



## MARKET RECAP REPORT 6/18/2021

### Sector Leaders

#### Homebuilders

Airlines

Copper

### Stock Gainers

CLNE 9.15%

CVAC 8%

TAL 8%

GLBE 5.5%

DADA 5.4%

WISH 5%

### Volatility Gainers

- GERN
- ATHA
- MGI
- CMTL
- GO
- DNN

### High Call Volume

- GO
- FTAI
- LU
- AES
- LSPD
- BLMN

### Bullish Options

- BABA
- LNC
- INCY
- CVNA
- ADNT
- LSPD
- NVDA
- C
- X
- SRNE
- AES
- ALNY

**Market Review:** Stocks were mixed overnight and into the June options expiration open as Bonds and the US Dollar continued to rally. We had a couple small M&A deals but overall a quiet week of news with the focus on cross-asset group relationships until earnings start back up. Markets tanked into the open after the Fed's Bullard spoke on CNBC noting the Fed has started its taper discussion. He also said that he expects a rate hike next year to contain inflationary pressures. Financials are under pressure with continued changes to the curve and leading decliners today. Value also continues to see rotation away today. The Nasdaq holding up well with its 8-EMA around the morning lows and strong earnings out of Adobe and strength again in Nvidia. S&P futures traded down to the 50-MA for the first time since May while a bearish 8/21 EMA cross is setting up just above at 4210. RSI and MACD continue to weaken as the trend lose momentum and cloud support at 4145 a notable spot to watch as we've tested cloud support three times since the November election and bounced each time.

**S&P Chart:**



Resistance	Support
4,250	4,235
4,385	4,170
4,450	4,110

**Options Action Trends:** Call buyers were active into travel weakness in airliners like **DAL, JBLU, LUV** while we also saw bullish flow into cruise lines (**CCL**) and hotels (**H**). Bull covered risk reversals active in Biotech names that all could be M&A targets, **INCY, SGEN, ALNY**.

**What's On Tap:** A slower week but some notable events to watch including Powell visiting Capitol Hill on Tuesday, flash PMIs on Wednesday, and PCE on Friday. Earnings from **ACN, FDX, NKE, KMX,** and **PAYX**. US bank stress test results out on Thursday. Analyst meetings from **NTNX, EQIX, GSK, PD, PKI,** and **UNFI**. Also, **Amazon Prime Day** on Monday/Tuesday.

### **Trade Tracker Portfolio Changes:**

- 1) No Changes

### Sector Laggards

#### Semi Equipment

Energy

Banks

### Stock Losers

ARVL -12.5%

BRKS -6.8%

MGY -6%

ADNT -6%

OI -6%

REGI -5.9%

### Volatility Losers

- ORPH
- CAI
- GTE
- NKTR
- ENDP
- EDU

### High Put Volume

- HLT
- CSTM
- CP
- WEN
- TRIT
- DVAX

### Bearish Options

- CZR
- DELL
- CHPT
- BRKS
- LEN
- STX
- DT
- FL
- JPM
- COP
- ASO
- X



## FEATURED OPTIONS RADAR REPORT



### Bulls Target UPS After Investor Day Disappointment

Ticker/Price: UPS (\$198)

#### Analysis:

**United Parcel (UPS)** with a large opening sale on 6/17 of 5,000 August \$185 puts for more than \$2.3M and follows a buyer of 1000 January 2023 \$260/\$195 bull risk reversals on 6/16 for a large \$18 credit. UPS has seen 2,000 October \$210 calls bought to open in June as well and still has buyers in the October \$230 calls from early May. Shares surged higher in March and April and now pulling back to the 38.2% Fibonacci retracement and around the top of April value at \$196. A move back above the 8-EMA can run to the narrow May value range at \$213. The \$174B company trades 17.35X earnings, 2X sales, and 21.5X cash with a 2% yield. UPS reported record profits and double-digit operating margins in Q1 as volumes grew 35% and investments in their ground network, digital access, and expanded weekend operations all paid off. The company continues to see near-term upside as the economy reopens, GDP forecasts are revised higher and consumer spending remains robust, especially around ecommerce. UPS held an Investor Day recently where they outlined long-term plans to expand package margins on domestic shipping, established new ESG targets, plans to target small-and-mid-sized businesses, and growing healthcare and international. Analysts have an average target for shares of \$205 with a Street High \$261. JP Morgan upgrading shares to Overweight on 6/10 citing pricing power, capacity discipline and the dividend yield and a number of avenues for potential upside versus 2023 guidance if they execute well. Short interest is 0.83%. Hedge fund ownership was marginally higher in Q1. In February, a director bought \$100K in stock around \$160.

