



Sector Leaders

Software

Biotech

Internet

Stock Gainers

- CAR 12%
- HTZ 9%
- ROKU 9%
- CHWY 8%
- PINS 7.5%
- SPOT 7%

Volatility Gainers

- FRE
- VWO
- VG
- BGFV

High Call Volume

- JNK
- FNF
- FANG
- VST
- ICLN
- 

Bullish Options

- FANG
- ALT
- DDOG
- DASH
- WBD
- MTCH
- DAL
- DOCU
- PYPL
- SIX
- OXY
- C
- PINS

**Market Review:** Stocks opened the session higher into FOMC day with the ECB emergency meeting though early morning economic data missed expectations on both May retail sales and Empire Manufacturing. Pullbacks in the USD and Bond Yields boosted sentiment early. Tech growth outperformed in the morning session with the move in yields though markets were range-bound and then broke higher early afternoon as breadth stayed strong and the VIX was weak back under 30. The Fed hiked 75bps and the market initially surged higher led by the Nasdaq but then quickly sold off in volatile trading as the Fed signaled a faster rate of hikes before expected cutting in 2024. Markets hit lows for the session as Powell started speaking messaging on the risks of inflation to the mandate but bounced on the outlook for future hike increments. As we look to tomorrow, we get the Philly Fed and Jobless Numbers as well as software bellwether Adobe after the close before we head into a three-day weekend for markets. The S&P remains near VWAP from 2020 lows, while a strong move under the recent lows puts 3400/3500 as a likely target.

**S&P Chart:**



Resistance	Support
3800	3700
3950	3500
4015	3400

**Options Action Trends:** We saw June 24<sup>th</sup> (W) call buying in Tech growth quality names like **SNOW, DDOG, TTD**. We also saw longer-dated strong bull flow in social leaders **PINS, META**.

**What's On Tap:** Housing Starts, Weekly Claims, Philly Fed. Earnings from **ADBE**

**Trade Tracker Portfolio Changes:**

- 1) None

Sector Laggards

Energy

Oil & Gas

Utility

Stock Losers

- OLN -9%
- VG -5.5%
- WLK -4.4%
- JHX -4%
- ALB -3.4%
- PG -2.4%

Volatility Losers

- ORCL
- CRSP
- SI
- RBLX
- MSTR
- UPST

High Put Volume

- AXTA
- HST
- PTEN
- PPC
- SLG
- EAT

Bearish Options

- WYNN
- F
- ACAD
- IBM
- SQ
- EAT
- SLG
- ALK
- DVA
- Z
- SPLK
- PG



## FEATURED OPTIONS RADAR REPORT



### Large Bull Bet Sticks with Sneaky Rising Rate Beneficiary

**Ticker/Price:** HQY (\$68.4)

#### Analysis:

**Health Equity (HQY)** with 2500 July \$65 calls bought \$5.50 to \$5.70 on 6/14 sending IV higher, a roll of the 2000 June \$60 calls bought on 5/18 as part of a bull risk reversal sold for a 500% gain. HQY is a name showing major relative strength back above all major moving averages with shares +46% YTD. HQY is breaking out of a value zone this week and nearing a longer-term downtrend inflection while also broke above VWAO from its 2021 highs this week and MACD is in a buy signal. HQY can make a run to \$77.5 on a move above \$70. HQY is an innovator in providing technology-enabled services that empower consumers to make healthcare saving and spending decisions. It provides consumers with healthcare bill evaluation and payment processing services, personalized benefit information, including information on treatment options and comparative pricing, access to remote and telemedicine benefits, the ability to earn wellness incentives, and investment advice to grow their tax-advantaged healthcare savings. HQY has increased its share of the growing HSA market from 4% in December 2010 to 18% as of December 2021. HQY earns revenue primarily from three sources: service, custodial, and interchange and acquired WageWorks in 2019 for \$2B. HQY has a market cap of \$5.37B and trades 38.5X Earnings, 8X EV/Sales and 25.7X EBITDA with a 1.4% FCF yield. HQY is coming off a strong beat and raise quarter with record new HSA sales for a first quarter and overall highs for Total HSA Assets, HSAs, Total Accounts, and quarterly revenue, benefitting from a strong employment market and rising interest rates. Analysts have an average target of \$77 with short interest at 5% of the float. Wells Fargo started shares Overweight in April with a \$95 target expecting HSA members/assets expanding from 30M/\$100B today toward 60M/\$300B over the next decade. They note HQY's high incremental margins that are complimented by its capital-light operating model, and thinks the business can approach 30% free cash flow margin by fiscal 2030. Rising rates will flip the drag of the custodial business to a tailwind. Wasatch Advisors hold HQY as their 4<sup>th</sup> largest position at over \$515M.

