



Sector Leaders

Financials

Utilities

Materials

Stock Gainers

- SPCE 30%
- NKE 14.65%
- PSFE 9%
- NOK 7.5%
- VMEQ 7%
- KMX 5.5%
- ASAN 5.5%
- FUBO 5%

Volatility Gainers

- EXPR
- LXRK
- IRWD
- SPCE
- PSFE
- ATCO
- EDIT

High Call Volume

- YPF
- WISH
- KBH
- EXEL
- SEAC
- XRK

Bullish Options

- SNAP
- NUE
- UBER
- PAGS
- MGNI
- AAP
- LEN
- CMS
- LVS

Market Review: Stocks were quiet overnight without a ton of major updates on the macro picture as the focus now shifts to garnering support for the bipartisan infrastructure plan. Financials are modestly higher this morning after all 23 major banks passed the stress tests easily. Core PCE rose 0.5% and now up 3.4% for the year versus 3.1% in April, the highest level since 1991. Personal income fell 2% in May as unemployment benefits continued to roll off. The final Michigan Consumer Sentiment reading was 85.5 vs 86.4 prior. Financials were strong early with the 10-year yield up above 1.54% again and positive stress test results which will raise expectations for capital return. The S&P was quiet overall today gapping above yesterday's highs and hitting another record before settling into a range between 4270 and 4260. Overall, on pace into the afternoon for the best week since April. We remain above our short-term moving averages and trending above June value (albeit quietly the last two days) so the bias is tentatively bullish but we are a bit extended above the 8-EMA and could see a pullback next week. Meanwhile, NYSI remains below its 8-EMA.

S&P Chart:



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

Options Action Trends: We saw a lot of call buying into biotech again today, something we've been watching all week with today's focus on **EXEL, LXRK, IRWD**, and put sales in **CXXI** and **BMRN**.

What's On Tap: Looking ahead to next week the focus will be on the G20 meeting in Italy, China PMIs for June, ISM on Thursday, and the jobs report. OPEC also meets on Thursday. Earnings slow down quite a bit with reports from **BBBY, GIS, MU, MKC, WBA** and **STZ** of note. **UAL** will host an analyst meeting.

Trade Tracker Portfolio Changes:

- 1) None

Sector Laggards

Tech

Energy

Healthcare

Stock Losers

- SOFI -9%
- FGEN -7%
- YPF -6.5%
- BB -5.8%
- GME -5.8%
- MARA -5.5%
- PCT -5%
- EDU -5%

Volatility Losers

- ENDP
- MOXC
- UAA
- BB
- CLS
- VXRT

High Put Volume

- KBH
- MAXN
- QRTEA
- SFM
- NTLA
- CIEN

Bearish Options

- JKS
- YETI
- ROKU
- HUBS
- CHGG
- VIRT
- LGND
- WMT
- OVV
- DEN



FEATURED OPTIONS RADAR REPORT



Diamondback Call Spreads See Strength into Year-End

Ticker/Price: FANG (\$94.25)

Analysis:

Diamondback Energy (FANG) the December \$95/\$125 call spread being bought 500X on 6/24 for \$8.05, follows the large bull spreads' earlier in the week including the December \$115/\$135 call spread bought nearly 13,000X for \$3. On 6/21, the December \$90/\$130 call spread was bought 7800X. Shares are breaking out of a multi-week range after pulling back to the 21-EMA and room to \$105 in the near-term, a big high-volume node from 2019. FANG traded up around \$140 in 2018 around its most recent peak. The \$17.2B company trades 8.5X earnings, 5.55X sales, and 11X FCF with a 1.7% yield. FANG has been paying down debt and improving their balance sheet as well with a recent sale of their Williston assets for \$745M, well above the \$600M expected by the Street. FANG is integrating two different mergers at the moment after deals for Guidon Energy and QEP Resources, two deals that will be long-term accretive to FCF. FANG now has the best Midland inventory and Permian infrastructure in the space, positioned well to remain a leading operator in the space. Analysts have an average target for shares of \$90 with a Street High \$120. Scotiabank upgrading to Outperform in late May citing a better outlook for 2021 guidance. RBC noting a potential catalyst in May as they think that the company is on track to reach sub-2.0 leverage ratio before the end of this year, at which point its management could consider increasing shareholder returns with a potential variable dividend. Short interest is 1.75% and near multi-year lows. Hedge fund ownership rose 1% in Q1. Miller Value Partners adding to their stake.

