



## MARKET RECAP 3/15/2023

### Sector Leaders

Banks

Energy

Semis

### Stock Gainers

FRC 55%

BG 14%

CFR 9.5%

SCHW 9.5%

UNM 8%

COIN 8%

### Volatility Gainers

- WWE
- KRC
- HELE
- CP
- VNO

### High Call Volume

- TXG
- HOG
- AU
- BMBL

### Bullish Options

- AMZN
- BTU
- MSFT
- NVDA
- WSM
- HES
- BG
- ARMK
- FLR
- BA
- SCHW
- TFC
- UAL
- AA

**Market Review:** Futures sank sharply into the open as the oversold rally gave way to further Bank contagion fears and there was a rush to safer assets like Bonds and Gold. Commodities came under heavy selling pressure as well as the USD rallied more than 1%. In morning data, Retail Sales came in weak as expected while NY Fed came in ugly but a soft PPI allowed futures to rebound to the 3900 level. The market remained choppy midday with Nasdaq outperforming and many Tech names staying green even. The VIX nearly touched 30 again before fading back midday and allowing for a bounce in the indices and the QQQ turning green into the close. The SPX rallied off lows sharply late day when headlines came out of the Swiss Gov't talking about options to stabilize Credit Suisse. Short covering took the market back to the 3900 level but a whippy tape and breadth overall struggled to get going. OPEX Friday nearing so likely more choppy action with headline driven tape persisting. Will need to see VIX back under 24 for some stabilization from here.

### S&P Chart:



Resistance	Support
3960	3840
4020	3750
4155	3640

**Options Action Trends:** We saw some longer-dated put sales in European Banks early with HSBC, DB. Put buyers seen active in longer-duration names like SQ, ABNB, ZS, DOCU. We saw late morning size call ratios open in beaten up Financials like SCHW, TFC.

**What's On Tap:** Philly Fed Manufacturing, Jobless Claims, Housing Starts, Secretary Yellen Testifies Before Senate; Japan Machine Orders, ECB Meeting; Earnings from ASO, DG, JBL, WSM, FDX; Analyst Days at BIDU, MDB, DGX, RIO; JPM Industrials Conference

### Trade Tracker Portfolio Changes:

1. No Changes

### Sector Laggards

Bonds

Consumer Goods

Metals

### Stock Losers

GTLB -28%

SBNY -5.9%

EDU -5.8%

SMAR -4.5%

UAL -4%

### Volatility Losers

- ROKU
- PYPL
- NET
- BMBL
- COF
- UNVR

### High Put Volume

- IAA
- STWD
- HPE
- DBX
- WOLF
- FIS

### Bearish Options

- RUN
- KRE
- URA
- SPWR
- SQ
- SLB
- SLG
- KMX
- DOCU
- ABNB
- ZS
- AMAT



## FEATURED OPTIONS RADAR REPORT



### Call Accumulation in Attractive HVAC Value into Replacement Supercycle

**Ticker/Price:** CARR (\$45.75)

#### Analysis:

**Carrier (CARR)** has seen 9000 June \$50 calls accumulate in open interest currently valued near \$900K and still has 3000 January \$40 puts bought tied to stock and 2500 June \$40 short puts in open interest. CARR shares have held up well with Industrials and tested the rising 55-MA this week which held, also retesting VWAP from 2021 highs. Shares have emerged out of a large \$35/\$45 bottoming pattern that targets a move to \$55. CARR is a leading industrial with industry-leading brands such as Carrier, Toshiba, Automated Logic, Carrier Transicold, Kidde, Edwards and LenelS2 that offer innovative heating, ventilating and air conditioning, refrigeration, fire, security and building automation technologies to help make the world safer and more comfortable. New Equipment is 77% of sales while Parts/Service is 23%. CARR has a market cap of \$37.75B and trades 15.8X Earnings, 12X EBITDA and with a 5% FCF yield, an attractive value. CARR revenues are seen rising 7.6% in 2023 with 9.7% EPS growth. Residential HVAC volumes are expected to be down HSD for 2023 while price/mix should be an offset. CARR is regaining share through new products and better service attachment at still an early point in a commercial building modernization supercycle. CARR should also benefit from IRA tailwinds and has portfolio optionality with its Fire & Security unit. CARR also has less exposure to the weaker Commercial side of HVAC. Analysts have an average target of \$49 with short interest low at 0.7% of the float. Argus reiterated a Buy and \$52 target a month ago seeing attractive valuation and an improving earnings outlook. Barclays with a \$51 target sees guidance as conservative and a re-rate higher as orders bottom out.

