



## MARKET RECAP 6/22/2022

### Sector Leaders

Software

Biotech

Med-Tech

### Stock Gainers

NVCR 8.8%

FIVN 6%

GMED 6%

U 5.9%

SWAV 5.9%

MRNA 5.8%

### Volatility Gainers

- MT
- MO
- TER
- COIN
- SG
- AMR

### High Call Volume

- RADI
- BALL
- STX
- NOG
- PPL
- GH

### Bullish Options

- META
- BTU
- HSBC
- UNH
- NEM
- SNOW
- AMD
- SHOP
- PDD
- OXY
- BP

**Market Review:** Stocks opened the session weak as Europe/Asia sold off overnight on further inflation concerns and slowing global growth with commodities taking the brunt of the early selling and US Bonds rallying on a flight to safety trade. Powell spoke early and markets reversed strong off early lows with Yields coming down boosting Tech. Growth areas like Software and Biotech led upside with some further risk-on action into quarter-end while Med-Tech was also strong for the first time in weeks. Markets rolled off highs on Powell comments of persistent inflation and the chances of policy leading to a recession. The 8-day moving average yet again acted as resistance for Indices. Breadth strengthened into mid-afternoon as the S&P made it back to 3800. Tomorrow should be a more important catalyst session with Flash PMIs, Bank Stress Test Results and FDX Earnings.

S&P Chart:



Resistance	Support
3800	3700
3950	3500
4015	3400

**Options Action Trends:** We saw early bull flows in high multiple growth names like **SHOP, SNOW**. Energy and Metals names continued to see the bulk of the put buying action. Energy and Metals names continued to see the bulk of the put buying action. There were size flows on both sides with put buyers also active in consumer spending areas like **PTON, ROKU, EL, BBY**.

**What's On Tap:** Unemployment Claims, Flash Manufacturing PMI, Flash Services PMI, Fed Chair Powell Testifies, Bank Stress Test Results. Earnings from FDX; Analyst Day at COST

### Trade Tracker Portfolio Changes:

- 1) No Changes

### Sector Laggards

Energy

Natural Gas

Metals

Bonds

Semis

Gold

### Stock Losers

ORA -9.5%

ACAD -35%

ODP -13%

CYH -4%

BBWI -3%

SOL -3%

JD -2.7%

SM -8.8%

PDCE -8.5%

MO -8.5%

MT -8.3%

CRSP -8.3%

### Volatility Losers

- DVA
- CELH
- FTNT
- FSLY
- FVRR
- ABNB
- COIN
- SAVA
- WGO
- PSTH
- AUPH
- ACAD

### High Put Volume

- PFGC
- VG
- AVYA
- PTEN



## FEATURED OPTIONS RADAR REPORT



### Put Sellers See Value in Large Managed Care Co. following Analyst Day

Ticker/Price: CI (\$252.15)

#### Analysis:

**CIGNA (CI)** on 6/21 with large put sales to open with 4000 of the \$230 strike and 3000 of the \$220 strike in October expiration collecting ~ \$6M in premium. CI also saw January \$280/\$210 bull risk reversals open 2000X back in March/April and some opening sales set in September put strikes now OTM. CI a relative strength name in 2022 with shares +6.5% and in a strong uptrend with 8/21 week EMA in a bull signal. Shares have dipped 5% the past month retesting the March flag breakout and based nicely on 1-year VPOC last week before starting this week with a base breakout. Cigna is a global health services company consisting of our U.S. Commercial, U.S. Government and International Health operating segments that offers a differentiated set of pharmacy, medical, behavioral, dental and supplemental products and services, primarily through two brands: Cigna and Evernorth. CI has a market cap of \$79B and trades 9.7X Earnings, 1.7X Book, 14X FCF and with a 1.83% dividend yield. The company also has a significant cash position which they said recently they plan to deploy through buybacks and capital return and recently announced a \$3.5B accelerated buyback. CI sees opportunity for their PBM business with growth in biosimilars, especially Humira in 2023 and sees a \$100B market opportunity. CI held an Analyst Day earlier this month and outlined the growth opportunity for Evernorth. Management discussed Evernorth and Accredo specialty businesses as key to the company's long term growth and also unveiled opportunities to expand CuraScript, Evernorth's under the radar specialty distribution business. The vertically integrated health plans (UNH, CVS, CI) will be better positioned over the long term to gain share and member stickiness. Analysts have an average target of \$295 with short interest low at 1% of the float. BAML upgraded to Neutral with a \$300 target on 5/23 on a stronger growth outlook for commercial and PBM.