#### Hawk Vision:



**Hawk's Perspective:** UPS is a high-quality name and think expectations were simply too high into their Investor Day given the run higher in shares but the outlook is bright and they should continue to operate well; a move back above the 8- and 21-day key to reclaiming the bull trend

**Confidence Ranking: \$\$**



## FEATURED OPTIONS RADAR REPORT



### Royal Caribbean Bullish Positions as Sailings Resume

**Ticker/Price:** RCL (\$86.40)

#### Analysis:

**Royal Caribbean (RCL)** shares pulling back the last few weeks to retest its recent weekly wedge breakout and on 6/14 the July \$90/\$100 call spreads bought 4500X positioning for a strong move higher. RCL has also recently seen opening sellers of July \$95 and \$90 puts, the January \$115 calls bought 1000X, and opening sales of 2500 each September \$80 and \$75 puts. RCL has a nice weekly consolidation set-up looking to clear \$97 and recover the rest of the COVID sell-off.

Near-term shares need to get back above the 21-day moving average near \$90.55. RCL is a leading cruise company under brands of Royal Caribbean International, Celebrity Cruises, and Silversea Cruises. RCL also has a 50% joint venture with the German brands TUI Cruises and Hapag-Lloyd Cruises. RCL recently started the construction of its next-generation cruise ship "Icon of the Seas" which will debut in 2023 and be powered by LNG. RCL has faced some recent negative news flow with postponed cruises due to COVID cases. RCL currently has a market cap of \$22.1B and trades 48X Earnings and 13X FY22 EBITDA. RCL forecasts see revenues rising 353% in 2022 nearly back to 2019 levels while EBITDA seen at \$2.86B in 2022 versus \$3.4B in 2019. RCL closed Q1 with \$5.8B in liquidity and cash burn was \$300M in the quarter. RCL noted last quarter momentum in bookings and 2H pricings above that of 2019. Analysts have an average target of \$95 and short interest is low at 4.3% of the float. JPM raised its target to \$123 this week constructive on the industry with bookings momentum and strong pricing with RCL its top pick. Wolfe raised shares to Outperform earlier this week as well on positive channel checks and seeing strong pent-up demand. CSFB called the sell-off this week on COVID cases a buying opportunity and has a \$135 target, not seeing a material impact with the strong vaccine effectiveness rate.

#### Hawk Vision:



**Hawk's Perspective:** RCL looks destined to fill some COVID gaps overhead and need to see a reversal candle back above these key moving averages, but like the idea of the upside spreads.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Sabre Bulls Positive on Corporate Travel Accelerating

Ticker/Price: SABR (\$14)

#### Analysis:

**Sabre (SABR)** buyers of 5,350 January \$14 calls on 6/17 for \$2.10, a more than \$1.1M position and follows buyers recently in the January \$13 and \$16 calls. SABR sees a lot of activity but notable trade recently also sold the October \$11 puts to buy the \$14/\$18 call spread 4,000X while the July \$13 puts sold to buy the \$15/\$19 call spread over 15,000X in mid-April. In early April, the July \$15 puts were sold 5000X to buy the \$14/\$18 call spread 10,000X. Shares are trading steadily higher in a rising channel since last November and a move back above \$15 has room up to \$20. The \$4.38B company trades 280X earnings, 4.37X sales, and 3.4X cash. SABR provides software and technology solutions for the travel and hospitality industry. Their B2B marketplace offers inventory, prices, and availability from a range of travel suppliers, including airlines, hotels, car rental brands. SABR has lagged some of the other reopening plays as domestic leisure travel drives lower revenue than corporate travel but the latter poised for a rebound into the 2H and 2022 as more offices return to normal. SABR is also undergoing a tech transformation moving more of their operations to the cloud which will ultimately give them better scalability and lower costs. Throughout 2021 they expect to migrate at least 15% of their Hospitality solutions to GCP as well which will add to cost savings. Analysts have an average target for shares of \$15 with a Street High \$17. Mizuho noting in April that Sabre's cloud migration remains on track, and management is excited about the potential for new artificial intelligence offerings to drive demand. Deutsche Bank upgrading the stock in February and noted that longer-term the permanent cost take-out and technology savings from the shift to cloud will drive significant upside to margins and free cash flow coming out of the crisis. Short interest is 19% and rising sharply since April 2020 and the start of the pandemic. Hedge fund ownership fell 11% in Q1. Glenview Capital a buyer of 3.185M shares, a new position, while Knighthead Capital now with 5.4M shares.