#### Hawk Vision:



**Hawk's Perspective:** CARR is a quality name at cheap valuation and nice trend support hit this week. In this case would undercut the calls with the \$45/\$47.50 call spreads for \$1.20 a nice reward/risk.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



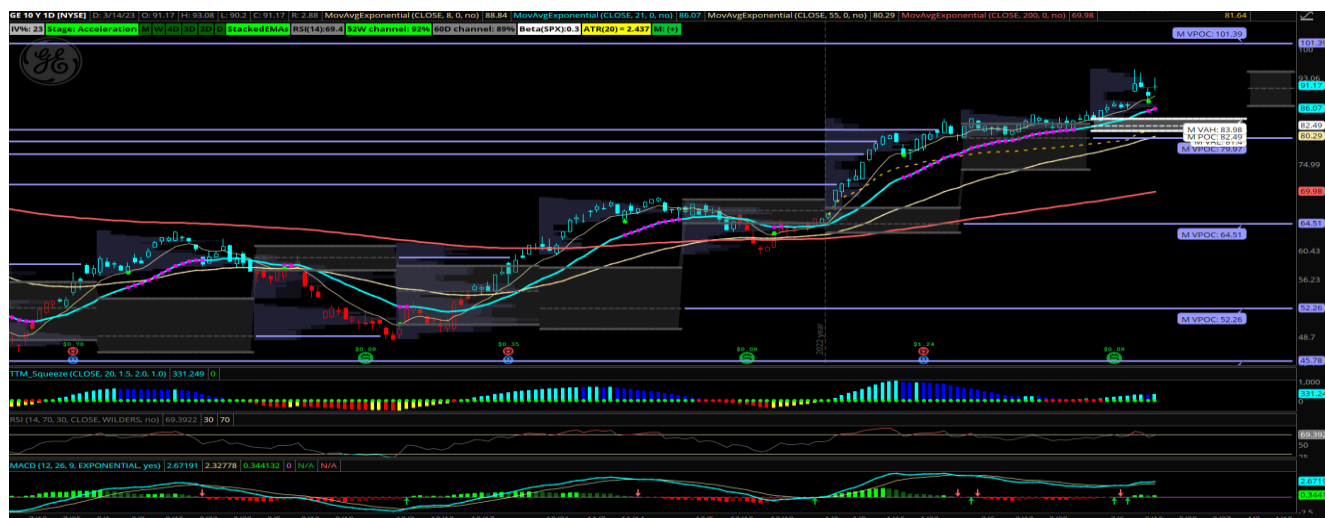
### High Tech Industrial with Spin-Off Plans Sees Bullish Flow

