



## MARKET RECAP 6/7/2022

### Sector Leaders

Biotech

Energy

Metals

### Stock Gainers

GTLB 23%

KSS 8.3%

PDD 8%

BILI 7.5%

MDB 7.2%

CRWD 6.3%

### Volatility Gainers

- AAD
- VERU
- MRTX
- CLDX
- VIRT
- SPG

### High Call Volume

- PARR
- DQ
- VVV
- VSCO
- VST
- GSK

### Bullish Options

- XOM
- FSLR
- MRO
- PINS
- MU
- DQ
- TECK
- PBF
- SE
- SLB
- PDD

**Market Review:** Stocks were lower to start the session following a hawkish RBA rate hike and into the RBI and ECB moves this week as global inflationary pressures and a tightening monetary policy environment weighs on risk sentiment. Further, Retail names came under pressure following Target's move on inventory and weaker outlook while Transports impacted by Union Pacific's warning on margins due to cost pressures. Growth stocks bounced early as yields moved back under 3%, many off rising 8-day moving averages. The rest of the market followed late into the open hour as breadth turned strongly positive. The buy the dip mentality continues to work with NYSE in bull mode and UNP/TGT both went green on negative news, change of character. Metals and Energy led strength as the USD went negative while Software and Biotech were strong with yields lower. Consume groups were the weakest along with Housing and semiconductors lagged in Tech. The narrow trading range continues into the big events this week, ECB and US Inflation.

### S&P Chart:



Resistance	Support
4150	4050
4230	3975
4300	3800

**Options Action Trends:** We saw some low-Delta upside call buys in social media names **PINS**, **SNAP**. Banks like **C**, **BAC** saw call sweeps in July 8<sup>th</sup> (W) expiration, week ahead of earnings. We also saw a ton of bull flow into Energy names once again.

**What's On Tap:** Eurozone GDP, 10 Year Note Auction. Earnings from FIVE. Analyst Meetings at **SPOT**, **SHW**, **Z**, **EBAY**, **WSM**.

### Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **CZR** July \$50 Calls \$4.50

### Sector Laggards

Retail

Consumer

Housing

### Stock Losers

HTZ -6%

CPNG -5.5%

LESL -4.7%

EHC -4.6%

W -4.6%

COIN -4.1%

### Volatility Losers

- SJM
- BTU
- PLAY
- ASO
- COUP
- UNFI

### High Put Volume

- TGI
- HRB
- CPB
- PLAN
- GFS
- STX

### Bearish Options

- TGI
- JPM
- NEWR
- GPS
- CVNA
- LOW
- BA
- UBER
- ON
- ING
- OXY
- EIX



## FEATURED OPTIONS RADAR REPORT



### Value Name in Materials Attracts Put Sales as Price Increases Lead to Margin Expansion

**Ticker/Price:** IP (\$47.25)

#### Analysis:

**International Paper (IP)** large bull trade last week opened 1750 January \$50/\$45 bull risk reversals and followed an opening seller of January \$47.50 puts. IP shares are forming a multi-week bull flag with the rising 55-day moving average supportive and falling 200-day moving average resistance, a move above \$49.50 would put shares into a thin volume pocket with room back to \$55. IP is a global producer of renewable fiber-based packaging and pulp products with corrugated packaging the main contributor followed by containerboard and recycling. The \$17.6B company trades 9.7X Earnings, 6.6X EBITDA and 2X Book with a 3.93% dividend yield and 8.8% FCF yield. IP revenues are seeing rising 10.5% in 202 before returning to minimal growth and EBITDA seen increasing 15.8%. IP is a lower margin business with 14.7% Adjusted EBITDA margins and has a Debt/EBITDA ratio of 2.4X, resulting in a lower multiple, but a strong FCF name. IP announced in March plans to explore strategic options for its 50% ownership in Llim Group. IP should see a boost from improving China sentiment though inflation remains a key concern, specifically natural gas, and weakening consumer spending. IP is coming off a solid quarter with price increase benefits and saw shipments recover. IP anticipates margin recovery in the EMEA packaging businesses as box price begins to offset the higher energy and containerboard costs. In Global Cellulose Fibers it also expects margin expansion in Q2 and further into 2H on price realizations. Build a Better IP initiatives are also expected to improve earnings. IP is also interested in bolt-on M&A opportunities. Analysts have an average target of \$52 with short interest low at 2.6% of the float. Deutsche Bank raised its target to \$48 in April and Citi with a \$53 target.