#### Hawk Vision:



**Hawk's Perspective:** SABR is an interesting name with a lot of moving parts and feels underappreciated with business travel and International both poised to rebound into 2022

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### Market/ETFs

**Ark Fintech (ARKF)** has worked out of downtrend and seeing 3500 January \$52 calls bought \$5.40 to \$5.50 this morning, top holdings include **SQ, SHOP, SE, PYPL, Z, PINS, JD, TWLO, MELI**

**Russell (IWM)** buyer 5000 August \$206 puts \$3.10

**S&P (SPY)** buyers of nearly 5000 November \$365 puts this morning up to \$7.45 for over \$3.7M. **SPY** also with 4500 July 7th (W) \$415 puts bought up to \$5.32 and 8000 July 30th (W) \$388 puts bought up to \$2.98

**Industrial (XLI)** buyer 4000 June 2022 \$85 puts for \$3.35

### Consumer Goods

**FreshPet (FRPT)** with 900 August \$180 calls sold to open for \$4

**Grocery Outlet (GO)** working off the lows and IV30 jumping 70% as more than 8250 July \$40 calls being bought for \$0.45

**Pepsi (PEP)** into weakness back to its 55-day MA with 1650 June 2022 \$150 calls being bought \$7.60 to \$7.80

**Harley (HOG)** with the August \$50 calls bought for \$1.35 to \$1.40, 2000X

**Nike (NKE)** buyers 1850 next week \$128 calls into the lows \$3.20 to \$3.45 for earnings 6-24

**Peloton (PTON)** buyer this afternoon of 600 June 2022 \$130 calls for \$17.80 in a stock replacement

**Sysco (SYY)** buyer of 400 November \$70 calls today for \$7.80

**Coty (COTY)** with 2,280 January 2023 \$7 puts sold to open today for \$1.35

### Consumer/Business Services

**PVH Corp (PVH)** buyer opening the July \$105/\$115 call spread 1000X2000 for \$1.84 debit. **PVH** also with afternoon buyers of 500 December \$85 puts today from \$4.70 to \$5

**Carnival (CCL)** buyers of 7500 next week \$28/\$32 call spreads for earnings 6-24. **CCL** now also with 2,450 July 9th (W) \$29 calls bought \$1.05. **CCL** now with 1,500 September 2022 \$27.50 puts sold for \$5.05 in a stock replacement

**Caesar's (CZR)** buyer 2500 next week \$99.5/\$94 put spreads. **CZR** now with 4,400 January \$100/\$130 call spreads bought for \$10.35

**Carvana (CVNA)** buyer 500 November \$290 calls \$40.50 to \$42, a recent write-up and bull technical trigger this week

**Foot Locker (FL)** with 4,000 June 25th (W) \$57 puts bought or \$1.25/\$1.30 as the \$58.50 puts roll down ahead of the **NKE** report on 6-24, a large percentage of their overall sales

**Lithia Motors (LAD)** a best-in-class name with 330 November \$300 puts selling to open \$27 to \$26.50, sits just under its 200-MA here

**Comcast (CMCSA)** buyers of 4000 next week \$56.50 calls \$0.81 with notable OI already in next week, set up nicely under recent highs

**Vroom (VRM)** with 2,500 January 2023 \$20 puts opening for \$2.20, tied to long stock

**DoorDash (DASH)** moving out of a multi-month base today and 4,000 July \$180 calls opening for \$8.35 as the June \$165 calls from 5/27 adjust out

**Las Vegas Sands (LVS)** with 10,000 August \$57.50/\$67.50 call spreads bought for \$1.50 to open into weakness. **LVS** trading just above VWAP from the March 2020 lows at \$52

