

**Wayfair (W)** with 4000 June \$50 puts bought for \$3.90 today, adjusting 3000 May \$70 puts lower from 4/26 buyers

**Expedia (EXPE)** buyers active for 1000 June \$135 calls today for \$9.80. **EXPE** also with buyers in August \$160 calls 1185X

**Live Nation (LYV)** opening seller 1000 June \$90 puts \$4.80 to \$4.60

**Planet Fitness (PLNT)** the May \$75/\$65 put spread being bought 1500X for \$2.79 into earnings next week, 5-10

**Home Depot (HD)** the May \$307.50 calls being bought 1000X for \$4.90 to \$5.10 mid-day, earnings on 5-17

**Target (TGT)** with 1650 September \$320 calls sold to open today between \$0.92 and \$0.96

**ODP (ODP)** unusual buyers of the June \$50 calls this morning from \$1.50 to \$1.55, over 1500X, and name with large put sales in OI

**Cinemark (CNK)** the July \$17.50 calls bought for \$0.80 to \$0.85, over 3000X

**Starbucks (SBUX)** sellers active this morning in the July \$70 puts down to \$2.45, over 2500X

**Walmart (WMT)** with 1000 of next week's \$145 ITM calls bought for \$6.75 to \$7.30

**Warner Discovery (WBD)** with 8000 January \$20/\$32.50 call spreads bought with the \$12.50 puts sold to open for a net \$1.20

**Carnival (CCL)** with 3,500 October \$15 puts being sold to open for \$2 today in a stock replacement

**Roblox (RBLX)** with 2,200 June \$30 calls opening for \$4.10 to \$3.90 in a buy-write

**Blink Charging (BLNK)** buyer of 6500 June \$18 puts for \$2.60 today as the \$28 puts close 5000X and roll down in strikes

### Energy

**Exxon (XOM)** size buyer 1200 Jan. 2024 \$105 calls for \$8.24. **Exxon (XOM)** buyers of 2500 October \$82.50 puts today from \$5.30 to \$5.40 into the run higher. **XOM** also seeing 1500 June 2023 \$80 puts bought for \$8.10, tied to stock

**Apache (APA)** buyers 2500 June \$50 calls near \$1.05

**Murphy Oil (MUR)** with 2000 June \$45 calls bought \$0.80 to \$0.85 today

**Cameco (CCJ)** with 2,500 June \$23 calls bought for \$2.44, adjusting back some \$26 strike

**Ballard Power (BLDP)** buyers of 5,000 May \$8 calls for \$0.60, working off the lows

**Conoco (COP)** with 2500 August \$97.50 puts sold to open \$5.95. **COP** now also seeing the July \$120 calls open 1500X for \$2.45/\$2.50

**Callon (CPE)** buyer of 1000 June \$65 calls for \$1.75

**Marathon Oil (MRO)** with over 5000 June \$30 calls bought today near \$1.44 as some positions adjust higher

**Pioneer Natural (PXD)** the September \$295 calls opening 1600X for \$12, the May \$270 calls adjusting from sellers on 2/28

**Ring Energy (REI)** another 4,500 June \$4 calls being bought today for \$1.35 as some positioning adjusts back

**Cabot Oil and Gas (CTRA)** the September \$24.50 ITM calls bought from \$8.20 to \$8.30 this afternoon, over 5000X

### Financials

**Unum (UNM)** buyer of 5000 June \$35 calls for \$2 as some large May \$32.50 calls start to roll, up 11% today on earnings

**Jefferies (JEF)** aggressive buy of 1675 September \$32.50 puts at \$3.40 offer and follows put buys earlier this week

**Intercontinental (ICE)** seller of 1000 January \$80 puts for \$3.90 in a stock replacement

**Zillow (Z)** into the morning rebound seeing 1850 May \$38 calls sold to open from \$2.80 to \$2.55

**Redfin (RDFN)** now also with 10,000 August \$10 puts bought \$1.35 into the 8% move higher. **Redfin (RDFN)** into the bounce today seeing 2000 May \$13 puts bought \$1.35 to \$1.45. **RDFN** now also seeing the November \$15/\$25 call spread bought 2000X4000

**Block (SQ)** with 10,000 September \$72.50 calls bought today for \$32.29, adjusting some June \$120 calls down in strikes

**Coinbase (COIN)** another 1000 June \$100 puts being bought today up to \$12.60. **COIN** with 500 June \$100 ITM calls also being bought \$20.40 to \$20.50

**Brookfield (BAM)** buyer of 3000 June \$45/\$35 put spreads for \$0.90 as the \$50/\$40 strikes adjust down

**Schwab (SCHW)** with 2,500 July \$75 calls sold today for \$1.90 in a buy-write

### Healthcare

**Signify Health (SGFY)** IV jumpy with 1750 June \$12.50 calls bought from \$1.20 to \$1.45



**Abbott Labs (ABT)** buyer of 1200 June 2023 \$100 puts for \$7.65 today, tied to stock

**Insulett (PODD)** quality name down 12% on earnings and 250 Dec. \$210 puts are sold to open \$30.50

**Boston Scientific (BSX)** buyer of 1,500 June \$43 calls today for \$1.10 to open with shares hammering off the low-end of the range