#### Hawk Vision:



**Hawk's Perspective:** IP looks to be a re-rate higher candidate on this margin expansion opportunity outlines on the Q1 calls and the chart sets up well. IP has a 54,000 Jan. 2023 \$50 call sale \$3.20 from a buy-write on 12/8/21.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bulls Position in Online App with Strong Profitability and Reopening Tailwinds

**Ticker/Price:** MTCH (\$82.9)

#### Analysis:

**Match Group (MTCH)** last week saw an increase in bullish options positioning with 1000 January \$67.50 puts sold to open for \$850K premium, a buyer of 3000 December \$110 OTM calls to open, a buyer of 1500 September \$82.50 calls and an opening sale of 1000 September \$67.50 puts. MTCH also has 3850 September \$80 short puts sitting in open interest from a trade back on 2/18. MTCH shares jumped out of a bottoming pattern last week, a move that currently stalled at its 55-day moving average and VWAP off 2020 lows. The low in shares came right at the 61.7% Fibonacci of the 2020/2022 range. MTCH shares look to have room to run to \$110, a 38.2% retracement of the sell-off and VWAP off highs. MTCH is a leading provider of digital technologies designed to help people make meaningful connections via its brands that include Tinder, Match, Hinge, PlentyofFish, Hakuna, Azar and more. MTCH made interesting comments at the Bernstein Conference last week on benefits it will see through 2023 on changes to the App Store ecosystem. MTCH has a \$24B market cap and trades 28.5X Earnings, 7.8X EV/Sales and 25X FCF. Revenues are seen growing 15-18% annually with steady 15-20% EBITDA growth. MTCH is highly profitable with 28% FCF margins. MTCH has come under pressure as bears view online dating as a mature industry with little MAU growth the last few years though Tinder steadily grew users on a year-over-year basis in all four quarters of 2021. MTCH has also seen headwinds from Asia COVID cases rising though looks to be abating. Hinge is seen growing into one of the world's premier dating apps, contributing >\$2.5B to revenue in 2030. MTCH recently withdrew a restraining order versus Google as the latter is making some concessions, a positive signal. Analysts have an average target of \$120 with short interest low at 3.7% of the float and down 27% Q/Q. MSCO has a \$150 target and sees the bear thesis as wrong and the stock move as overdone with the fundamental drivers and product roadmap firmly intact. It notes "At \$80, the stock is effectively valued at ~23x '23 Tinder EBITDA alone... arguably getting the rest of the business (including Hinge), as well as app fee regulation, as free call options." Wells Fargo raised to Overweight with a \$115 target on 5/9 seeing the incoming CEO as a strong addition and sees shares compelling.

#### Hawk Vision:



**Hawk's Perspective:** MTCH is a name I like at these levels for a 12-18 month view and see if can clear this 55-MA, valuation attractive for a steady growth name, both revenues and profits.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



