



# MARKET RECAP REPORT 6/23/2021

## Sector Leaders

Energy

Metals

Semi's

## Stock Gainers

ORPH 4%

LOOP 34%

HCM 16%

MOXC 12.5%

FUV 10.6%

PERI 10%

## Volatility Gainers

- ORPH
- MOXC
- LOOP
- ADMP
- RIG
- NKLA

## High Call Volume

- LU
- ORPH
- KBH
- SCR
- GSAT
- WGO

## Bullish Options

- CPNG
- BIDU
- PDD
- BABA
- NTN
- ATVI
- BCRX
- TSM
- AAPL
- UAL
- TTWO
- DIS

**Market Review:** Stocks were quiet overnight with mixed PMIs for June, Eurozone notably strong, and markets digesting Powell's commentary from Tuesday as the Fed remains a key focal point. Stocks pushed higher early and shook off another disappointing New Home Sales report. Strength was seen in Energy & Metals as the USD pulled back some while Semiconductors led in Tech. Bonds sold off and weakness was seen in Utility, Housing, and Consumer Goods. Markets stalled midday back near the new highs and breadth lacked any real conviction. We remain above the 8-EMA and June VPOC with potential to chop around between 4250 and 4220 while recent drop in NYSI remains concerning.

S&P Chart:



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

**Options Action Trends:** The early theme was call buying in Asian Tech with **CPNG**, **PDD**, **BABA**, **BIDU**. We saw some put buys come into Software names like **RVBG**, **RNG**, **DT**. Airline leaders **DAL**, **UAL** with massive January call buys adjusting back strikes into the recent dip.

**What's On Tap:** GDP, Durable Goods, Jobless Claims. Earnings from **NKE**, **ACN**, **CCL**, **FDX**, **DRI**.

## Trade Tracker Portfolio Changes:

- 1) **Spotlight:** Long **DAL** August \$48 Calls \$1.50
- 2) Closed **RUN** Call Spreads \$4 (Opened \$2)

## Sector Laggards

Utility

Housing

Bonds

## Stock Losers

BTAI -13.5%

PDCO -10.7%

SCR -7.5%

AMTX -7%

SLP -6%

BSY -5%

## Volatility Losers

- TRCH
- SCR
- ATOS
- PRTA
- IDRA
- EYES

## High Put Volume

- QRTEA
- FNV
- WISH
- ABCL
- ERIC
- DRI

## Bearish Options

- ENDP
- NKLA
- EVBG
- DT
- RNG
- ABCL
- NUE
- BNTX
- SQ
- CLX
- C
- HD



## FEATURED OPTIONS RADAR REPORT



### Call Buyer Positions for Merck Upside into Year-End Following Spin-Off

**Ticker/Price:** MRK (\$76.20)

#### Analysis:

**Merck (MRK)** has been a laggard in Pharma with shares -1.6% YTD and has seen active opening call sales in August and September \$80 and \$85 strikes but on 6/22 the November \$80 calls bought to open 10,000X at \$2.04 to \$2.17, a sizable longer-term trade. MRK has also seeing some size sales of puts at \$70 and \$72.5 strikes out through January.

MRK shares have been finding support on the rising 200-week moving average and forming a multi-month basing pattern that above \$77.50 would clear a key VPOC and trend resistance off the 2019 highs that could trigger a trend inflection move. The \$195.9B Pharma trades 11.5X Earnings and 4.1X Sales with a 3.4% yield. MRK forecasts see mild revenue growth ahead and EPS growth of just 2.8% in 2021 followed by 9.3% in 2022. MRK completed its spin-off Organon with it focusing on key growth drivers as the Organon portfolio represents around 15% of Merck's revenues, but 25% of manufacturing capacity and roughly 50% of its products. MRK is focused on capturing the substantial opportunities in innovative high-growth human health medicines and vaccines, like KEYTRUDA, GARDASIL, Lynparza, and Bridion, and across its leading animal health business. MRK has over \$45B in firepower to be more active in M&A and buybacks. MRK could also be set for margin expansion after the spin-off with EBIT margins reaching 45% in 2024 and 2021-2024 EPS CAGR of 11%. MRK has mainly lagged due to competitive threats to its Oncology lead with Keytruda but MRK has a strong and underappreciated pipeline. Analysts have an average target of \$93 with short interest at 0.8% of the float. Goldman has MRK on the Conviction Buy list with a \$102 target. Argus cut shares to Hold into the spin-off concerned that MRK now has more reliance on Keytruda which has slowing sales growth and rising competition.

