



Sector Leaders

Software

Solar

Semis

Stock Gainers

ACAD 2.8%

PRGO 2%

KTB 1.8%

MRK 1.8%

SHW 1.45%

CBOE 1.3%

Volatility Gainers

- UPST
- U
- MSTR
- PDD
- UPWK
- DOCN

High Call Volume

- PLRX
- HUN
-

Bullish Options

- PDD
- UPST
- COST
- CCJ
- KWEB
- SLVM
- HAL
- SNOW
- LIN
- RIVN
- GSK
- NWL
-

Market Review: Stocks opened the week lower with rising fears on inflation data this week, earnings revisions and an overall recessionary environment with the Fed set to hike 75bps in July while China flaring COVID also weighed on sentiment. It was trend-down action from the start with breadth weakening throughout the morning and most sectors red outside of Homebuilders while safety groups like Utility/Staples showed relative strength along with Bonds. Growth sectors that led the recent rally pulled back sharply including Solar, Biotech and Software. Breadth did improve a bit midday as the S&P found some support at 3850 before sellers returned on the move back to morning highs, but overall a quiet trading session and markets firmly focused on CPI data this week and the start of earnings season.

S&P Chart:



Resistance	Support
3900	3800
3950	3700
4015	3500

Options Action Trends: Options action was extremely slow again though some smaller Materials names with unusual call buys like **HUN, GSM, TS**.

What's On Tap: EU Economic Forecasts, BOE Gov Bailey Speaks, UK GDP, German Economic Sentiment, China Trade Balance. Earnings from DAL, FAST.

Trade Tracker Portfolio Changes:

- 1) Spotlight: Long **PANW** September \$540/\$580 Call Spreads at \$14

Sector Laggards

Solar

Software

Biotech

Stock Losers

DOCN -13%

PDD -11.8%

CVNA -11.8%

DUOL -11.8%

GDS -10.5%

WYNN -9.75%

Volatility Losers

- PBR
-

High Put Volume

- PFF
- SONO
- GDS

Bearish Options

- AMD
- HPQ
- DB
- LRCX
- DKNQ
- NVDA
- TWTR
- RIG
- COP
- PYPL
- ORCL
- PII
- RACE
- ABNB
- AVGO
- CVNA
- HCA
- HZNP



FEATURED OPTIONS RADAR REPORT



Unusual Call Buys in Small Cap Materials Company Undergoing Portfolio Transformation

Ticker/Price: TSE (\$40.1)

Analysis:

Trinseo (TSE) is seeing unusual call activity recently with 2400 July \$40 calls opened on 6/17 and then on 7/8 the August \$45 calls were bought 3500X to open which adjusted these calls and this comes ahead of a planned Investor Meeting this week. TSE shares have come under pressure this year and are -23.5% YTD but some momentum late last week closing just under the 21-MA with the 8-MA sloping upwards nearing a bull cross, though this positioning is likely fundamentally/event driven. TSE is a leading global materials company and manufacturer of plastics and latex binders with a focus on delivering innovative, sustainable, and value-creating products that are intrinsic to our daily lives. This includes products for automotive applications, consumer electronics, appliances, medical devices, packaging, footwear, carpet, paper and board, building and construction, and wellness. TSE has 57% sales exposure to Europe and Building/Construction its largest end-market at 22% exposure followed by Auto & Appliances. TSE has a market cap of \$1.44B and trades 5X EBITDA and 6X FCF with a 3.2% dividend yield with revenues seen rising 12.2% in 2022 after a 76% jump in 2021 but EBITDA seen down 10% after rising 143.5% last year. TSE is a low margin business though EBITDA margins jumped over 15% last year to a multi-year high while also having plenty of debt with a Net Debt to EBITDA ratio of 1.6X. TSE cut guidance in early May due to challenging Macro conditions. TSE has a \$200M buyback in place. TSE sees a strong opportunity with material replacement such as replacing painted metal exterior trim parts with color-matched PMMA products which reduces emissions, weight and cost while being more environmentally friendly. Its co-laminate product, which had Q1 sales volume growth of more than 20% versus prior year, provides customers with a solution that's both lower cost and more sustainable and expands its TAM by over \$3B. TSE has a potential event-catalyst with the divestiture of the Styrenics business and will include the company's Feedstocks and Polystyrene segments which generated \$1.1B in sales in nine months of 2021. In May, Trinseo completed the \$1.4 billion acquisition of Arkema's polymethyl methacrylate (PMMA) resin business, which it hopes will pair well with its businesses in high-end styrenics such as acrylonitrile-butadiene-styrene and styrene-acrylonitrile resins. Analysts have an average target of \$54 and short interest at 3.5% of the float. Deutsche Bank out positive in late March noting TSE's portfolio transformation into higher growth, higher margin and less cyclical specialty materials with a focus on sustainability.