#### Hawk Vision:



**Hawk's Perspective:** HQY certainly is a sneaky play that is showing great strength and looks to be a winner for this environment while offering strong growth.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bulls Position for Potential Takeover in the QSR Space

**Ticker/Price:** WEN (\$17.67)

#### Analysis:

**Wendy's (WEN)** with a large trade on 6/14 as 5000 August \$15 calls bought at \$3.15 in a single block to open and follows 2000 July \$19/\$23 call spreads and 10,000 August \$19 calls bought. WEN shares are lower by 26% YTD and recently bounced at long-term VPOC near \$16 but this positioning is likely event-driven. Wendy's operates quick-service restaurants and is the second largest quick-service restaurant company in the hamburger sandwich segment in the United States and the third largest globally with 6,949 restaurants. WEN has a market cap of \$3.89B and trades 17.75X Earnings, 2X Sales and 39.2X FCF with a 2.83% dividend yield and a debt-ridden balance sheet. WEN operates with 18.9X FCF margins and 25% EBITDA margins while forecasts see revenues rising 9.5% this year and 5% in 2023 and 20% EPS growth seen in FY23. In late May reports surfaced that its longtime board chairman may be interested in buying the hamburger chain. Peltz owns or controls 19.4% of the company's stock through his private equity fund, Triam, and other affiliates. The filing noted that a potential transaction could include an acquisition, business combination (such as a merger, consolidation, tender offer or similar transaction) or other transaction that would result in the acquisition of control of the company by the filing persons. Cleveland Research was out cautious on Q2 comps on 6/6 and WEN postponed its Investor Day that was scheduled for 6/9. MKM noted on 5/25 that there is plenty of value to unlock and could support a price above its \$23 target. WEN remains on Wedbush's Best Ideas List while Stifel sees potential for a deal in the low \$20's.

#### Hawk Vision:



**Hawk's Perspective:** WEN shares back near the gap and August \$19 calls at \$0.75 look cheap for a potential deal value in the \$21-\$23 range.