#### Hawk Vision:



**Hawk's Perspective:** CI is attractive on valuation and has a healthy trend, so can see reason for selling puts or owning the name into earnings inflection the next few years with some intriguing business segments.

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### Puts Accumulate in PC Products Company as Demand Wanes

**Ticker/Price:** LOGI (\$53.85)

#### Analysis:

**Logitech (LOGI)** a name that has rebounded the last two sessions to its 8-MA but continues to see bearish positions that have adjusted for multiple months with open interest currently focused in September expiration with 1600 \$70 puts, 3150 \$65 puts, and 4000 of the \$55 puts bought on 6/3. LOGI was a big pandemic winner with the surge in demand for home-office products but shares down 35% in 2022 and nearly retracing the entire move off the 2020 lows with VPOC closer to the \$40 level as a potential downside target though \$44.75 minor support that may hold due to valuation. Logitech is a world leader in designing, manufacturing and marketing products that help connect people to digital and cloud experiences. Logitech's products align with several large secular trends including work and learn from anywhere, video everywhere, the increasing popularity of gaming as a spectator and participant sport, and the democratization of content creation. Logitech offers peripherals and accessories to enhance the use of such cloud-based content platforms. LOGI has a market cap of \$8.7B and trades cheap at 10.6X Earnings, 8.4X EBITDA, and 6.6X Cash with no debt and a 1.83% yield. LOGI revenues are seen growing just 1.3% in FY2023 after 4.4% growth in 2022 coming off a 76.5% growth comp while EPS seen lower by 3% in FY2023. LOGI has 18.65% EBITDA margins that came down sharply in 2022. LOGI is dealing with currency headwinds, component supply issues and a spending slowdown by consumers. The tough environment may lead to further estimate revisions lower. LOGI also faces growing competition in video conferencing, pockets of elevated channel inventory, rising costs and European weakness. The correlation between Logitech's PC related revenue and notebook shipments is 0.938. Analysts have an average target of \$95 with short interest elevated at 7% of the float. MSCO cut its target to \$53 last week. UBS upgraded to Buy on 5/17 saying cash flow potential is not reflected in shares and hybrid working/consumer gaming themes remain strong. Vontobel holds a \$365M position as its 4<sup>th</sup> largest position and added shares last quarter. Insiders have been notably absent from buying shares in a 78% fall the past year.

#### Hawk Vision:



**Hawk's Perspective:** LOGI clearly should see further business weakness and though already very cheap on valuation, shares likely have a final leg lower.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