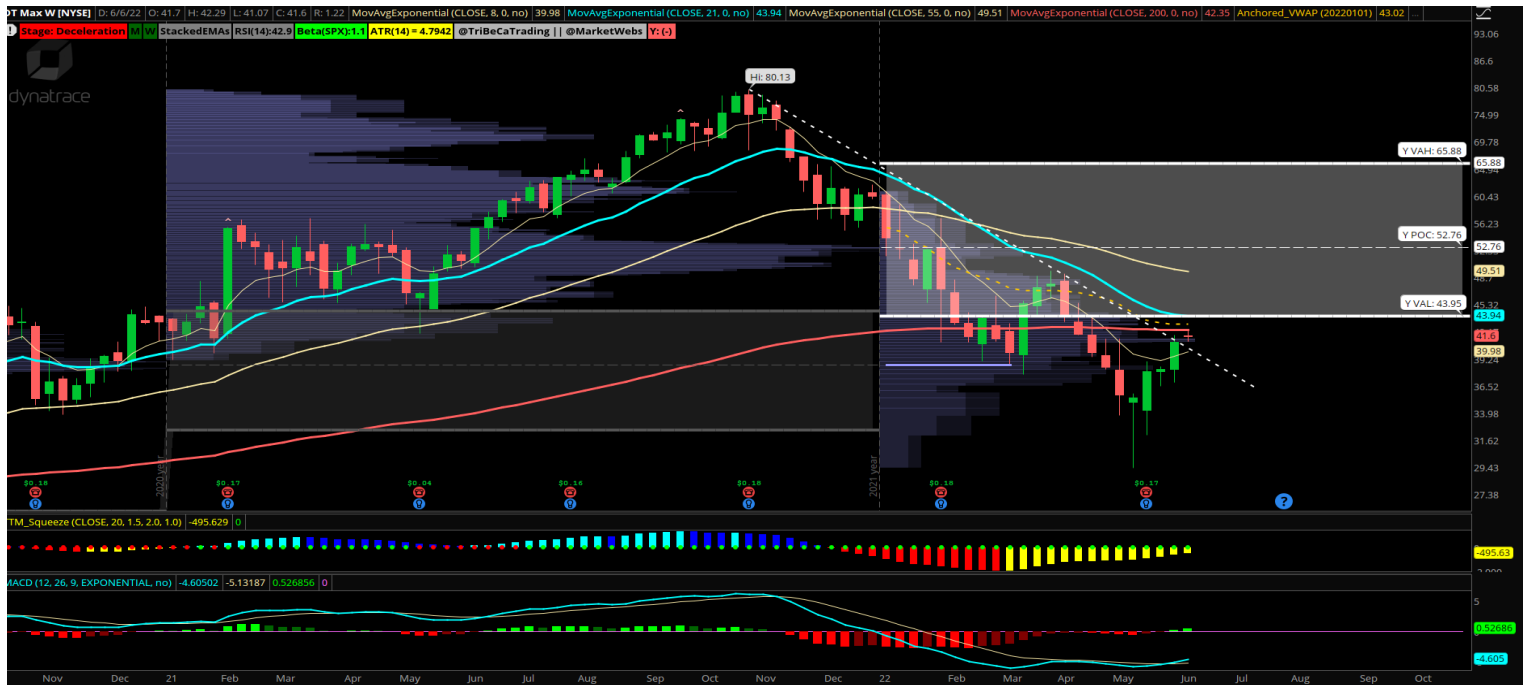
### Quality Software Tech Name Sees Bull Risk Reversals

**Ticker/Price:** DT (\$41.60)

#### Analysis:

**Dynatrace (DT)** saw a sizeable bullish risk reversal on 6/2 with 3,500 of the January \$35 puts sold to open and the \$45 calls bought to open for a net debit of \$1.94M. The stock has also seen buyers of November \$50 calls the past week at \$2.60 for over \$442k and a recent opening put seller in August \$40 puts at \$6.15 for a net premium of \$1.1M. DT has recovered off early May lows with other software names and put in a bullish hammer weekly candle off the key 30 level which was just beneath 2020 value area low. Now back near the 200-week MA at 42 and potential to see a grind back to the yearly VPOC at 52.75 on further strength. Weekly MACD is also seeing a bullish cross on this rally. DT provides a software intelligence platform for dynamic multi-cloud environments. The \$12B company trades at 42x earnings, 9.3x EV/sales, and 3.03% FCF yield. The company reported strong results last quarter, beating EPS and Revenues (+28.5%) and guiding FY23 inline EPS but Revenue above consensus expecting \$1.25-1.265 billion while stating that digital transformation and cloud migration trends continue to grow at a rapid pace and serve as the foundation for significant future growth. On 6/8, DT is part of the BofA Securities Global Tech Conference, and the next earnings report is due 7/27. The average analyst target is \$59 with a Street high of \$100. On 5/19, Canaccord lowered its target to \$55 but kept its buy rating and stated that it continues to see relative value with Dynatrace and believes that this type of balanced growth and profit story will be the first to see incremental investor dollars as confidence in the space is restored. DT saw an insider buy of \$217k from CEO McConnell back on 2/17 at near current prices of \$41.76. Short interest is at 2.8%- and 3-month change is down -8.5%. Hedge fund ownership increased 2.5%.

#### Hawk Vision:



**Hawk's Perspective:** DT is nearing a trendline break higher on the weekly as MACD sees a bull cross. That 35 strike level should offer support as short puts mark a floor into 2<sup>nd</sup> half of 2022.