#### Hawk Vision:



**Hawk's Perspective:** MRK needs to get above that \$77.5 level, flows not overwhelmingly positive but could set up a diagonal or calendar spread based on short September, long November call flows.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Put Sales in ASML Corp. See Limited Downside

Ticker/Price: ASML (\$685.8)

#### Analysis:

**ASML Holding (ASML)** has seen three opening put sales for over \$1M premium in the past week with 460 October \$660 sold to open for \$1.7M, 100 January 2023 \$660 sold to open for \$1M and 300 January \$670 sold to open for \$1.83M. ASML is trading at \$685 so indications of minimal downside seen for shares. ASML has been a strong performer with shares +40% YTD and recently retested the April highs where support was found just above its rising 34 and 55 day moving averages and an upside measured move target of \$750 remains. ASML will report on 7-21 as one of the early reporters for the quarter and also hosts an Investor Day on 9-29-21. ASML is an innovator in the chip industry providing hardware, software and services to mass produce patterns on silicon through lithography, increasing the value and lowering the cost of the chip. Lithography is a driving force in the creation of more powerful, faster and cheaper chips. Today's most advanced processors, based on the Logic N5 node, contain billions of transistors. Next-generation chip designs will include more advanced materials, new packaging technologies, and more complex 3D designs, which will create the electronics of the future. ASML's customers are grouped into Memory and Logic chipmakers. ASML mature and advanced nodes are seeing strong demand from high performance compute, 5G and AI enabling digital transformation. ASML has a market cap of \$303B and trades 38.2X Earnings, 16X Sales and 88.7X FCF with a 0.48% yield. ASML grew revenues 20.5% in 2020 and sees 35% revenue growth in 2021 along with 49% EBITDA growth. ASML has seen positive pricing dynamics for its EUV tools, which have recently been sold for an ASP of around €145mn for the past three quarters. ASML expects the positive ASP dynamics to be sustainable into 2022. ASML expects to ship 55 EUV units in 2022 with some supply constraints and strong demand while 2023 may ship over 60 units. ASML expects to start high volume manufacturing of High NA in 2025/2026 which will be leading edge and an ASP of EUR270M. Analysts have an average target of \$750 with short interest minimal at 0.2% of the float. Barclays raised its target to EUR750 this week and CSFB at EUR720 on 5/13. Hedge Fund ownership rose 8.8% in Q1 filings.

#### Hawk Vision:



**Hawk's Perspective:** ASML is one of those overlooked names that is one of the best Tech names in the entire market, though limited liquidity to position in options and a high share price. It is more of a core own type with a 5-10 year outlook.

Confidence Ranking: \$\$



## FEATURED OPTIONS RADAR REPORT



### Marathon Call Buyers Strength Continuing in 2H

**Ticker/Price:** MPC (\$61.35)

#### Analysis:

**Marathon Petro (MPC)** aggressive buyer on 6/22 for 600 September 2022 \$62.50 calls at \$6.15 offer and later aggressive buyers 4,350 January \$62.50 calls \$4.50 offer. MPC has seen a lot of bullish flow since early June including buyers of 11,000 October \$65 calls. Shares are back just above trend support from the November lows as well as the 50-MA with room back above to June VPOC at \$63.50. Longer-term, MPC is also back-testing a breakout from late April and extension of the range out to \$71 and above multi-year resistance. The \$41.45B company trades 17.7X earnings, 0.56X sales, and 66X cash with a 3.8% yield. MPC is targeting 20% revenue growth in 2021 with 51% growth in EBITDA after a down year in 2020. The company recently closed on their sale of Speedway to Seven & I which significantly strengthened their balance sheet and capital return plan including a newly announced a \$10B buyback plan and Dutch Auction to buy back up to \$4B in stock between \$56-\$63. MPC has bounced back in 2021 as the oil environment improves and refiners now banking on a summer surge in miles driven as pent-up demand for travel translates into more trips. MPC has a potential catalyst upcoming in Washington as President Biden is considering cutting biofuel targets to appease refiners. Analysts have an average target for shares of \$61 with a Street High \$83. CSFB reinstating at Outperform in May as MPC is a much stronger company today versus when CEO Mike Hennigan took over and the company offers the most insulation against renewable identification number price escalation. Short interest is 3.7%. Hedge fund ownership fell 5.5% in Q1, Elliott Management a top holder with 10.5M shares.