Hawk Vision:



Hawk's Perspective: TSE is very intriguing as an event-driven play transforming its business which can call for a higher multiple. Calls seem pricey but like owning stock vs. \$36 level.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bears Add Puts in Commerce Platform into 30% Rally Off Lows on Growth Slowdown Fears

Ticker/Price: ETSY (\$88.75)

Analysis:

Etsy (ETSY) option flows remain overwhelmingly bearish, and more exposure added into the recent rally to multi-week highs, the August \$85 puts bought 1500X on 7/8 for \$1.3M and follows recent buys in August \$70 puts and January \$85 puts. ETSY even saw buyers in September \$55 puts and January \$40 puts on 7/6 and has 10K July \$85 short calls in open interest from a 5/31 trade while 4500 August \$50 puts from buyers in May. The January \$70 puts also have 3500X in OI from buys. ETSY shares are -60% YTD but have near term momentum flagging above its 55-MA with a bull 8/21 cross last week and working out of an 8-month downtrend while weekly MACD also crossed bullish. ETSY has potential resistance at VWAP from late March highs at \$93.50. ETSY offers Etsy sellers a marketplace with millions of buyers along with a range of seller tools and services that are specifically designed to help creative entrepreneurs generate more sales and scale their businesses. ETSY targets a massive commerce TAM of \$1.7 trillion and has been expanding its marketplace via deals for depop, Reverb and elo7 that positions it within apparel resale and Latin American markets. ETSY has a market cap of \$11.4B and now trades 29.3X Earnings, 4.85X Sales and 20.4X FCF as its multiple has contracted while revenue growth seen at 8% in 2022 off tough comps seen as a trough before returning to annual 17-23% growth and EBITDA also seen down 7.6% in 2022 as it faces rising cost headwinds. ETSY will next report in early August, and safe to assume these puts are positioning for that catalyst with shares dropping more than 16% last quarter on results and lower six of the last nine. ETSY does benefit from being a low fixed-cost business without inventory/warehouses and marketing is variable. ETSY has raised its take-rate with a higher commission earlier this year. ETSY has also authorized a \$600M buyback. Analysts have an average target pf \$125 with short interest high at 11% of the float and rising 60% Q/Q. RayJay started shares Outperform in late June as one of the highest quality names in digital commerce. Guggenheim cut its target in June on slowing consumer spending and 2023 could get much worse across key categories. Needham cut shares to Hold in June on potential deceleration continuing through 2H22.

Hawk Vision:



Hawk's Perspective: ETSY is a name I see fundamental concerns with various headwinds but until this price-momentum breaks it is futile to short/buy puts, but under \$81 can look to January \$70 puts.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