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Russell (IWM)** buy-write sells 15,000 Dec. \$195 calls \$11.36

**Semiconductors (SMH)** seller of 1000 September \$265/\$220 strangles for \$18.65

**Gold (GLD)** buyer 1400 Dec. \$171 calls \$10

**China (FXI)** opening sale 7000 November \$32 puts \$2.32

**S&P (SPY)** seeing 2000 Oct. \$410 puts sold to open \$23.15 and 4000 Sep. \$438 calls with buyers for \$3M

**China Internet (KWEB)** buyer 6500 July 1st (W) \$32 calls \$1.76 rolling June \$30, similar to how flows in indiv. names have adjusted

### **Consumer Goods**

**Colgate (CL)** buyers 1740 Nov. \$82.50 calls \$2.85 offer adding to bullish August OI

**Li Auto (LI)** buyers 7000 Sep. \$11 puts \$0.25

**Kroger (KR)** seller 2000 Oct. \$38 puts to open 0.82

**Macy's (M)** sweep buyer 10,000 August \$29 calls \$1.11 to \$1.13, strong Retailer off the May lows

**Mondelez (MDLZ)** unusual buy 1400 July 8th (W) \$64 calls for \$0.90

**Kellogg (K)** buyer 900 Sep. \$65 puts \$2.20 into CPB report

**Ford (F)** buyer 5500 Jan. \$18 calls for \$0.56 this afternoon

**GM** hot this afternoon and 3500 July 8th (W) \$41 calls bought \$0.75

### **Consumer/Business Services**

**Chicos (CHS)** buyer 2000 July \$5 calls for \$0.50 after it reported

**Signet (SIG)** more bull flow into earnings with 1000 June \$63 calls opening near \$5

**Carvana (CVNA)** with 1000 September \$40 puts opening over \$1.8M as weekly puts adjust. **CVNA** June \$27/\$33 call spreads bought 5000X for 1.05

**Lowe's (LOW)** with 2700 August \$170 puts bought \$4.65 to \$5.15

**Uber (UBER)** buyer 3700 Dec. \$17.50 puts \$1.29. **UBER** buyer 5000 August \$30/\$35 call spreads for \$0.78

**Starbucks (SBUX)** buyer 2200 January \$95 calls for \$2.37 as Nov. \$80 adjust

**Las Vegas Sands (LVS)** stock replacement opens 1000 March \$42 calls at \$4

**SweetGreen (SG)** beaten up IPO interesting trade sells 500 Oct. \$15 puts \$3.10, the \$1.9B Co. now at 5X Sales with revenues seen rising 56% this year and 42% next year

**Ross (ROST)** a beaten up retail name seeing 750 Jan. \$75 puts sell to open \$7.40 while 400 of the \$85 calls bought

**Warner Brothers (WBD)** spread bought 1000 Jan. 2024 \$17.5 calls \$4.30 and sold 2000 of the \$40 calls at \$0.60



## Energy

**Exxon (XOM)** buyers active 2500 Sep. \$115 calls \$2.38 offer, positive analyst note this morning. **XOM** opening sale 1000 August \$110 puts \$11.31. **XOM** 10,000 Jan. \$130 calls sell to open 2.65. **XOM** also 2500 Nov 75 puts selling to open today 1.62

**Marathon Oil (MRO)** buyer 1100 September \$33 calls for \$3.30, Oil name with consistent bull flow

**PBF Energy (PBF)** buyer 1500 January \$50 calls for \$6.80 as refiners continue to show strong trends

**First Solar (FSLR)** spread sells 2000 August \$60 puts to buy \$80/\$100 call spreads, net \$0.68 debit and follows size Jan. 2023 put sales yesterday as shares faded on Solar tariff removal reports. **FSLR** also buyers in 3500 weekly \$75 OTM calls

**Daqo Energy (DQ)** with 2200 August \$65 calls opening as July 60 adjust

**Schlumberger (SLB)** bull flag forming and buyers hot for 3350 August \$52.50 calls \$2.05 to \$2.14. **SLB** also 1200 Dec. \$45 puts selling to open \$4.90. **SLB** also trading 5000 August \$55/\$65 call spreads

**Par Pacific (PARR)** small refiner seeing Sep. \$17.50 calls close and open Dec. \$20/\$30 call spreads with the Sep. \$20 calls sold

**Transocean (RIG)** running strong after early breakout trigger and 3800 July 22nd (W) \$4 calls with sweep buyers. **RIG** stock tied trade now buys 20,000 Jan. \$4 puts at \$0.675 and 20,000 Nov. \$5.50 calls at \$0.69

**Southwestern Energy (SWN)** tight bull flag with Natural Gas strong and seeing 8000 September \$13 calls bought \$0.37 to \$0.42