#### Hawk Vision:



**Hawk's Perspective:** MPC is running back into resistance here and could see a further pullback to the 21-week MA at \$57 which would be ideal risk/reward for a move back higher

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Fidelity Info Call Buyers Target Massive Monthly Breakout

**Ticker/Price:** FIS (\$146)

#### Analysis:

**Fidelity Info (FIS)** consolidating back above 200-MA with a nice base forming and on 6/22 a size buyer came in for 7000 January \$155 calls \$5.80 to \$6.20. FIS has 1000 September \$145 calls in open interest from March buyers and has 1900 July \$140 calls in OI from March buyers as well. FIS is setting up well on a weekly timeframe and putting in a hammer reversal off the 38.2% Fibonacci of the 2021 rally. A move back to \$155 positions shares well for a breakout of the bigger range and run to \$190. The \$92B company trades 19.5X earnings, 7.2X sales, and 23X cash with a 1% yield. FIS is targeting 9% revenue growth in 2021 with 19% EPS growth, the best rate in four years. They are coming off of a strong quarter with strength in Banking Solutions, partnerships with Modulr and Flutterwave, and raising synergy estimates for their Worldpay integration. FIS has benefitted from growth in new sales, up 24%, while expanded partnerships with companies like Green Dot are expanding their footprint with the payments space. Merchant has been the laggard unit but seeing trends improve. Analysts have an average target for shares of \$165 and a Street High \$194. Truist cutting to Hold recently as they think that the slowing segment top-line growth will overshadow the steadier Core Processing, Issuer Processing and other Payments performance. Cowen positive on the name and sees the company as a disruptor with increased speed, agility, and its vast breath of solutions as differentiators and sees challenger banks as more of an opportunity, than a threat. Hedge fund ownership fell 4.5% in Q1, Soroban Capital adding 1M shares while Steadfast Capital also adding 1M shares.

#### Hawk Vision:



**Hawk's Perspective:** FIS is a high-quality name with strong longer-term growth potential and back at an ideal spot where a gap-and-go back above the 21-EMA and this pullback zone could set up a nice trend higher with plenty of upside

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**China Internet (KWEB)** the August \$68/\$74 call spread bought here 2800X for \$2.19 with the group hot early

**Volatility (VXX)** opening sale 4000 September \$40 calls \$3.25 in a buy-write, also seeing August \$29 calls sell to open 6000X at \$4.46

### **Consumer Goods**

**Croc's (CROX)** with 1165 December \$70 puts sold to open today for \$2 to \$1.95, strong setup forming again

**Clorox (CLX)** with 600 January \$185 calls sold to open from \$6.30 to \$6.20

### **Consumer/Business Services**

**TAL Education (TAL)** buyers of the November \$32.50 calls for \$2.45 to open, 2750X

**Activision (ATVI)** buyer 15,000 November \$95 calls \$5.60 as the \$105 adjust back. **ATVI** now also with 1000 November \$90 calls bought around \$7.25

**RealReal (REAL)** IV rising with 3000 July \$25 calls bought \$0.5 to \$0.65. **REAL** also seeing 1800 July \$17.50 calls closing and rolling up to buy 3600 July \$22.50 calls for \$1.42

**Charter (CHTR)** with 250 January 2023 \$595 ITM calls bought for \$150.90 to \$151.30, around \$3.8M position

**Take Two (TTWO)** buyers 385 Dec. \$180 calls at \$11.10 offer

**Disney (DIS)** large stock replacement buys 9500 January 2023 \$190 calls \$16.20 sending shares to day highs

**Carvana (CVNA)** with over 850 February 2022 \$320 calls bought today up to \$48.95

**Ralph Lauren (RL)** with 500 August \$120 calls bought for \$6.60 today, follows the July call buys recently into weakness

**Under Armour (UA)** stock replacement buys 3,000 October \$22.50 calls for \$0.55

**Home Depot (HD)** with 1500 September \$320 calls sold for \$8.42 to open today

**Lowe's (LOW)** with 1000 August \$200 calls sold to buy the \$185 puts this morning for \$1.28

**Fubo TV (FUBO)** the August \$34 calls being bought 1800X here up to \$4.75 to open as shares move back near the morning highs. **FUBO** the August \$35 calls also with action today as more than 9,200 being bought around \$5 in spreads with the \$50 calls

**Guess (GES)** the July \$27/\$25 bull risk reversal bought 1500X for \$0.65

**Jack in the Box (JACK)** with 2000 July \$120 calls bought today for \$4.20, adjusting higher out of the \$115 calls

**Six Flags (SIX)** with 4000 August \$47.50/\$55 call spreads bought for \$1.65 with 2,000 of the \$40 puts sold for \$1.55

**Las Vegas Sands (LVS)** with 4000 December \$60 calls for \$2.81 to \$2.83

### **Energy**

**Holly Frontier (HFC)** with buyers of 3,600 July \$34.50 calls up to \$1.15 to open, very coiled weekly range forming under \$37