**Ticker/Price: GE (\$91.17)**

#### Analysis:

**General Electric (GE)** on 3/13 saw a large buyer of 10,000 April \$95 calls bought for \$1.65, adjusting the \$100 calls from the prior week after the bullish Investor Day for the name. GE has also seen recent buys in June \$100 calls at \$4.00 over 1400x and the September \$85 puts sold to open on 3/9 over 600x for \$3.95 bids showing confidence in the 85 level as a support going forward. GE also has large size in open interest in January \$90 calls bought 2000x on 2/13 for \$7.85 and the January \$75 short puts with over 5000x sold to open last month. Shares have been on fire in 2023 thus far showing impressive relative strength even during the recent market swoon. Rallying from 65 to 90 so far in 2023 and showing plenty of room for higher prices into the 100 level short term which has a untested VPOC target at 101 and weekly chart breaking out of a multiyear bottoming range with the measured move from the inverted head and shoulders likely taking it to 130 in due time. The \$99.3B company trades at 39x earnings, 1.7x sales, FCF yield of 4.2% with a dividend yield at 0.4% while revenue is expected to fall -20% in FY23 and +8% growth estimated in FY24. GE is a high-tech industrial company that operates worldwide through its four segments, Aviation, Healthcare, Renewable Energy, and Power. GE sees key growth themes for its businesses as Future of Flight, Precision Health and Energy Transition. Free cash flow (FCF) is a key metric for GE so investors last week were pleased to see that the company reaffirmed its FCF guidance of \$3.4-\$4.2 billion. It also provides confidence that the company is on track to complete the spin-off of its "GE Vernova" Power and Renewable Energy segments early next year. In early January GE spun off its Healthcare unit and that has led to a positive stock response clearly. Average analyst target is \$95. BAML boosted its target to \$105 and keeps a Buy after the Investor Day citing a better revenue and margin outlook for Aerospace. RBC raised to \$100 price target and keeps a Outperform rating saying that the transformational organizational improvements led by CEO Larry Culp are paying off. The firm added that General Electric's incremental boosts to 2025 growth and free cash flow targets were also "feel-goods". Short interest is at 1.1%. Hedge fund ownership fell 9.2% last quarter.

#### Hawk Vision:



**Hawk's Perspective:** GE is a solid name to own and even longer term likely seeing growth return in FY24 but a little extended so if can pullback to the 21 EMA during this market correction that would be a nice buy closer to 85 where those put sales are.

**Confidence Ranking: \$\$\$**



## FEATURED OPTIONS RADAR REPORT



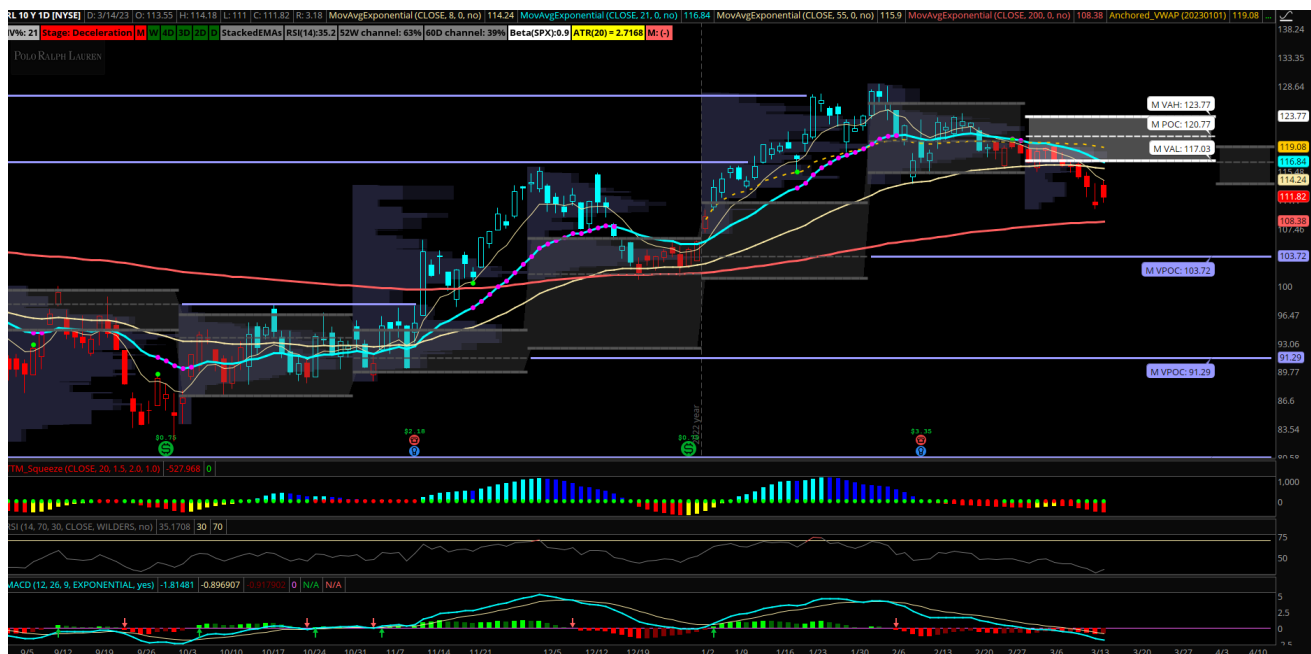
### High End Clothing Retailer Seeing Bearish Positioning Accumulate