**Occidental (OXY)** size buyer 3000 November \$60 puts \$6.15 offer, though may be hedging the strong run in shares

**SM Energy (SM)** buyer 500 January \$70 calls \$6.50 offer

**Crescent Point (CPG)** small Energy name with buyers 1300 Jan. \$10 calls up to \$2.20. **CPG** now with buyers 3000 January \$15 calls \$0.86

**Range Resources (RRC)** stock replacements opening 1300 Dec. \$40 calls \$5 to \$5.35, tight bull flag near breakout

**HF Sinclair (DINO)** opening sales 2000 Dec. \$70 calls \$3.10 into strength

**Vermillion Energy (VET)** block of 6000 January \$30 calls sold to open \$3.50

**Oil States (OIS)** small energy play some spec. action with 2800 July \$10 calls bought \$0.20 to \$0.25

**Diamondback (FANG)** opening sale 500 Sep. \$150 puts for \$12.50

**Ovintiv (OVV)** with 1000 January \$70 calls opening \$8.40 as June \$55 adjust

**Chevron (CVX)** large buy 1000 October \$185 calls \$11.70 to \$11.81

## Financials

**JP Morgan (JPM)** buyers 3000 July 1st (W) \$125 puts \$2.47

**Block (SQ)** with 1500 November \$95 calls sold to open \$11.84

**CoinBase (COIN)** buyer 900 Jan. 2024 \$75 calls \$25.90

**Bank America (BAC)** sweep buyers 4500 July 8th (W) \$38 calls \$0.58

**Citi (C)** sweep buys 6000 July 8th (W) \$55 calls near \$0.71. **C** buy-write sells 1600 Dec. 60 calls 1.64. **Citi (C)** large opening sale this afternoon 2000 Dec. \$55 puts at \$6.65

**Robinhood (HOOD)** down 7% with SEC cracking down on equity markets for fairness, August \$7 puts sold to open 3500X at 0.69, July \$8 puts selling to open 6500X at 0.83, July 22nd (W) \$5.50 puts sold to open 11,000X at \$0.14, and 20,000 January \$4 puts sold to open \$0.37

**ING Group (ING)** with 5000 October \$10 puts bought \$0.60

**KKR** buyer 2500 July 8th (W) \$61 calls today \$1.25

**Affirm (AFRM)** buyers of 10,000 July \$20 puts today near \$1.90 with June puts adjusting, the BNPL space under pressure with weakening consumers and Apple moving into the space

**Schwab (SCHW)** buyer 1500 September \$72.50 calls at \$3.15 offer, stock replacement

**Blackstone (BX)** buyers 2000 July \$115 puts \$3.50

**MetLife (MET)** August / June 2023 \$75 call calendar spread opens 2800X at \$4.5

### Healthcare

**Medtronic (MDT)** buy-write sells 3000 Jan. 2024 \$115 calls \$1.25

**Eli Lilly (LLY)** October \$330/\$260 bull risk reversals opening 845X at \$8.60. **LLY** also with 1000 August \$300/\$270 put spreads bought at \$9.32

**Pfizer (PFE)** buy-write sells 1250 June 2023 \$57.50 calls \$4.25

**DaVita (DVA)** bear flow with 2450 July \$92.50 puts bought \$4.10 while the \$97.50 calls bought 1000X for \$4.40

**Arrowhead Research (ARWR)** opening sale 700 January \$35 puts today \$7.50 to \$7.80, bullish indication

**BioNTech (BNTX)** buyer 445 Dec. \$145 puts at \$23 offer around \$1M

**Merck (MRK)** sale to open 1000 June 2023 \$95 calls at \$6.25

**Bristol Myers (BMY)** opening seller 15,000 Sep. 82.50 calls for 1.02, similar to other Pharma names this week

**United Therapeutic (UTHR)** trader opens 150 November \$190 synthetic longs as June calls adjust

**Acadia (ACAD)** buyer 2000 June 18 puts for \$3.15 earlier

**Agilent (A)** with 800 July \$115 calls bought \$15.80 ITM on that report it may bid for SPT LabTech

### Industrials

**Triumph (TGI)** buyer 2000 September \$12.50 puts \$0.78 as June are sold at \$0.10

**Boeing (BA)** buyer 1000 December \$105 puts for \$6.25

**Canadian Pacific (CP)** stock buyer sells 1300 January \$70 puts \$4 and sells 1300 of the \$80 calls \$5.30

**United (UAL)** with 2250 July \$46 short puts opening \$3.40 to \$3.30 as June adjust and follows the large insider buy