**Petrobras (PBR)** buyer of 20,000 October \$12 puts for \$1.04 to open today

**NOV (NOV)** IV perking up with 3,900 July \$16.50 calls bought for \$0.50 into weakness

**Exxon (XOM)** the November \$67.50 calls being bought 2,500X today for \$2.90, shares near a multi-week breakout

**Sun Run (RUN)** buyer of 1000 January \$55 calls for \$10.87, adjusting higher the \$50 calls into strength. **RUN** also with 600 January 2023 \$60 calls bought for \$15 to open today

**Occidental (OXY)** buyers of 2,500 November \$22 ITM calls for \$10, shares trying to break out of a broader weekly range today with room up to \$40+. **OXY** also with 500 June 2022 \$32 puts sold to open for \$6.50 in a stock replacement

### Financials

**Huntington Bank (HBAN)** with 1000 January 2023 \$15/\$20 call spreads opening, upgraded this morning

**S&P Global (SPGI)** with 1250 November \$420 calls opening for \$14.70, adjusting out of the Sept. \$400 calls

**Zillow (Z)** with 3000 January 2023 \$120 puts being sold to open \$32.70. **Zillow (Z)** with 250 February \$150 ITM puts sold to open this afternoon for \$41.80

**Root (ROOT)** with 3,000 August \$15 OTM calls bought today for \$0.75, shares pulling back to the 21-EMA and prior base breakout

**Futu Holdings (FUTU)** with 700 January \$200 calls ought today into strength up to \$20.60

**Truist Financial (TFC)** with 7000 September \$50 puts sold to open this morning for \$1.30 to \$1.25 into weakness

**Uniti (UNIT)** with 2000 June 2022 \$10 puts bought for \$1

**Wells Fargo (WFC)** spread today sells 10,0000 September \$40 puts to buy the \$45/\$52.50 call spread for a \$0.59 debit

**Citi (C)** with 1,500 August \$67.50 puts sold to open this morning for \$2.46 in a stock replacement

**Square (SQ)** afternoon buyer of 500 December \$240 puts from \$38.95 to \$29.40

**Lemonade (LMND)** with 1,500 July \$115/\$125 call spreads bought for \$2.45 with the July 30th (W) \$130 calls also sold for \$3

**Toronto Dominion (TD)** with 1000 January \$62.50 calls bought for \$8.70

### Healthcare

**Biogen (BIIB)** the October \$400 calls bought 1275X for \$18.16 and spread with 2,550 of the \$450 calls sold for \$7.33

**BioCryst (BCRX)** opening sale 1000 January \$15 puts \$3.14. **BCRX** also seeing 2200 August \$20 calls bought \$1.50, strong chart

**VIR Biotech (VIR)** the July \$43 calls bought for \$7.40 today, over 525X

**Alexion (ALXN)** with 1000 August \$175 puts sold to open today for \$3.60 to \$3.50, deal close with AstraZeneca expected to close in Q3

**Intellia (NTLA)** with 2,000 July \$105/\$125 call spreads bought for \$3.25, very nice weekly range setting up to break above \$90

**Agios (AGIO)** spread sells the July \$50 puts to buy the \$60/\$65 call spread 1160X

**Centene (CNC)** opening sale of 2000 August \$70 puts for \$2.15, stock replacement

**Moderna (MRNA)** buyers of 1000 August \$190 puts today around \$11.50 to \$11.60, tied to stock

**Dermtech (DMTK)** with 1000 December \$25 ITM calls bought this morning for \$23.60 to \$24, a \$1.25B developer of non-invasive genomics tests for skin cancer

**Iovance (IOVA)** buyers of 6000 August \$35 calls this afternoon for \$0.75 to \$0.85

### Industrials

**Nikola (NKLA)** sweep buyers of 4000 August \$18 puts \$2.89 to \$3.05

**Arrival (ARVL)** seeing opening sales 1600 September \$12.50 puts \$0.75 and 1340 September \$15 puts \$1.725

**United Air (UAL)** buyer 10,000 January \$65 calls \$3.60 as the \$72.5 are sold and may be adjusting. **UAL** 2500 July \$58 calls bought \$1.07

**Delta Air (DAL)** buyer 10,000 January \$52.50 calls \$2.34 spread versus the \$60 calls which may be adjusting similar to the UAL trade

**Tesla (TSLA)** buyer 1250 October \$750 calls today \$38.50. The July \$640/\$635 bull put spreads appear active as well 7000X

**DR Horton (DHI)** with 600 January \$90 puts sold to open for \$9.10, nice base forming under \$93 after pulling back

**MDC Holdings (MDC)** with 1000 each of the December \$50 and \$45 puts sold to open today, the former for \$4.40 and the latter at \$2.70