**Ticker/Price: RL (\$111.82)**

#### Analysis:

**Ralph Lauren (RL)** on 3/13 saw a notable buyer of 8000 April \$95 puts for \$1.47 and over \$1.2M on the day as the March \$110 puts adjusted down and out staying bearish. Last month RL also saw a large buy of 15,000 far OTM April \$90 puts at \$0.85 which remain in open interest and the 8000 April \$100 puts bought on 1/26 for \$1.75 continue to hold as well. Several trades with bearish positioning accumulating in the higher end retailer with earnings not due until late May. Shares have been pulling back towards the 200 EMA which is below at 108 after a early year rally found resistance at 127, where a large VPOC was at from last year and stalled the advance. RL now falling under the 50 day EMA and monthly value support of 117 so can see further decline into the 108 level and below that has little support until the 103.75 VPOC from December. Losing 111.50 would be a large support break since its also yearly value area high. The \$7.4B company trades at 12.2x earnings, 1.1x sales, FCF yield of 8.8% with a dividend yield at 2.9% while revenue is expected to grow just +2% in FY23 and +6% growth estimated in FY24. RL faces a tougher consumer spending environment and RL has elevated exposure to Europe as well with macro headwinds persisting overseas. Average analyst target is \$131. Deutsche Bank has a \$119 target on shares but a Hold rating saying that they see limited upside to fiscal 2024 estimates despite the company's "solid" earnings report. A strong U.S. dollar has suppressed sales growth throughout the past year and is not expected to let up significantly anytime soon. Meanwhile, although European sales have remained robust, jumping by 13% in DecQ, excluding FX impacts, this region is enduring considerable economic hardship. RL noted that it is remaining cautious regarding Europe. Similar concerns can be had regarding China, where easing COVID restrictions have been quite disruptive to commerce. Short interest is high at 10.6%. Hedge fund ownership rose 12.7% last quarter.

#### Hawk Vision:



**Hawk's Perspective:** RL is a bearish short term chart so can play it short under the 115 level for potential move down to 100-104 with stops on a close back over the 21 EMA near 116.50 currently.

**Confidence Ranking: \$\$**

## **Additional Options Flow**

### **Market/ETFs**

**Regional Banks (KRE)** buyer 10,000 May \$40 puts at \$3.08, adjusts the April \$43 puts lower. **KRE** seeing another 6800 May \$40 puts bought into the close for \$2.95

**Uranium (URA)** with 30,000 April \$19 puts bought \$1.10 to \$1.25

**Russell (IWM)** seeing buyers 5500 April \$173 calls into weakness for \$3.5M and opening seller 7500 April \$175 calls for \$5.24

**Consumer Discretionary (XLY)** block of 10,000 April \$130 puts bought \$2.39

**Energy (XLE)** buyers of 4000 May \$72 puts \$2.38 offer. **XLE** also seeing 6500 April \$73/\$61 bull put spreads sell to open \$1.54 credit

**S&P (SPY)** seeing 4500 ITM April 6th (W) \$375 calls open this morning for \$7.5M

**Short Bonds (TBT)** with 10,000 January \$23 short puts opening as August \$25 adjust

**Nasdaq (QQQ)** seeing 10,000 May \$345 calls sell to open to buy the \$225 puts for net debit of \$0.56, adjusts the short April \$320 calls

**Ark (ARKK)** seeing buy writes sell to open 5000 September \$40 calls at \$4.25

**Oil & Gas (XOP)** seeing the 7000 April \$132/\$126 put spreads from last week close and adjust down to open the \$115/\$110 put spreads for \$2.10