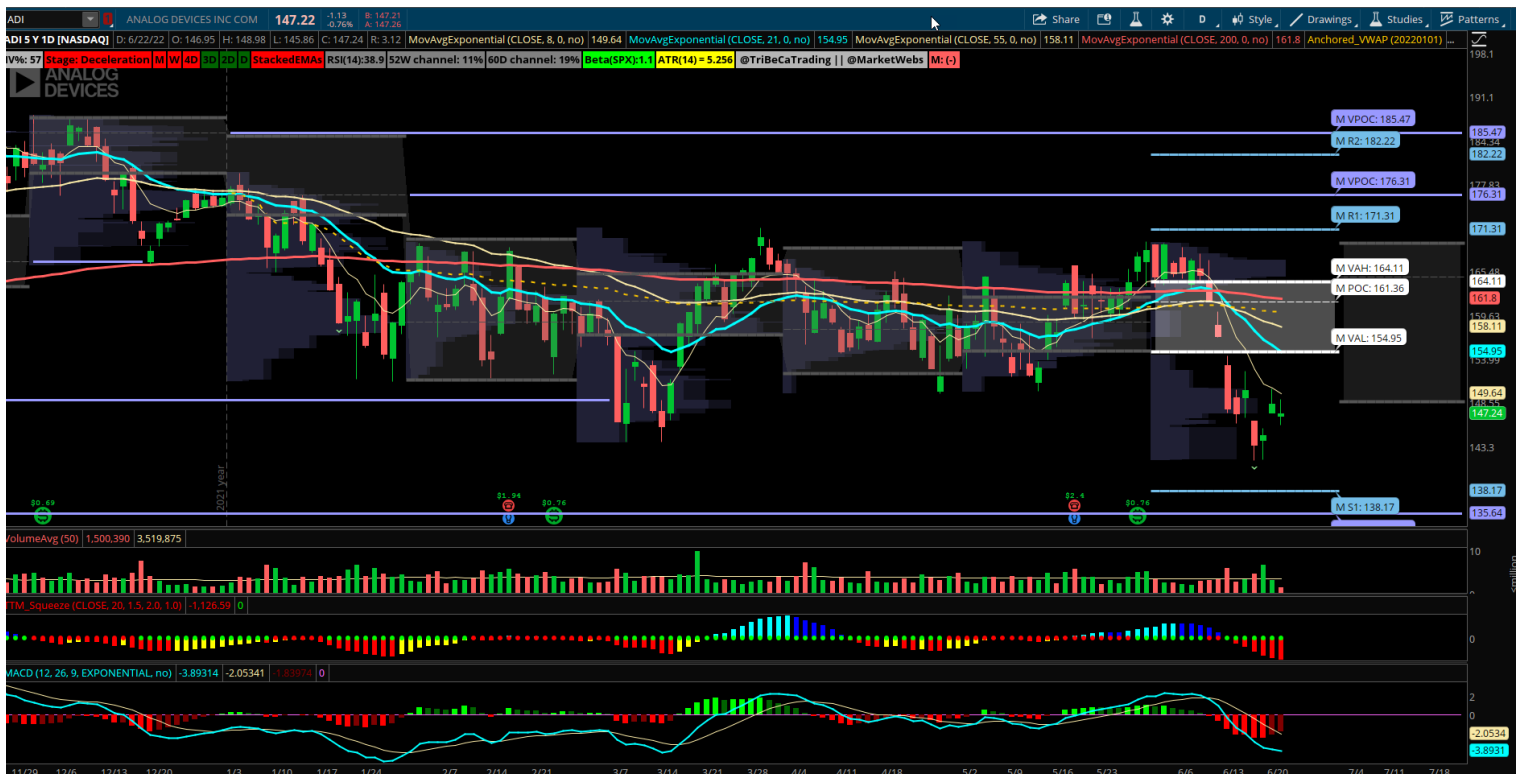
### Chip Leader Sees Large Opening Put Sale

**Ticker/Price:** ADI (\$147.75)

#### Analysis:

**Analog Devices (ADI)** saw a large opening put sale on 6/21 for 1,000 June 2023 \$145 short puts at \$16.40 for over \$1.6M in premium. A longer term at the money put sale showing confidence in a potential floor at these levels. Also, on 6/13 a large call buy of ITM January \$125 calls at \$32.50 for over \$30M. The stock has held up reasonably well in 2022 compared to other Tech names, down just -15% YTD but recently made new lows below its May low near 144 and has stabilized and tried to reclaim 150 which is the lower value area for the year, long term support. The stock has upside to the YTD VWAP near 160 on a potential rebound but with the longer term put sale it likely develops a base pattern near current levels. The \$76.5B company trades 14.7X FY23 earnings and 6.5X FY23 EV/sales and a projected FY23 FCF yield of 6.4%. Also, with a dividend yield of 1.9%. In May, ADI beat on EPS and Revenues while guiding Q3 higher despite geopolitical uncertainty and ongoing supply chain disruptions. ADI is also a big player in the EV space where they lead in battery management systems and have doubled market share of their biggest competitor. Average analyst target is \$199 with a Street high of \$220. On 6/5 Citi named ADI a top pick "given its defensive nature. BAML out recently naming ADI a compelling valuation in Semi's as the recent 36% peak-to-trough price-to-earnings multiple contraction in the semiconductor index already reflects a "medium-sized" recession. On 5/19, Truist kept their Buy rating and raised their price target to \$203 from \$194 citing a "great" Q1 highlighted by cyclical strength, M&A, and execution. ADI saw an insider buy on 6/17 from a director who bought 3,650 shares at \$144.16, a purchase of \$526k, the largest open market buy since late 2021. Short interest is 1.8%. Hedge fund ownership fell 26%.

#### Hawk Vision:



**Hawk's Perspective:** ADI has held up well year to date and now testing a previous low from May, a compelling value Semi name at support longer term potentially.