Hawk Vision:



Hawk's Perspective: FANG is an attractive name in the E&P space, always a favorite operator, and they've got plenty of upside as they integrate the two deals, improve on the balance sheet, and target a capital return announcement

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



NRG Energy Attracts Long-Term Bulls Amid Transformation

Ticker/Price: NRG (\$37.50)

Analysis:

NRG Energy (NRG) trading 4X average calls on 6/24 with buyers in the January \$42 calls for \$1.60, over 1600X, and later 2000 April 2022 \$40 calls bought for \$2.75. NRG recently had 13,000 September \$42 calls bought up to \$0.90. Shares pulled back to the December breakout zone and bounced strong before consolidating in a bull flag above the 8-EMA. NRG had a reversal day yesterday and move above \$38 key for a run into a gap from March that stretches back to \$42. The \$9.6B utility trades 6.5X earnings, 0.6X sales, and 19X cash with a 3.45% yield. NRG launched a transformation plan in 2017 which expanded on their plans to focus more on clean energy and cutting debt. Now, the focus turns to becoming more consumer focused and in 2020 they completed a \$3.6B deal for Direct Energy, a retail electricity distribution firm. The deal accelerated their shift into becoming a more integrated energy provider while boosting FCF and earnings diversification away from Texas. It also added to their retail platform with more than 3M customers now. Analysts have an average target for shares of \$48 with a Street High \$57. Seaport Global positive on 6/21 noting that NRG has transitioned from an independent power producer with 50GW of power plants to a consumer company focused on home services, with just 7GW in owned power plants. The analyst believes the shares should trade at least at 20X 2023 EBITDA and not the current 6X. Short interest is 5%. Hedge fund ownership rose 3% in Q1, Lyrical Asset Management with over 4M shares.

Hawk Vision:



Hawk's Perspective: NRG is attractive short-term against the 8-EMA and shares seem cheap give the longer-term upside as they deleverage

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Materials (XLB) the January 2023 \$71 puts opening 3000X for \$4.25 today, tied to stock

Financials (XLF) with 11,950 June 2022 \$39/\$30 bull risk reversals opening today for \$0.65

Consumer Goods

Altria (MO) with 10,000 August \$50 calls sold to open for \$0.57

Walmart (WMT) with 10,000 September \$150 calls sold to open down to \$0.96, similar to other large cap call sales this week

Advanced Auto (AAP) spread here buys 1800 September \$210 calls for \$7.90 and sells 1800 of the \$180 puts for \$2.15, one of the nicer charts with shares sitting just below a big weekly breakout

Yeti (YETI) fading a bit off the early highs with buyers of the November \$95 puts from \$12 to \$12.40, over 1850X

Crocs (CROX) with 150 August \$100 ITM calls bought for \$18.60 to \$19, breaking out today above \$115 and continues to be a standout apparel name

Consumer/Business Services

Las Vegas Sands (LVS) with 11,750 July \$57 calls bought early up to \$0.58, IV perking up a bit and saw some size December call buys yesterday. **LVS** also with 15,000 September \$55 calls bought for \$2.42 now, spread with the \$70 calls

Caesars (CZR) with 2,500 of next weeks \$106/\$113 call spreads opening early as the \$111 calls adjust

Chewy (CHWY) next weeks \$82.50 calls active with buyers up to \$1.86, over 6000X

TAL Education (TAL) with 1000 February \$22.50 puts sold to open today for \$4.30