**Confidence Ranking:** \$\$



# FEATURED OPTIONS RADAR REPORT



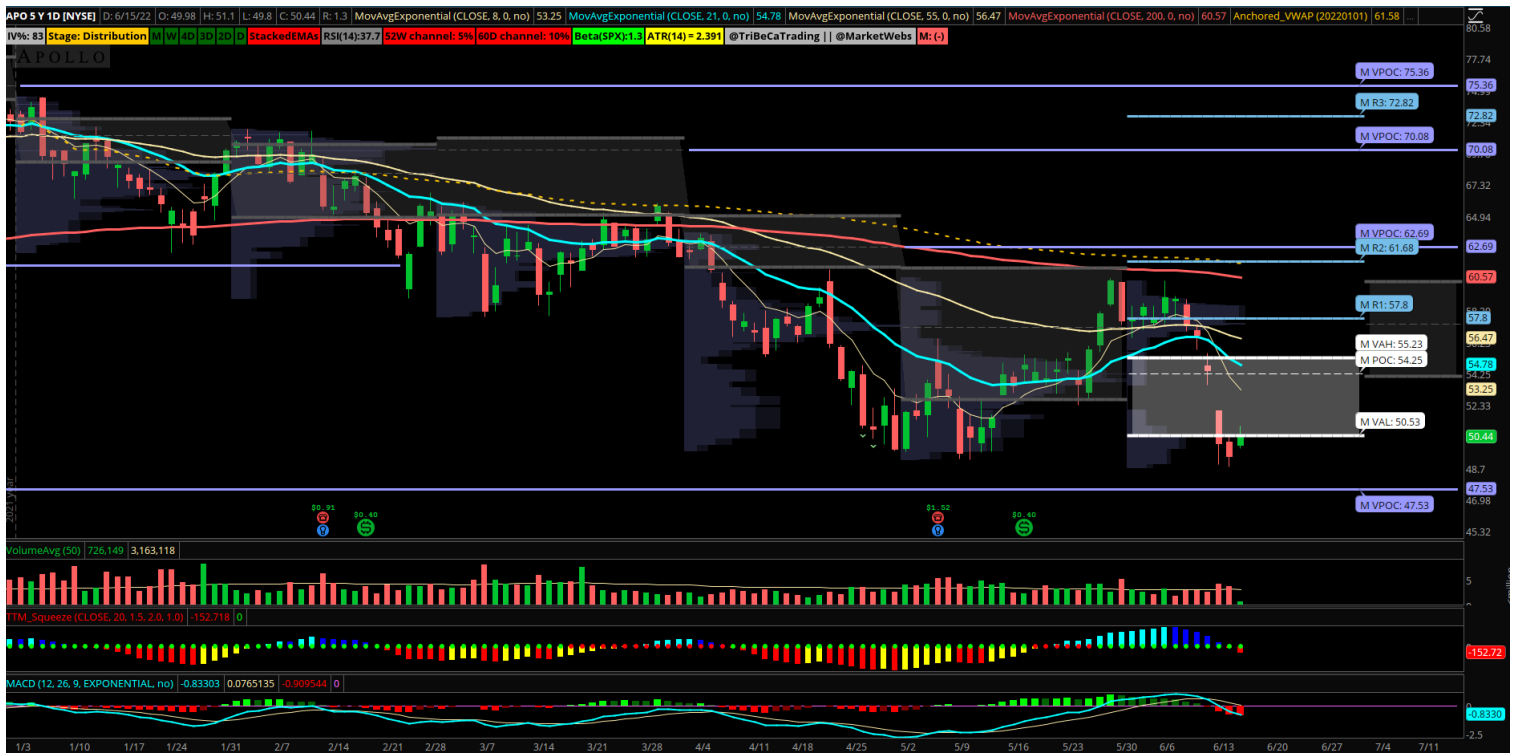
## Asset Manager Sees Put Buyers into Weakness

**Ticker/Price:** APO (\$50.44)

### Analysis:

**Apollo (APO)** had a large put buy on 6/13 into weakness with the September \$50 puts active as 3,300 bought at \$5.50 for over \$1.8M. This follows put buyers the past few weeks in September \$52.50 puts and July \$52.50 puts bought in late May and still in OI. Also, APO saw opening call sellers on 6/6 as the January 2024 \$60 calls were sold to open 1,000x at \$12.50 for \$1.32M. APO has been in a downtrend all year as it cracked under the 200-day EMA in February and as since traded back to 50 which is longer term support but has room to the lower edge of its yearly value area that comes in at 45.50. RSI staying weaker at 37 and weekly MACD staying on a sell signal. An ugly chart in a sector that has been under pressure as markets decline and yields increase. The \$28.7B company trades 9.5X earnings, 6.5X sales, and 3X cash with a 3.6% dividend yield. APO is a global, high-growth alternative asset manager. The asset management business tends to be more correlated with the path of interest rates so tightening policy has slowed growth. Average analyst target is still up at \$82 with a Street low of \$64 so room for downgrades possibly as price action worsens. On 4/19, Wells Fargo lowered their price target citing a decrease in the FRE multiple he assigns in his sum-of-the-parts framework. In early May, APO beat on earnings as total assets under management increased 11% year over year but stated it is anticipating a bleak investment landscape as the Fed tightens policy over the next couple years. Apollo CEO Marc Rowan said "Long term valuations are still elevated. Fed seems "deadly serious" about getting inflation under control which means liquidity will come out of the system. There are no perfect shelters from rates." He also mentioned he thinks there will be a weakening of the economy later this year and into 2023. Short interest is 6.2%- and 3-month change is up 66%.