**Ayro (AYRO)** stock and IV higher with buyers active in the July \$5 and \$7.50 calls, the latter over 9000X

**Ford Motor (F)** with 6,650 July 30th (W) \$13.50 calls bought for \$2.05, spread with the \$16.50 calls this morning sold for \$0.45

**Nio (NIO)** with 2,500 December 2022 \$65 calls sold in buy-writes with stock, \$9.00 to \$9.15

### Materials

**Hecla (HL)** July \$8.50 calls with 10,000X sold to open \$0.27 early

**PureCycle (PCT)** with 2,000 July \$30 calls bought for \$0.80/\$0.85, working out of a small flag today

**Cliff (CLF)** with 1000 September \$23 calls bought \$2.49

**Franco Nevada (FNV)** IV fading this morning with 1500 January \$140 puts being sold to open around \$7.70/\$7.80

**Nucor (NUE)** buyer of 750 January \$95 puts this morning for \$10.30/\$10.40

**US Steel (X)** afternoon sale of 2,500 September \$20 puts for \$1.10 in a stock replacement

### Tech and Telecom

**Coupage (CPNG)** buyers of the January \$45 calls this morning from \$3.70 to \$3.90, over 3800X, laggard name but shares in a narrow multi-week range

**Moxian (MOXC)** the July \$20 calls being bought early over 3,450X from \$3.40 to \$4.10, a \$300M social media platform in China



**Indie Semiconductor (INDI)** buys early of 2000 July \$7.50 calls for \$1.95 into recent weakness, a \$316M name focused on mixed-signal microcontrollers for automotive, medical, industrial, and consumer products

**Ring Central (RNG)** with 500 July 9th (W) \$290 puts bought up to \$7.40 to open this morning

**Digital Turbine (APPS)** with 900 December \$65 puts bought today for \$8.90, tied to stock

**Taiwan Semi (TSM)** higher today after hammering off support yesterday and September \$120 calls active 3500X with \$4.70 offer buys

**Apple (AAPL)** November \$130/\$150 call spreads bought 4500X at \$7.70

**Palantir (PLTR)** with 4000 next week \$25.50 calls bought \$1.04. **PLTR** 1100 February \$32 OTM calls bought \$2.60 offer

**Baidu (BIDU)** buyer 2000 July \$205 calls for \$1.51

**Alibaba (BABA)** buyers active early 1450 January \$225 calls up to \$16.67 looking to add to OI

**Pinduoduo (PDD)** buyer 2000 July \$133 calls \$1.62. **PDD** also with 1000 July \$121 calls bought \$5.30. **PDD** now 1725 July \$123 calls bought \$4.20 offer as near-term bullish action surges in it

**Nutanix (NTNX)** aggressive buyer 1500 October \$47.50 calls \$1.86 offer, been on a strong run and some Analyst target raises this week

**Asana (ASAN)** with 1800 July \$65 calls bought \$2.45 as the \$60 adjust up

**Everbridge (EVBG)** with 1450 July \$125 puts opening \$4 and seeing Some August \$125 puts open at \$8.70

**Shopify (SHOP)** with 450 July 9th (W) \$1520/\$1700 call spreads bought today for \$44.60

**Advanced Energy (AEIS)** stock and IV rising here with 1200 July \$120 calls bought \$0.60 to \$0.95 with shares breaking out of a small flag

**ACM Research (ACMR)** with the July \$115 calls opening this morning for \$3.40, over 1500 and name which has seen other July calls accumulate in the recent run

**Cloudflare (NET)** the January 2023 \$90 puts sold to open for \$17.50 in a stock replacement, 1000X

**Dell Tech (DELL)** buyer of 4000 December \$110 calls for \$3.98, stock replacement in the name that is flagging on the weekly after a nice run

**Unity (U)** spread this morning sold 2,500 October \$140 calls to buy the \$90 puts for a \$0.40 net credit, potentially collaring stock

**Zscaler (ZS)** stock replacement sells 1,030 July 2022 \$220 puts for \$37.30, follows recent bull spreads in the name

**Pinterest (PINS)** with 600 January 2023 \$67.50 puts sold to open for \$13.25

**Wix.com (WIX)** buyers of the January \$380 calls for \$14.30 to open this afternoon, over 450X

**Twitter (TWTR)** IV rising with over 17,250 August \$70 calls bought up to \$3.80, looks to be adding to sizable open interest

### Utility

**NRG Energy (NRG)** with over 1250 December \$35 puts sold to open today for \$2.55

**Disclaimer:**

**Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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