L Brands (LB) with 1000 November \$75/\$105 call spreads bought today for \$6.47

UBER with 3000 July 9th (W) \$51 calls bought mid-day for \$1.38

Ollie's Bargain Outlet (OLLI) with 300 January \$85 calls bought up to \$12.50 into the highs, could benefit as more brick-and-mortar reopen and inventory levels rise again

Airbnb (ABNB) large trade sold 1,300 January 2023 \$170 ITM puts for \$46.60 to open in a stock replacement, around \$6M

Fubo TV (FUBO) with 1000 July \$28 calls bought for \$7.15, deep ITM

Discovery (DISCA) with 5,000 October \$32.50 calls bought for \$2.00 to \$2.02 to open, adjusting back the \$35 calls

Carnival (CCL) the July 9th (W) \$28.50 calls bought 7000X for \$0.59 and spread with the \$26 puts sold for \$0.22

Expedia (EXPE) with buyers of the January 2023 \$195 calls for \$22.50, over 2275X. **EXPE** calls over 8500X

Draft Kings (DKNG) the July \$52 calls being bought over 2900X today for \$2.30, out of a small range and room to \$55 short-term

Roblox (RBLX) pulling in from the early highs and a block of 500 August \$75 ITM calls bought here for \$15.50

Capri (CPRI) afternoon buyers of 1000 August \$60 calls around \$2.80, follows the July 2nd (W) call buys yesterday

Abercrombie (ANF) buyer of 2,00 July \$50 calls for \$0.95

VIP Shops (VIPS) with 4000 November \$18 puts sold to open for \$2.40 today, stock replacement

Energy

JK Solar (JKS) buyers of 3000 July \$36 puts up to \$1.20 into strength following earnings

Ovintiv (OVV) opening buyers of 1,500 January \$29 puts for \$2.85 into strength

YPF Energy (YPF) with 7,500 October \$5 calls bought today for \$0.65, some July positions rolling out

First Solar (FSLR) the January \$87.50 calls being bought 1600X from \$10.75 to \$10.80 with the news this week on China imports

Schlumberger (SLB) with 1000 February \$35 calls bought for \$3.30, stock replacement

Financials

T Rowe Price (TROW) with 500 January \$217 calls bought to open today for \$5.30, coiled name near new highs

PagSeguro (PAGS) strong off the lows with 5000 September \$60 calls bought for \$3.30

Apollo (APO) with over 6,000 September \$55 puts sold to open today for \$1.20 to \$1.15 into the nice breakout move today

Morgan Stanley (MS) with 1000 June 2022 \$90 puts sold to open for \$11 in a stock replacement

CBOE Holdings (CBOE) stock replacement buys 1000 August \$125 calls for \$3.10

MasterCard (MA) buyers of 2,000 August \$385 calls today for \$8.40, recently out of a narrow range and back-testing the 8-EMA

Lexin Fintech (LX) IV fading with 4,500 November \$15 at-the-money puts sold to open for \$3.40, a \$2.44B China financial services company focused on young professionals

Wells Fargo (WFC) with 1200 July 23rd (W) \$39 ITM calls bought for \$7.40 to \$7.60, earnings 7-14

Healthcare

ChemoCentryx (CCXI) with 10,000 August \$12.50 puts sold to open this morning for \$3.30, stock replacement strategy

IronWood (IRWD) unusual action this morning with the August \$15 calls being bought up to \$0.65, over 5900X with IV30 up 165%

BioMarin (BMRN) with 1300 August \$80 puts sold to open this morning \$2.15, flagging around the rising 21-EMA and big base breakout

Walgreens (WBA) with 1000 August \$50 calls bought this afternoon up to \$3.60

ViewRay (VRAY) seeing 7000 August \$7 calls bought for \$0.85, some July calls adjusting

Lexicon Pharma (LXRX) shares and IV climbing with 3,000 August \$6 calls bought mid-day for \$0.45 to \$0.50