**Axsome (AXSM)** with 1000 May \$32.5 puts bought \$3 as June adjust

**Medtronic (MDT)** buyers of 4000 May 13th (W) \$105 puts for \$2.32, adjusting out of some weekly \$106 puts

### **Industrials**

**Advanced Drainage (WMS)** buyer of 1000 May \$105 calls for \$3.62 into 5-19 earnings

**Fastenal (FAST)** with 750 January \$52.10 puts being sold to open for \$4.50 today, recent November call buys

**UPS (UPS)** with 2000 June \$180 calls bought this morning for \$6.75 to \$6.80 and spread with the \$170 puts sold for \$4.85, adjusting the \$160 short puts from earlier this week

**Crane (CR)** seeing 500 June \$95/\$85 bull risk reversals open for \$4.23 today as some May positions roll

**Caterpillar (CAT)** with 600 November \$190 puts being bought today for \$11.55, stock tied

**American Air (AAL)** the November \$16 puts being sold to open 5000X for \$1.99 this morning

### **Materials**

**Cameco (CCJ)** with 2500 July \$24 puts being bought \$2.65 offer in early action

**US Steel (X)** buyers of 2500 June \$32 calls in offer sweeps at \$0.89

**Standard Lithium (SLI)** opening sales of 12,500 July \$5 puts today for \$0.45

**Ball Corp (BLL)** buyer of 5000 May \$70 puts for \$1.45 to open as the \$75 puts from yesterday adjust lower yet again

**AZEK (AZEK)** with 2,500 June \$22.50 calls opening for \$1.25, some \$25 calls adjusting back

**Livent (LTHM)** buyer 750 January \$25 calls for \$7.40

**Steel Dynamics (STLD)** buyers of 800 August \$85 calls for \$6.60

**Livent (LTHM)** buyers of 1000 January \$25 calls for \$7.40 to \$7.70 to open mid-day, holding the gap higher from earlier this week

### **Tech**

**JD** buyer 2000 September \$32.5 puts for \$1.14

**Nvidia (NVDA)** active buyers in next week \$175 calls 2500X up to \$14.20

**PAR (PAR)** stock replacement is opening 1,500 December \$17.50 ITM calls for \$16.40, similar to the 7500 \$22.50 calls in December OI



**Taiwan Semi (TSM)** buyer of 1300 June 2023 \$85 puts for \$10.10 this morning. **TSM** also with 1200 June 2023 \$140 calls being sold today for \$2.26 to open. **TSM** also seeing 10,000 January \$70/\$55 bull put spreads opening today for \$2.04 as the \$80 short puts from 4/28 look to be adjusting again

**Wix.com (WIX)** buyer of 675 October \$80/\$100 call spreads for \$5.92 with the \$65 and \$60 puts each sold 200X

**Microsoft (MSFT)** rebounding off lows and had good size lots buying next week \$270 calls this morning \$9.60 to \$10.40. **Microsoft (MSFT)** with 3000 July \$315 calls sold to open this morning from \$3 to \$2.88

**Google (GOOGL)** at 10am right into lows with 1000 May 13th (W) \$2250 calls bought for \$9.3M. **GOOGL** holding right above its 38.2% Fibonacci the last two weeks near 2259

**Bill.com (BILL)** into weakness today seeing 400 June \$115 calls bought up to \$19.90

**Intel (INTC)** with 5000 June 2023 \$42.50 puts bought today for \$5.23

**Cloudflare (NET)** buyers today of the June \$65/\$40 put spread 1500X for \$6.50

**Akamai (AKAM)** buyers of the January \$97.50 puts for \$10.40 to \$10.60, over 1000X

**Monday.com (MNDY)** buyer of 1,500 May \$100/\$80 put spreads this afternoon for \$3 to open, earnings on 5-16 with a weak history lower by 20%+ in the last two

**Bilibili (BILI)** the June \$15 puts being bought this afternoon for \$0.92/\$0.93, 10,000X, with the May \$27.50 OTM calls sold 20,000X for \$0.45

### **Communications/Utilities**

**Dish (DISH)** whacked 10% on results and 1000 Dec. \$25 calls are bought \$4.41

**Comcast (CMCSA)** with sellers of 2500 October \$42.5 puts \$5.25 to \$5

**Zurn Water (ZWS)** with 1000 May \$30 calls bought for \$1.80 in a stock replacement today back at the February lows

**Charter (CHTR)** with 3000 June 2023 \$410 ITM calls opening for \$101 today

**Vistra (VST)** with 15,000 May \$27 puts opening today for \$0.90, adjusting the \$25 short puts back

### **Disclaimer:**

#### **Not Investment Advice or Recommendation**

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