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Nasdaq (QQQ)** buyer of 9000 July 29th (W) \$273/#264 put spreads, also a block of 3000 of the \$300 calls opens \$4.17 in a stock replacement

**Ark Genomics (ARKG)** sweep buyer 3000 Aug. \$28 puts \$1.85

**Russell (IWM)** with 27,500 Aug. \$162/\$144 put spreads opening as July \$165 adjust, also July \$158 puts with 63,500 trading with some adjustment trades

**Metals (XME)** buyer 20,000 July \$45/\$42 put spreads

**MSCI EAFE (EFA)** buyer 3000 Oct \$62 puts for \$2.88

**S&P (SPY)** buyer 7500 OTM Sep. \$423 calls \$2.90 offer

### **Consumer Goods**

**Kellogg (K)** buyer 2000 July \$62.5 puts \$0.55

**Kohls (KSS)** weak with 3000 July 39/27.5 put spreads bought as July 1st (W) puts adjust

**Nordstrom (JWN)** buyer 4000 July \$24 calls \$1.38 offer

**Estee Lauder (EL)** with 800 October \$230 puts bought for \$14.40

**Boston Beer (SAM)** opening sale 200 Jan. 2024 \$290 puts \$52.30

**Peloton (PTON)** IV on the rise with buyers of 8000 Sep. \$10 puts \$2+

**Altria (MO)** block of 6000 Jan 2024 \$40 calls opens \$5.30 with shares down 8.5%

**P&G (PG)** buyer 1800 Oct. \$140 puts \$8.75

**Clarus (CLAR)** buyer of another 15,000 Dec. \$20/\$30 call spreads for \$2.59

**Lamb Weston (LW)** buyer of August \$70/\$80 call ratio 900X1800

**Int'l Gaming (IGT)** buyer 3500 Oct. \$18/\$14 put spreads as July \$18 adjust

**Celsius (CELH)** block of 1000 Aug \$55 calls sold to open for 7.90

**Dollar General (DG)** August \$240/\$260/\$270 call fly trades 500X1000

**Steve Madden (SHOO)** late day buyer 1300 Aug. \$35 calls \$1.45 to \$1.50

**Advanced Auto (AAP)** trade sells 1000 July \$175/\$170 strangles for \$9.90

### **Consumer/Business Services**

**Best Buy (BBY)** buyers of 1450 September \$67.50 puts \$5.65 to \$5.85

**Darden (DRI)** buyer of 1000 July \$105/\$95 put spreads. **DRI** more bear flow with 500 Oct. \$105 puts bought \$8.25

**Host (HST)** seller 5000 July 16 puts to open \$0.75

**Airbnb (ABNB)** nearly 1000 July 1st (W) \$99 puts sold to open \$3.25. **Airbnb (ABNB)** buyers 1000 January \$85 puts \$10.20 to \$10.45

**Shopify (SHOP)** buyer 800 July \$335 calls for \$33. **SHOP** calls jump to 2000X with a block trade

**Magnite (MGNI)** buyer 1000 January \$15 puts \$5.40. **MGNI** buyer 2000 Sep 12.50 calls 1.10

**Tractor Supply (TSCO)** with 2600 July 1st (W) \$185 puts selling to open \$1.45/\$1.40

**Roku (ROKU)** with 1000 Jan. 2024 \$60 puts bought at \$12.25 to \$12.50 this morning

**Lululemon (LULU)** with 600 August \$270 puts opening near \$18.60 in bear flow

**Royal Caribbean (RCL)** sale to open 1500 March \$30 puts for \$4.85

**Yum China (YUMC)** buyer 1575 August \$45/\$55 call spreads

**DraftKings (DKNG)** buyer 2500 Jan. 2024 \$10 puts for \$2.72

**Planet Fitness (PLNT)** buyer 2000 August \$65 puts \$4.80 as the \$60 puts from 6/16 adjust, COVID ramping again

**AMC (AMC)** buyer 5000 Jan. 2024 \$5 puts \$1.91

**Netflix (NFLX)** buyers 2500 July 22nd (W) \$205 calls \$6.35 to \$6.50 for 7-19 earnings

**Carvana (CVNA)** buyer 20,000 September \$50/\$80 call spreads for \$1.05

### Energy

**Green Plains (GPRE)** with 1000 July \$31/\$28 bear risk reversals opening

**Antero (AR)** buyer 2500 July \$32/\$26 put spreads as option flows in Energy turned bearish last week after months of straight bullish action

**Occidental (OXY)** stock replacement opens 1500 January \$57.50 calls \$9.08. **OXY** also 1500 July \$52 puts sold to open 2.03