### Hawk Vision:



**Hawk's Perspective:** APO is under all key moving averages and trying to hold the 50 level it bounced from but a weakening chart is made for selling on rebounds to the 21 EMA

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**MSCI EAFE (EFA)** with 4000 Sep. \$67/\$63 collars opening

**Gold (GLD)** buyer 1700 Dec. \$177 calls at \$7.05 offer into the Fed

**Gold Miner (GDX)** buyer 10,000 September \$32/\$38 call spreads for \$1.28

**Japan (EWJ)** large buy of 18500 September \$53 puts \$2.25, stock tied

**S&P (SPY)** opening hour action includes 13,665 July 29th (W) \$335/\$305 put spreads bought, opening sales 4000 Dec. \$295 puts \$6.52, and buyers of 6000 July \$394 calls to open near \$5.10

**Nasdaq (QQQ)** opening hour action includes 1500 November \$280 calls sold to open \$24.50, opening sales of 5000 November \$210 puts for \$4.78, and a spread that bought 20,000 July \$285 calls \$9.13 and sold 20,000 of the \$258 puts \$4.18

**REITS (IYR)** with 7500 Sep. \$86/\$76 put spreads bought

**Financials (XLF)** sweep buyers of 45,000 Aug. \$33 puts \$2.26 about 90 minutes ahead of the Fed earlier, about flat since the reactions

### **Consumer Goods**

**Ford (F)** buyer 10,000 July \$13 puts \$1.22 with recall news

**McDonald (MCD)** buyer 1000 August \$230 puts 7.30, stock tied

**Li Auto (LI)** buy write sells 3500 Dec. \$38 calls \$4.30, impressive strength since May

**ConAgra (CAG)** buyer 1500 September \$33 calls \$1.35 to \$1.40

**Ferrari (RACE)** buyers of 1500 short-term June \$175 calls \$3.75+, hosting a capital markets day tomorrow as clear catalyst

**P&G (PG)** buyer 8000 July \$130/\$115 put spreads adjusting June spreads

**RH (RH)** bull flow with buyers 900 July 29th (W) \$275 calls and 500 each of August \$270 and \$280 calls, over \$2.7M combined

### **Consumer/Business Services**

**Wynn (WYNN)** buyers 2400 July \$60 puts into early strength \$5 to \$5.60

**Warner (WBD)** buyer 5500 Oct. \$17.5/\$22.5 call spreads for \$0.78. **WBD** now with 6750 January \$17.50 calls \$1.77 and sells 13,500 of the \$22.5 calls

**DoorDash (DASH)** buyer 1000 July \$60 calls here \$7.20

**Roku (ROKU)** large trade sells 1200 September \$85 calls to open \$12.75

**Six Flags (SIX)** with 2500 January \$25/\$17.5 bull risk reversals opening for \$2.37 debits and follows a small CFO insider buy

**Cedar Fair (FUN)** spreads selling 650 July \$50/\$35 strangles and buying 1000 July \$45 calls, bull flow in SIX earlier too

**Trip.com (TCOM)** opening seller 1000 Dec. \$22 puts \$3.60

**Bed Bath (BBWI)** buyer 2000 June \$34 calls 0.80 playing for short-term move

**Expedia (EXPE)** buyer 4000 June \$105 calls \$2.33 looking for near-term upside

**Spotify (SPOT)** buyer 945 January \$155 calls \$5.40

**Live Nation (LYV)** buyer 1500 Oct. \$95 calls to open \$7.20

**Far Fetch (FTCH)** buyer 3000 October \$9 calls \$1.91

### Energy

**Exxon (XOM)** opening sale 1350 Dec. \$110 calls \$4.45

**Diamondback (FANG)** buyer of 2000 January \$127.65 calls for over \$7M as June calls adjust. **FANG** also nearly 1000 Dec. \$122.65 puts sold to open \$11.50