### **Consumer Goods**

**Crocs (CROX)** size bear flow with 1200 September \$95 puts opening \$9.30

**Aramark (ARMK)** buyer of 1200 January \$35 calls at \$3.40

**GM** opening sale 1200 September \$30 puts for 2. **GM** seeing 2000 April \$35 calls sold to open at \$1.60

**Nordstrom (JWN)** buyer 500 January \$12.50 calls \$4.95

**Tesla (TSLA)** buyer of 500 August \$180 calls at \$30 to \$31. **Tesla (TSLA)** large opening sales of 3600 March 2024 \$216.67 calls at \$30.30. Also a buyer of 5000 January \$175 puts for \$32.01, while selling 5k of the \$230 calls at \$23.42 for net debits likely collaring long stock and protecting

**RH (RH)** seeing 1000 January \$150/\$130/\$410/\$440 iron condors sell to open at \$6.00

**Stellantis (STLA)** buyer of 2000 Sept \$17 calls at \$1.05

### **Consumer/Business Services**

**William Sonoma (WSM)** buyer 1250 March 120 calls \$3.35 into earnings, adjusts 123's

**Airbnb (ABNB)** buyers 1300 August \$100 puts at \$8.15 offer

**TJX (TJX)** seeing 1000 July \$75 straddles bought at \$9.20

**Wayfair (W)** buyers 2500 June 22.50 puts \$2.30 offer

**Las Vegas Sands (LVS)** sweep buys for 2800 April \$50 puts at \$1.42

**Starbucks (SBUX)** buyers 600 October \$90 puts \$5.10 offer

**Pinduoduo (PDD)** with 785 September \$130 far OTM calls bought \$5.55 to \$5.85

**Expedia (EXPE)** buyer 550 January \$80 puts \$8.65

**Camping World (CWH)** with 4700 June 21 puts opening \$2.70 as March 22 adjust. **Camping World (CWH)** also 2500 of the \$24 puts bought for \$4.78, adjusting March puts

**Carvana (CVNA)** buyer 9000 June \$5 puts \$1.34 as April \$10 adjust

**World Wrestling (WWE)** large trade sells 4000 July \$105 calls at \$1.05 to buy the \$70 puts at \$4.00, potentially hedging but paying a decent debit so likely more so a bearish bet on no deal

**Gap (GPS)** large buyer of 10,000 June \$9 puts for \$0.85, adjusting down the \$11 puts that have doubled since original buy

**Live Nation (LYV)** seeing 1500x3000x July \$75/\$82.50 call ratio spreads open for \$0.50 debits

**Best Buy (BBY)** seeing low delta buyers of 3500 June \$90 calls at \$0.91

**Caesars (CZR)** stock replacement sells to open 2500 January \$38 puts for \$5.60. Sportsbooks like a big week coming with March Madness starting tomorrow

**Royal Caribbean (RCL)** seeing 2200 January \$57.50 puts bought for \$9.10

### Energy

**SunPower (SPWR)** buyer of 2500 April \$14 puts for \$1.37

**Schlumberger (SLB)** buyer of 2500 April \$45 puts at \$2.05, adjusting some \$50 puts lower

**Hess (HES)** with 1000 April \$115 short puts opening \$4.70 as March \$125 adjust, safer defensive Oil name

**Cheniere (LNG)** buy-write sells 500 January \$180 calls 7.90

**Enphase (ENPH)** size buyer 600 May \$210 puts for \$22.50

**Transocean (RIG)** into weakness a buyer of 10,000 June 2024 \$7 calls at \$1.40 to \$1.50. **RIG** with 3000 January 2025 \$3 calls bought \$3.40 to \$3.50

**ConocoPhillips (COP)** seller of 1500 April \$100 calls for \$3.65, adjusts March 105 short calls

**Apache (APA)** opening sale 3000 April \$30 puts 1.18

**Sunnova (NOVA)** opening sale 1000 October \$12.50 puts \$2.35

**Array (ARRY)** with 4000 April \$17.50 puts bought \$1.64 as March are sold with earnings moved to 3-21

**Chevron (CVX)** buyer 1190 September \$125 puts \$3.65. **Chevron (CVX)** into the oil selloff seeing 1500 May \$160 calls bought \$6.10