Ligand Pharma (LGND) with 250 February \$150 calls sold to open today for \$17.50

Exelixis (EXEL) with over 4000 July \$23 calls bought to open here for \$0.80 into the highs

Rite-Aid (RAD) weak today after earnings, down 5.5%, and 3250 January 2023 \$12 puts being sold to open for \$2.67

Mirati (MRTX) stock replacement today bought 3,300 October \$200 calls for \$7.20, laggard biotech trading in a narrow base under \$175

Industrials

Lennar (LEN) with 1600 January \$120 calls bought today for \$2.50, small flag forming above its 8- and 21-EMA after breaking a recent downtrend

Desktop Metals (DM) over 4,500 January \$15 calls being bought today from \$2.50 to \$2.70, a hot SPAC deal in 2020 that has pulled back to the prior breakout zone around \$12-\$13 and forming a wide base

DHT Holdings (DHT) with over 6,925 January \$7 calls bought for \$0.70 to \$0.75 today into recent highs

Tesla (TSLA) with 2,000 June 2023 \$950 calls opening today for \$153, the \$1,000 calls adjusting down from recent buyers

Generac (GNRC) with 150 November \$360 ITM calls bought for \$60 this morning

Virgin Galactic (SPCE) session highs now and 1000 August \$50 calls bought up to \$9.50

KC Southern (KSU) buyers of 1250 September \$300 calls for \$7

Materials

Calumet (CLMT) unusual buy of 2,500 November \$9 calls for \$0.65, small-cap profiled on 5/19

Nucor (NUE) with a buyer of 400 January \$97.50 calls for \$10.80

Alcoa (AA) also with 4,000 August \$40 calls opening for \$1.92 to \$1.93, adjusting the July \$35 calls, narrow channel from the May highs and above \$38 can get some momentum. **AA** also with 800 January 2023 \$50 calls bought \$5.20 to \$5.30 to open

Dow Chemical (DOW) the June 2022 \$57.50 puts sold to open 700X for \$5.55 today

US Steel (X) with 3800 July 9th (W) \$23 calls bought for \$1.60 to \$1.65

Cliff's Natural (CLF) with 5000 July \$20.50 puts sold to open this afternoon for \$0.88 to \$0.85

Tech and Telecom

Roku (ROKU) some early strength with 2450 of next week's \$450 calls bought up to \$8. **ROKU** also now with 1000 August \$410 puts bought up to \$29

Micron (MU) next week's \$84.50 calls hot here with buyers up to \$1.38, over 4200X ahead of 6-30 earnings

Clarivate (CLVT) with buyers in the July \$25 calls this morning for \$2.15, over 1050X

Cirrus Logic (CRUS) opening buyers of 500 August \$80 calls or \$5.40

Seagate (STX) with 1,400 August \$85 at-the-money puts sold to open from \$4.00 to \$3.90 this afternoon with IV fading

Magnite (MGNI) with the September \$45/\$60 call spread bought 6000X for \$1.50 as it starts to work out of a multi-month base. **MGNI** also with 3,500 August \$35 calls bought for \$4.90 to \$5.10

HubSpot (HUBS) IV rising with 200 August \$600 ITM puts bought for \$50.20, over \$1M

Gogo Wireless (GOGO) earlier with 5000 March 2022 \$7 puts sold to open for \$0.50

JD.com (JD) with over 6,000 September \$82.50 calls bought today between \$3.50 and \$3.60

Pinduoduo (PDD) with 1000 August \$115 puts sold to open for \$4.50

Xerox (XRX) more bull flow today with 10,000 October \$27 calls bought up to \$0.80

Pubmatic (PUBM) with 200 October \$30 ITM calls bought this morning for \$17.50 with shares working out of a multi-week base

Utility

CMS Energy (CMS) with 2,500 August \$60 calls bought today for \$1.50 to \$1.70, utility that is starting to work out of a downtrend

Disclaimer:

Not Investment Advice or Recommendation

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