**Occidental Petro (OXY)** buyer 2200 Sep. \$75 calls \$3.10 offer. **OXY** with 3500 Nov. \$50 puts bought and 5K of the \$35 puts sold

**Devon (DVN)** buyer 400 Jan. 2024 \$115 calls \$6.45

**Northern Oil (NOG)** buyer 3000 July \$36 calls 1.90, rolls back \$38 strike

**Schlumberger (SLB)** buyers 4900 Dec. \$35 puts \$2.86 offer

**Archrock (AROC)** unusual buy of 3500 November \$10 calls for \$0.70

**Exxon (XOM)** buyers this afternoon 1900 Nov. \$85 puts \$5.20

### Financials

**Block (SQ)** buyer 1250 next week \$65 puts for \$5.10. **SQ** buyer 1100 January 2024 \$70 puts \$8.65

**PayPal (PYPL)** strong offer buying 3000 August \$85 calls \$3.85

**SL Green (SLG)** buyers of 1000 Dec. \$45 puts up to \$5 as the return to office has shown it will likely never reach pre-pandemic levels

**Wells Fargo (WFC)** opening sale 2000 January 2024 \$42.50 calls \$4.85, similar to call sellers yesterday in the name

**Zillow (Z)** buyer 2900 July \$30 puts \$2.30 with the move in mortgage rates

**Citi (C)** November \$52.50 calls active with buyers today 7500X near \$2.25. **Citi (C)** also with 10,000 Nov. \$57.5 calls bought \$1.25

**Aflac (AFL)** opening sale 2000 January 2024 \$52.50 puts for \$6.35, similar to action last week from a write-up

**XP (XP)** large spread sold 30,000 August \$17 puts to buy 30,000 of the \$20/\$24 call spreads, net \$0.30

**Sofi (SOFI)** opening sale 20,000 June 2023 \$5 puts for \$1.35

**AGNC (AGNC)** with 20,000 Sep. \$9 puts sold to open \$0.37

**PennyMac (PFSI)** buyer 10K Jan. \$30 puts \$2.20 as Nov. \$40 adjust, hit hard by weak mortgage demand with rates

**First Horizon (FHN)** buyer 2500 Dec. 2023 \$22 puts for \$2.60

**Service Properties (SVC)** unusual bear flow with 5500 Jan. \$5 puts bought \$0.80 to \$0.90

### Healthcare

**Altimune (ALT)** a name moving strong the last two weeks seeing 1500 Dec. \$10 calls bought this morning \$2.35 offers, Phase 1b NAFLD data in Q3 and interim Phase 2b obesity in Q4 seen setting the stage for potential partnerships

**DaVita (DVA)** buyer 2000 July \$90/\$75 put spreads

**BluePrint Medicine (BPMC)** trading some Oct. \$85/\$125 call spreads today 500X, potential M&A bet in Biotech

**Eli Lilly (LLY)** trading more bull risk reversals today with 980 January \$320/\$260 at a debit of \$3.70

### Industrials

**Delta (DAL)** buyers 20,000 August \$41 calls for \$0.65. **DAL** also 1500 March \$30 puts sold \$4.20 to open

**Ferguson (FERG)** opening sale 1100 August \$95 puts \$1.45

**Alaska (ALK)** buyer 2000 October \$35 puts for \$2.25

**ITT (ITT)** buyer 1000 July \$70 calls for \$2.20, unusual volume for the name into its Investor Day

**Textron (TXT)** unusual buy of 1000 July \$65 OTM calls \$1.15

### Materials

**Linde (LIN)** opening seller 1150 October \$230 puts \$4.70 to \$4.60

**Vale (VALE)** buyer 7000 July 29th (W) \$14 puts \$0.35

**Cameco (CCJ)** opening sales 3500 Dec 28 calls for 2.25

### Tech

**IBM** buyer 1000 next week \$138 puts for \$3.80

**DataDog (DDOG)** buyer 1000 next week \$90 calls \$4.87. **DDOG** now 1390 next week \$92 calls bought 3.70

**Snowflake (SNOW)** strong today trading over 23K calls, more than daily average with June 24th (W) buyers and now July \$135 calls trading 1450X as well. **SNOW** buy writes selling 900 Jan. \$150 calls \$17.75