**Hyatt Hotels (H)** with 2,550 July \$80 calls bought up to \$3.10

**Macys (M)** some large call spreads bought yesterday and this morning 1475 July \$15 ITM calls bought for \$3.15

**Bloomin' Brands (BLMN)** with 6,000 September \$25 calls bought for \$2.95 to open in a stock replacement here

**Fubo TV (FUBO)** buyers today of 1,000 January 2023 \$50 calls for \$8.40 to \$8.60

**Camping World (CWH)** with 2,000 July \$25 ITM calls opening today with June adjusting

**Academy Sports (ASO)** with the December \$45 ITM puts bought for \$11.40 today, over 2000X

**Charter (CHTR)** with the September \$725/\$650 bull risk reversal opening today around 400X for a \$2.95 credit

**PLBY (PLBY)** with buyers today of the July \$35 calls for \$4.30 to \$4.35, over 1950X

### Energy

**First Solar (FSLR)** buyer of 400 January 2023 \$80 calls for \$14.60 today

**Nordic Tanker (NAT)** with 8000 July \$3 calls bought around \$0.50 today as some June calls roll

**Solar Edge (SEDG)** with 500 January 2023 \$320 calls sold to open today for \$48 in a buy-write

**Dennison Mines (DNN)** with 4000 December \$2 puts sold to open today for \$0.85

### Financials

**MoneyGram (MGI)** buyers of 2,700 July \$11 calls today for \$0.65/\$0.70, pulled back to the 21-EMA and bouncing this week

**American Int'l (AIG)** with 2,000 each of the January 2023 \$55 and \$57.50 calls sold to open today for \$3.50 and \$2.90 respectively

**Lincoln National (LNC)** with 2900 July \$65 calls bought \$0.90 to 41 into early weakness

**Citi (C)** July 9th (W) \$70.50 calls after the early 3000X bought \$0.90 have now climbed to 26,500 into this weakness and up to \$1.10

**Lending-Tree (TREE)** trade closes 500 June \$200 calls and buys 500 July \$230 calls \$7.90 while selling 875 of the \$260 calls

**Capital One (COF)** spreads selling 945 September \$135 puts and buying 350 of the \$155/\$170 call spreads

**JP Morgan (JPM)** with 1300 October \$145 puts bought \$7.80 to \$8

**Marsh & McLennan (MMC)** with 2,000 January \$150 calls bought for \$2.70 today in a stock replacement

**HSBC** with 4,000 January \$25 puts sold for \$0.61 to \$0.59 to open today. **HSBC** also with 5,500 December \$25 puts sold to open for \$0.49

**Medical Properties Trust (MPW)** with 3,500 January \$19 puts sold to open today for \$1 into weakness

## Healthcare

**Incyte (INCY)** early buyer of 2500 December \$90/\$110 call spread with the \$70 puts sold for a net \$1 debit

**Anavex Life Sciences (AVXL)** another 1,500 July \$25/\$35 call spreads active this morning where 3,000 were bought yesterday, paying \$1.75

**Sorrento Therapeutics (SRNE)** with another 3,200 January 2023 \$15 calls bought this morning for \$2.80 to \$2.90, basing in a wide range under \$10

**Adaptimmune (ADAP)** unusual buy of 1000 December \$5 calls \$1.20 to \$1.30. ADAP a small cancer play that has had some takeover rumblings

**Alnylam (ALNY)** spread today is selling the September \$150 puts 2450X to buy the \$180/\$240 call spread for a net \$5.30, similar to **INCY** earlier

**Acadia (ACAD)** speculative buys of 1300 August \$36 far OTM calls \$0.75 to \$0.80

**Seattle Genetics (SGEN)** with December \$175/\$190 call spreads bought 330X with the \$125 puts sold

**Boston Scientific (BSX)** buyers 8000 July \$47 calls for \$0.17

**Community Health (CYH)** jumps off lows as 3800 July \$19 calls are bought \$0.25 to \$0.30

**Sanofi (SNY)** buyers today in the September \$55 calls, over 1900X from \$1.05 to \$1.10

## Industrials

**ChargePoint (CHPT)** with 1,800 November \$40 calls sold for \$3.20 to \$3.10 to open today

**Delta (DAL)** buyer 500 December \$47 calls \$7.30 offer

**Lennar (LEN)** buyer 650 July 30th (W) \$100 ITM puts for \$6.20

**JetBlue (JBLU)** some volume here as buyers active for 7500 August \$18 calls up to \$0.97 to open, hammering today off of VWAP from the October lows

**HydroFarm (HYFM)** with 700 July \$60 puts sold to open from \$5.80 to \$5.60 today, made another small acquisition this morning