**Frontier (ULCC)** unusual 8350 July \$12.50 calls bought \$0.35

**KB Homes (KBH)** buyers 2600 July \$37 calls at \$0.90 offer, earnings late June

**Spirit Air (SAVE)** trade opens 5000 June 24th (W) \$26/\$21 bear risk reversals as weekly puts adjust

**Danaos (DAC)** buyer of 1000 October \$95/\$105 call spreads as multi-week base sets up

**Aerovironment (AVAV)** buyer of 1500 July \$85 puts \$3.80 offer with earnings late June

### **Materials**

**Alcoa (AA)** with 1000 August \$85 short puts opening \$23.23 as June adjust

**Nutrien (NTR)** seller 1000 July \$90 puts to open \$4.80

**Chemours (CC)** buyer 400 Oct. \$39 ITM calls \$8.20 to \$8.25

**Mosaic (MOS)** weak on lows with 5500 July 1st (W) \$50 puts opening

**Crown (CCK)** jumps with 2000 July \$110 calls bought \$4.10 to \$4.75, quality name working out of a multi-week base with 8/21 bull cross

**Mohawk (MHK)** coming off strong quarter with 650 January \$145 calls bought \$17.50 and 650 of the \$135 puts bought \$15.15 tied to stock

### **Tech**

**Amazon (AMZN)** sellers in August \$130 puts all morning taking IV lower with now more than 5000 sold \$14.25 to \$13.90

**Pinterest (PINS)** buyers 3000 July 22nd (W) \$23 calls \$0.87 to \$0.90. **PINS** also 2000 Sep. \$12.50 puts selling to open \$0.63

**Snap (SNAP)** buyer 3700 July \$18 calls \$0.63. **SNAP** 15.45 level would open the door to 17.5

**Micron (MU)** August \$65 calls trading 1000X this morning with buyers \$7.80 to \$8.35

**Taiwan Semi (TSM)** opening sale 1000 March \$80 puts \$5.65

**New Relic (NEWR)** sellers to open 1000 January \$40 puts \$5.10 to \$4.70

**Sea (SE)** emerging out of tight range and 1000 July 1st (W) \$85 calls bought for \$7

**Pinduoduo (PDD)** buyer of 1000 June 24th (W) \$57 calls for \$5 as bullish Chinese Tech positions continue to adjust out

**ON Semi (ON)** today with 2000 October \$40 OTM puts bought \$1.10 offer after size September higher Delta puts opened last few days

**Elastic (ESTC)** back near the 55-MA seeing nearly 1000 November \$90 calls open for \$800K as June \$70 calls from 5/27 adjust

**Global Foundries (GFS)** with 2700 July \$45 puts sold to open \$0.75 to \$0.80

**Qualcomm (QCOM)** buyer 1125 Sep. \$140 calls \$12.70 as June calls adjust

**Baidu (BIDU)** buyer 1000 September \$155 calls \$13.60 as June calls adjust



**Advanced Micro (AMD)** buyers of 3500 July 1st (W) \$109 calls today \$3.90 offer, big Analyst Day this week on 6-9

**CrowdStrike (CRWD)** a leading tech name today and 1800 Dec. \$100 puts selling to open today \$4.80

**Microsoft (MSFT)** with 6000 August \$305 calls being sold to open \$3

**Broadcom (AVGO)** buyer 500 Oct. \$480 puts \$17.65 to open, did another big deal for VMW, under \$554 would trigger a short

**Netflix (NFLX)** size buy of 600 January 2024 \$230 puts for \$63.25

**ZenDesk (ZEN)** with 1500 June 24th (W) \$95 calls opening for \$5 as some June positions adjust

**Seagate (STX)** seller 1250 Dec \$55 puts for \$1.37

### **Communications/Utilities**

**Edison (EIX)** large buy of 2000 January \$65 puts \$3.80 in the Utility

**Verizon (VZ)** buyer 1200 June 2023 \$52.50 puts \$5.35

**Southern (SO)** buyer 500 Jan. \$80 puts \$9.70 offer sweep

**Altice (ATUS)** late day trade opens 3425 Sep. \$11 calls \$1.40 and the \$9 puts at \$0.75, stock tied

### **Disclaimer:**

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

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