**Trade Desk (TTD)** buy write sells 1000 Oct. \$50 calls \$7.55. **Trade Desk (TTD)** buyer 1650 next week \$47 calls \$3, similar to June 24th (W) call buying in DDOG, SNOW

**Autodesk (ADSK)** size opening sale 2000 January \$145 puts for \$11.225. **ADSK** buyer 650 July 1st (W) \$175 calls for \$7.50 to \$7.60

**Core Scientific (CORZ)** on the move with buyers in Dec. and Jan. \$2 calls active

**Cloudflare (NET)** buyer 1000 November \$40 puts \$8.55 tied to stock

**TI (TXN)** with 1500 January \$160 calls selling to open \$13.30. **TXN** now 2500 Sep. \$155 calls sold to open 10.50

**Marvell (MRVL)** opening sale 1800 Sep. \$55 calls for \$3.15

**JD** buy write sold 6000 Jan. \$60 calls for \$12.70. **JD** also 1000 January 70/65 strangles sold to open for \$19.40

**DocuSign (DOCU)** buyer 1300 September \$70 calls for \$5.40

**Sea (SE)** buyer-write sells 550 November \$95 calls 7.65

**Qualcomm (QCOM)** nearly 900 Jan. 2024 \$155 ITM puts selling to open for \$3.35M premium after positive antitrust ruling

**Intel (INTC)** buyer 5000 June 2023 \$52.5 calls \$1.40

**Apple (AAPL)** large opening sale 4000 October \$130 puts for \$9.35

**Pinterest (PINS)** higher by 9% here after the 10K Aug. 20 call buys yesterday and seeing 1100 March \$20 calls bought \$4.35 offer into strength. **PINS** also sweep buyers 4000 Jan \$25 calls. **PINS** looks like another 10,000 August \$20 calls adding today \$2.25

**Splunk (SPLK)** buyer of 1000 July \$85 puts for \$4.27

**Cisco (CSCO)** opening buys 1700 June 2023 \$47.50 calls for \$3.40

**Meta Platform (META)** buyers 1450 Oct. \$185 calls \$11.90 to \$12.20, also seeing 12,000 Jan. 2024 \$420 far OTM calls bought \$2.10 today. **META** also with buyers of 1075 Dec. \$170 calls for \$2.5M. **META** block of over 105,000 Jan. 2024 \$420 calls now bought \$2.85 taking volume over 125K

**HP (HPQ)** buyer 1000 September \$34 calls for \$3.20 offer

**Google (GOOGL)** seeing July 1st (W) \$2300 calls with opening sales 1200X while 2000 July \$2300 calls trading with buyers

**ON Semi (ON)** buyer 2000 July \$60/\$70 call spreads for \$2.20

**Shopify (SHOP)** buyer 1000 July \$310 calls \$34.80 shortly after the Fed announcement

**Zoom (ZM)** opening sale 427 Jan. 2024 \$165 ITM puts at \$66.05

**Amazon (AMZN)** buyer of 3000 Dec. \$85 puts \$4.75

**SAP AG (SAP)** with 1900 Dec. \$100/\$80 bull risk reversals opening \$3.30 debits

**Corning (GLW)** opening seller 1500 July \$34 puts \$1.85

#### Communications/Utilities

**CenterPoint (CNP)** buyer 1970 August \$29 calls for 0.99

**Comcast (CMCSA)** opening sale 3500 June 2023 \$47.5 calls 2.12

**PG&E (PCG)** December \$11/\$13 call ratio spreads opening 30,000X60,000 at \$0.18



**Disclaimer:**

**Not Investment Advice or Recommendation**

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