**Devon Energy (DVN)** with 1531 November \$55 calls sold to open \$2.31, adjusting \$60 calls

**Sunrun (RUN)** stock replacement sells 2000 January \$15 puts for \$2.74

**Scorpio Tankers (STNG)** seeing midday buyers of 1750 March 31st \$57 calls at \$1.85 to \$2.40 into the selloff

**Halliburton (HAL)** opening seller of 1800 April \$28 puts for \$1.08

### Financials

**HSBC (HSBC)** opening seller 1000 September \$32 puts \$2.55

**Deutsche Bank (DB)** with 2000 January 2025 \$10 puts sold to open \$2.20. **DB** also 4850 October \$11 puts sold to open 1.95 ITM

**Schwab (SCHW)** with 1500 April 14th (W) \$57 puts opening \$5.23. **Schwab (SCHW)** with May \$70/\$80 call ratios opening 6000X12,000 for \$0.92. **SCHW** also a opening sale of 10,000 May \$75 calls at \$1.54. **SCHW** May \$65 calls were bought 6000X versus those 75 call sales. **SCHW** also seeing a block of 3500 June 2024 \$75 calls sold to open for \$6.40

**Barclays (BCS)** buyer here 5000 April \$7 puts

**Truist (TFC)** with June \$35/\$42.5 call ratios opening 3750X7500 at \$1.10

**Berkshire (BRK.B)** opening buy 1000 September \$265 puts for \$6.85

**Capital One (COF)** buyer of 4500 April \$95 puts for \$7.40, adjusts March puts

**Morgan Stanley (MS)** with 2000 September 92.50 calls being sold to open for 5.15

**Apollo Commercial (ARI)** seeing 10,000 May \$7.50 puts bought at \$0.50, adjusting the \$10 puts lower

**BankUnited (BKU)** buyers of 2000 April \$20 puts at \$2.50

**Citizens Financial (CFG)** seeing 2000x4000x April \$35/\$40/\$42.50 call flies open for \$0.80, similar to the call ratios in other financials

**Citi (C)** with a buyer of 2300 April \$45 calls at \$2.75

**Credit Suisse (CS)** seeing sweep buyers of 6,000 Sept \$2 calls now at \$0.82

**Synchrony (SYF)** large buyer of 8000 May \$26 puts for \$1.88, rolling down the \$30 puts from late Jan that have nearly tripled since bought

**Lemonade (LMND)** buyers of 6000 June \$14 puts for \$2.60, adjusting March puts

**Medical Properties (MPW)** large block of 10,000 Jan 2025 \$5 puts bought for \$1.32, looks to be adjusting down the \$8 puts which are up big lately

**Arch Capital (ACGL)** buyer of 10,000 June \$55 puts for \$2, adjusting \$60 puts lower

**Owl Rock Capital (ORCC)** seeing 10,000 July \$10 puts bought \$0.55, adjusts the April puts out

### Healthcare



**Merus (MRUS)** unusual buy of 820 April \$20 calls at \$3.60 offer side, also 1000 of the \$22.50 calls bought at \$3.00, Healthcare name up 7% today and breaking out of range

**Centene (CNC)** opening sale of 2190 April 28th \$58 puts at \$1.26, adjusts March short puts

**CIGNA (CI)** opening seller 500 June \$230 puts \$3.60

**Owens & Minor (OMI)** opening sale of 1000 June \$12.50 puts for \$1.30

**Novocure (NVCR)** large stock replacement buys 1000 June \$65 calls at \$11.40

### Industrials

**KB Homes (KBH)** buyer 6700 April \$35/\$32 put spreads as March \$37 adjust

**Boeing (BA)** spreads selling 4000 June 180 puts to buy 4000 June \$220/\$240 call spreads into weakness

**American Air (AAL)** buyer of 5000 July 2025 \$5 puts at \$0.65, adjusting June puts. **AAL** also a large buyer of 27,500 September \$14 puts at \$1.77, adjusts \$15 puts that have timed the selloff well the past month