**BP PLC (BP)** bull flows for a second day with big buys of 4000 Jan. \$31 calls \$2.03 offer

**Northern Oil (NOG)** with 3200 July \$30 calls opening \$1.50 as the \$36 adjust

**SunCor (SU)** with 10,000 Sep. \$40 calls bought \$1.50 into dip back to May lows, Canadian Oil names continue to be in favor. **SU** also 5250 Aug 40 calls are bought 1.15

**ONEOK (OKE)** buyer 1000 January \$60 calls \$2.95 offer, a top MLP that has sold off hard with Energy

**Green Plains (GPRE)** another Energy name with size call buys into weakness with 1800 January \$30 calls aggressive \$5.70 to \$5.80

**TripAdvisor (TRIP)** block of 1350 Jan. 2024 \$25 calls sold to open \$3.20

### Financials

**HSBC (HSBC)** opening sales 2500 Dec. \$33 puts for \$3, popular play the past week with put sales

**Unum (UNM)** buyer 3000 September \$27.50 puts \$0.80 to \$0.85



**Bank America (BAC)** block of 3850 March \$33 calls open in a sale \$3.65. **BAC** buyer 5000 Jan. 2024 \$38 calls \$3.30

**Coinbase (COIN)** with 1000 September \$65 puts bought \$19.10 offer

**Marqeta (MQ)** buyer 5000 Sep. \$11 calls \$1.35 as July \$10 adjust

**Affirm (AFRM)** with 1000 July \$19.50 calls bought \$2.70 offer. **AFRM** also sweep buyer 500 Feb 20 calls \$6.75. **AFRM** also with 2000 Jan. 12.50 puts selling to open 2.50. **AFRM** now a buyer 2200 Jan. 2024 \$12.50 puts for \$4.50

**Morgan Stanley (MS)** buyer 650 Dec. \$75 puts \$8.10

**Goldman (GS)** with 1500 July 1st (W) \$285 calls opening \$6.70 to \$7

**KKR** buyer 2000 July \$48 calls \$1.50 offer sweeps

**Voya Financial (VOYA)** opening sale 2850 Aug. \$55 puts for \$1.80. **VOYA** also 1000 Nov. 50 puts sell to open 1.70

**PayPal (PYPL)** size buys of 6000 July 29th (W) \$85 calls \$2.60 to \$2.67 targeting earnings week

**Axos (AX)** buyer 15,000 August \$32,500 put spreads for \$1

**Apollo (APO)** opening sale 1000 Dec. \$47.50 puts \$4.90

**Lemonade (LMND)** rolls over late with buyers 2700 July \$19 puts \$1.83

**TripAdvisor (TRIP)** block of 1350 Jan. 2024 \$25 calls sold to open \$3.20z

#### Healthcare

**United Health (UNH)** opening sales 4500 July 8th (W) \$430 puts at \$1.50 raising premium in a quality name. **UNH** 4500 July \$540 calls sold to open

**Edwards (EW)** with 1660 August \$85 puts sold to open at \$3.32

**Mirati (MRTX)** aggressive buys 350 Sep \$80 calls paying \$6.90, well above offer on wide bid-ask with shares nearing a value zone breakout

**Axsome (AXSM)** seller to open 450 Aug 22.50 puts at \$5.80

**HCA Health (HCA)** buyer 600 January \$145 puts \$8.40, coming off a nasty guidance cut last quarter

**Gilead (GILD)** opening seller 12,000 September \$62.50 calls \$2.43. **GILD** also 1350 Jan. \$52.5 deep ITM calls bought for \$10.75. **GILD** buyer 7K Sep 67.50 calls for 0.90

**Centene (CNC)** buyer 500 Sep. \$87.50 calls and sells Dec. \$95 calls, potential M&A bet

**CVS Health (CVS)** opening sale 2000 January \$92.50 calls for \$8

#### Industrials

**Wesco (WCC)** unusual 500 Sep. \$120 OTM calls bought \$4.50 in the quality name trading cheap

**3M (MMM)** jumpy with 2600 July \$137 calls bought \$1.06

**Southwest Air (LUV)** buyers 1375 Dec. \$37.50 calls \$3.50 to \$3.65

**United Rental (URI)** buy write sold 400 Dec. \$250 calls \$25.65

## Materials

**Peabody (BTU)** early buyers of 3750 August \$25/\$30 call spreads, shares back at one-year VPOC

**Cameco (CCJ)** with 2000 August \$24/\$18 bull risk reversals opening into early weakness

**Newmont (NEM)** buyer 1500 July \$63 calls \$3.90 to \$4, potential over \$66 to run to 68.5

**Algoma Steel (ASTL)** seller of 1500 July \$10 puts to open \$0.85, coming off an impressive quarter

**Freeport (FCX)** recovering though still down 6% seeing 5500 July \$35 low Delta calls bought \$0.58 and 2000 Feb. \$40 calls bought \$2.58. **FCX** buyer 10,000 January 42/50 call spreads for 1.04