**HyreCar (HYRE)** earlier with 5000 July \$20/\$25 call spreads opening for \$1.90 as the June spreads adjust out

**Canadian National (CNI)** buyers of 1200 July \$105 calls for \$2.35 to \$2.70

## Materials

**US Steel (X)** buyer 3000 August \$24 calls \$2.59 to \$2.67 into weakness

**Freeport (FCX)** earlier with next week \$36.50 calls active with buyers also seeing 4500 August \$41/\$46 call spreads bought

**Arcelor Mittal (MT)** buyer of 500 December \$33 ITM puts for \$6.65

**US Steel (X)** now also with 4000 August \$21 puts bought up to \$1.63

**FMC Corp (FMC)** weak today and near the lows with 1,100 January \$110 puts sold to open for \$6.70/\$6.90

**Barrick (GOLD)** with 1,400 November \$22 ITM puts sold to open for \$2.44

**Franco Nevada (FNV)** buyers of 4,000 October \$140 puts this morning from \$5.40 to \$5.90

**Louisiana Pacific (LPX)** buyers of 2000 July \$52.50 puts for \$1.40 today

**Vale (VALE)** with 3,000 July \$17 ITM calls bought today from \$4.45 to \$4.55

### Tech and Telecom

**ComTech (CMTL)** stock and IV higher today with 3,000 July \$25 calls bought for \$1.80 to \$1.95 to open, odd volume for the name that trades less than 15 calls per day on average. The \$616M company offers services for satellite ground station technologies like modems, amplifiers, and frequency converters. Shares near a downtrend break above \$25 and room back to recent highs

**Micron (MU)** with 5,000 September \$95 calls bought today for \$1.36 to \$1.38 as the name continues to draw bullish flow. **MU** also 4800 August \$95 calls bought to open just under \$1

**Alibaba (BABA)** early buyer 1400 July 2nd (W) \$210 calls \$4.60 to \$4.90

**LightSpeed (LSPD)** a hot newer name with a large bull trade as 3000 July \$70 puts sell to open \$1.10 and 2000 of the \$80 calls bought \$4.20. **LSPD** now with a different spread selling 2000 July \$95 calls to buy the \$75/\$65 put spreads, likely protecting stock

**NVIDIA (NVDA)** with 1875 July 2nd (W) \$800 calls opening, seeing some roll from this week calls. **NVDA** opening seller 500 July \$800 puts \$50.65

**Brooks Automation (BRKS)** falling with 750 July \$90 puts bought \$3.10 to \$3.28

**Seagate (STX)** the July \$80 puts being bought 2000X today for \$1.31

**Snap (SNAP)** opening sales of 1750 September \$60 at-the-money puts for \$5.20 today. **SNAP** with 3000 July 2nd (W) \$67.50 calls bought on this ramp higher today as well, \$0.96 to \$1.36

**DynaTrace (DT)** buyers of 1150 July \$55 puts up to \$1.55 into strength today

**Sea (SE)** buyer 300 June 2022 \$340 calls \$31 to \$31.50

**DocuSign (DOCU)** buyer 500 OTM November \$380 calls \$4.45 to \$4.60. **DOCU** also seeing more than 1,650 July \$280 calls bought this morning for \$9.10

**Juniper (JNPR)** buyer of 5500 July \$29 calls \$0.30 to \$0.50

**AT&T (T)** buyers active 7000 January \$29 calls today \$1.19, will confirm OI change

**Veeva (VEEV)** working out of a small flag today and buyers active for 700 December \$350 calls this afternoon for \$13

**Baidu (BIDU)** with 5,000 July \$175 synthetic long spreads opening today for \$9.84, adjusting the June spreads opened in May

**AMD** buyers into the mid-morning dip for 1500 July 30th (W) \$85 calls for \$4.50

**Dada Nexus (DADA)** with 2,000 July \$30/\$35 call spreads bought for \$1.80 today to open, some June positioning adjusting

**Asana (ASAN)** highs of the day with 2,000 July \$60 calls bought this morning for \$1.90 to \$2

**Fastly (FSLY)** the July \$60 calls being bought today over 5000X from \$2.89 to \$3.10, stock replacement

**Ebix Systems (EBIX)** with 1000 December \$35 puts sold to open today for \$6.80



**Western Digital (WDC)** buyers this afternoon for 6000 August \$85/\$100 OTM call spreads, reports back in April of interest in buying Kioxia

### Utility

**AES Corp (AES)** with 3000 January \$27 calls opening \$1.39 to \$1.45. **AES** with near 6000 July \$26 calls now bought up to \$0.60. **AES** the January calls over 12,000X

#### **Disclaimer:**

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

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