**United Rentals (URI)** with 1275 April \$350 puts bought for \$7.50, consistent winner finally cracking lower of late and looks likely to retest key \$350 area

**United Air (UAL)** hit hard this week on softer outlook due to rising costs but massive buys here 6000 January 2025 \$45 calls \$11.05 to \$11.35. **UAL** also with 3800 April 14th \$47 puts sold to open at \$5.10, adjusts March. **UAL** also a buyer of 10,000 January \$30 puts for \$2.37, stock tied

**Fluor (FLR)** buyers of 1250 April \$27.50 puts at \$0.90 into the weakness today

**Fedex (FDX)** earnings tomorrow PM and seeing 4000 March \$187.50/\$180 put spreads bought at \$2.18, looks to be adjusting higher spreads

### Materials

**Peabody (BTU)** continues to see bull flow with 3150 July \$25 calls bought today, may be adjusting some \$28 calls trading 2700X. **BTU** also 1500 October \$30 calls sold to open \$1.94

**Bunge (BG)** more bull flow with 1900 July \$110 calls bought \$3.50 to \$3.70 with S&P 500 inclusion. **BG** also buyers for 750 July \$100 calls at \$6.70

**Agnico (AEM)** with 2350 August \$40 puts bought \$1.45 offer

**Alcoa (AA)** buyer April \$40/\$55 call ratio 1000X2000 for \$3.25. **AA** seeing 2000 Jan \$35 puts sold to open \$5.35. **AA** also with a large stock replacement buying 10,000 May \$50 calls for \$1.07

**Steel Dynamics (STLD)** down big today after Citi downgrade and seeing buyers of 900 May \$105 puts at \$8.60 to \$9, adjusts some March puts

**Arconic (ARNC)** block of 5000 April \$26/\$31 call spreads bought for \$1.60

**Dow (DOW)** buyers of 1000 April 28th \$50 puts for \$2.48, captures earnings

**Antero (AR)** buyers of 1500 Sept \$20 puts at \$2.66



**Barrick Gold (GOLD)** seeing 6000 Sept \$16 bull synthetics open at \$1.70 debits

**US Steel (X)** with 1500 June \$20 puts bought up to \$1.19

### **Tech**

**Apple (AAPL)** with 15,000 next week \$148 puts selling to open near \$2

**Nvidia (NVDA)** with 1800 September \$230 puts selling to open 29.05 to 28.80

**Snap (SNAP)** stock replacement sells to open 7000 April 14th \$10 puts for \$0.73

**DocuSign (DOCU)** size bear flow with 4000 August \$47.50 puts being bought for \$4.75

**Zscaler (ZS)** another growth name with put buyers, the July \$90 puts bought 1600X at \$6.90 to \$7

**Applied Materials (AMAT)** buyers 1125 July \$110 puts for \$8.05 offer

**Flextronic (FLEX)** with 3500 October \$25/\$19 strangles sold to open for \$2.38

**Google (GOOGL)** opening buyers 1725 August \$95 puts today for \$8.60 to \$8.70. **GOOG** seeing buyers of 1100 April \$80 ITM calls for \$15.90

**Duolingo (DUOL)** buyers of 500 August \$185 calls for \$3.20 offers

**Pinterest (PINS)** with 5900 April \$24 straddles sold to open for \$3.35, adjusts March straddles

**Alibaba (BABA)** large buyer of 4900 May \$80 calls at \$7.40, adjusting the \$90 calls

**Shopify (SHOP)** large buyer of 10,000 January \$37 puts for \$5.70, stock tied

**Match (MTCH)** large opening seller of 10,000 January \$30/\$50 strangles for \$6.02, leans bullish deltas

**Schrodinger (SDGR)** seeing buyers of 2000 June \$25 calls for \$3.70

### **Communications/Utilities**

**Digital Realty (DLR)** with 1000 September 80 short puts opening \$3

### **Disclaimer:**

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

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