**Vale (VALE)** opening sale 7000 Sep. \$14 puts for \$1.27

**Dow Chemical (DOW)** sale to open 1000 Jan. 2024 \$50 puts \$7.80 into weakness

**Teck (TECK)** buyer 700 Nov. \$30 calls \$7.75

**DuPont (DD)** sale to open 500 Sep \$55 puts for \$3.60. **DD** also a buyer 1000 Oct. \$60/\$75 call spreads

**Sherwin Williams (SHW)** some bull flow with 5090 August \$230 calls bought up to \$8.70

**Golden Ocean (GOGL)** opening sale 7500 Dec. \$7.50 puts for \$0.63

**Methanex (MEOH)** opening sale 1000 Oct. \$30 puts \$1.25

## Tech

**Meta (META)** seeing a lot of early flow in weekly \$160 and \$162.50 calls with over 7000X trading for \$4M combined premium, touched key \$157 support

**Snowflake (SNOW)** buyer 1000 August \$125 calls for \$14.70 with growth stocks catching a bid. **SNOW** buyer 2000 August \$120 calls at \$17.40 in large trade now as well

**AMD** over \$1M call premium trading July 1st (W) 85 calls 3000X w/ buyer flow. **AMD** also 1500 July 22nd (W) \$85 calls opening \$5.35/\$5.40

**Pinduoduo (PDD)** with 1000 June 2023 \$90 calls opening \$9.35. **PDD** also with 2000 July 1st (W) \$64 calls bought up to \$2.64

**EPAM Systems (EPAM)** with 2385 July \$240 puts selling to open \$2.25 to \$2.20

**SeaGate (STX)** with 3500 January \$77.50 calls selling to open this morning near \$6. **STX** seeing 2200 Jan. \$60 deep ITM calls bought against those \$77.5 call sales. **STX** also with buyers now 6000 Jan \$80 calls \$5.25

**Zoom (ZM)** an early technical trigger and recent relative strength since reporting seeing 1100 Jan. 2024 \$300 calls sell to open this morning

**Five9 (FIVN)** with 1000 July \$95/\$85 bull risk reversals opening \$2.84 debit

**Lumentum (LITE)** with 1050 January \$95 call sold to open \$5.50 to \$5.35

**Splunk (SPLK)** trading 750 January \$135/\$87.5 bear risk reversals to open



**Confluent (CFLT)** block of 5000 Oct. \$17.50 puts bought \$2.65 where 5K already bought in OI

**Cisco (CSCO)** buyer 4000 Dec. \$45 calls \$2.92 in a stock replacement

**Adobe (ADBE)** with the August \$420/\$330 strangles selling to open 1650X for \$16.50

**Rambus (RMBS)** opening sale 1000 Feb \$20 puts for \$2

**ZenDesk (ZEN)** buyer 500 Aug. 55 puts for \$5.50 and a buy-write sold 1000 Jan. 90 calls 2.35

### **Communications/Utilities**

**T Mobile (TMUS)** buyer 1000 August \$135 calls \$5.20 to \$5.75, name that continues to show impressive relative strength

**Lumen (LUMN)** unusual buys 3500 Oct. \$11 calls up to \$0.91

**Digital Realty (DLR)** with 1000 Oct. \$120 puts opening at \$5.62 as July puts adjust

**Avaya (AVYA)** buyer of 7500 Aug. 2 puts for \$0.35

**Southern (SO)** buyer 1000 July \$69 calls \$0.95 to \$1

**Radius (RADI)** buyer 5000 Nov. 17.50 calls \$1.65 against the \$20 and \$22.50 calls sold

**Frontier (FYBR)** with 1500 August \$25 calls bought \$1.45 to \$1.50

**Digital Bridge (DBRG)** spreads selling Aug. \$4 puts to buy the Jan. \$5.5/.\$7.5 call spreads 5500X, recently sold a unit

**AT&T (T)** with 12,500 November \$19 puts bought today \$0.91+

**Disclaimer:****Not Investment Advice or Recommendation**

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