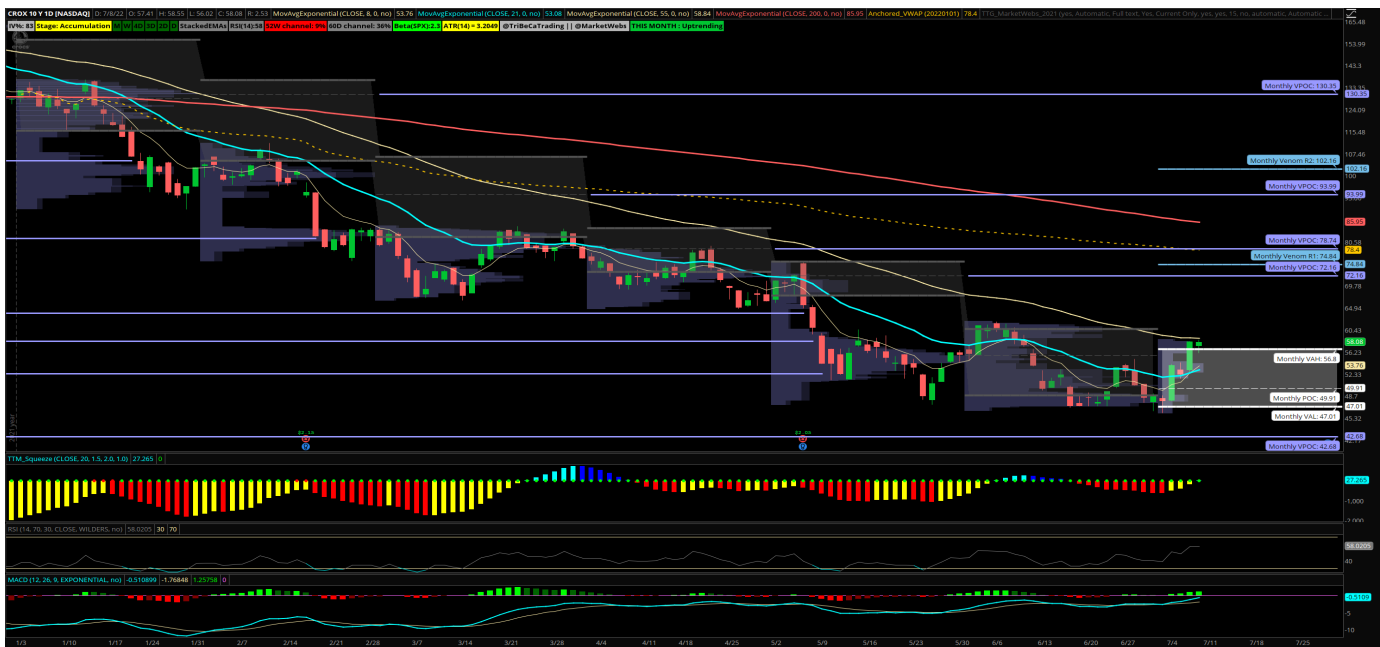
Large Call Buy in Casual Footwear Maker

Ticker/Price: CROX (\$58.08)

Analysis:

Crocs (CROX) with a large call buyer on 7/7 for 5,500 August \$65 calls at \$2.55 for over \$1.4M. This follows buys in the August \$60 calls at \$4.60 and size buys in long term expiration January 2024 \$60 calls bought at \$11 for over \$865k. CROX still has December \$45 short puts in open interest from sellers on 5/23 at \$6.10 and January \$100 puts in open interest still underwater needing a rally back by year end. Shares got down to near its pre-Covid 2020 highs around 45 and have since bounced and formed a solid base in the 47-55 zone. The stock is seeing momentum turn higher off its 8/21 EMA bull cross and weekly MACD seeing a cross higher for the first time all year. A promising pattern with RSI leading higher the past few weeks and a close back over the 55 EMA can see a quick move towards 70.72 where there is an untested VPOC from May. YTD VWAP is higher up at 78 as a stretch target on continuation strength. The \$3.6B company trades just 5.2x earnings and 1.7x EV/sales with a FCF yield of 13.7%. CROX is estimated to grow revenues +15% in FY23 while seeing +7.8% sales growth in FY24. CROX is engaged in the design, development, marketing, distribution, and sale of casual lifestyle footwear and accessories for women, men and children. CROX is coming off a record year with 67% revenue growth, an industry-best 30% operating margins and adding new products to the lineup including a major deal for HEYDUDE. Average analyst target is \$110 with a Street high of \$246. Loop Capital out on 7/5 upgrading the stock to Buy and a \$75 price target stating channel checks point to healthy sell-through and normal discounting at the end of the quarter. Crocs' Hey Dude acquisition may accelerate its long-term growth rate given its ability to sell the brand into its legacy distribution. They are seeing some success in the family channel and believe the younger customer is devoted to the brand and driving higher prices with add-on Jibbitz decorative attachments. Loop recommends buying Crocs despite the dodgy macro environment. Supply chain concerns have eased, and Crocs should be fully able to meet consumer demand. Insiders have been active in the stock this year with multiple directors and the CFO buying shares. During May, insiders bought over 17k shares between \$49.99 and \$58.24 totaling nearly \$1M in open market buys. The buying this year is the most insider activity since the March 2020 inside buys which marked a low around \$20/share. Short interest is at 5.2%. Hedge fund ownership fell 9.6%.

Hawk Vision:



Hawk's Perspective: CROX is seeing a 8/21 EMA bull cross and break above monthly value so can trade against the 21 EMA near 53 if see a close below. A nice basing pattern on the chart with potential move to 72.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



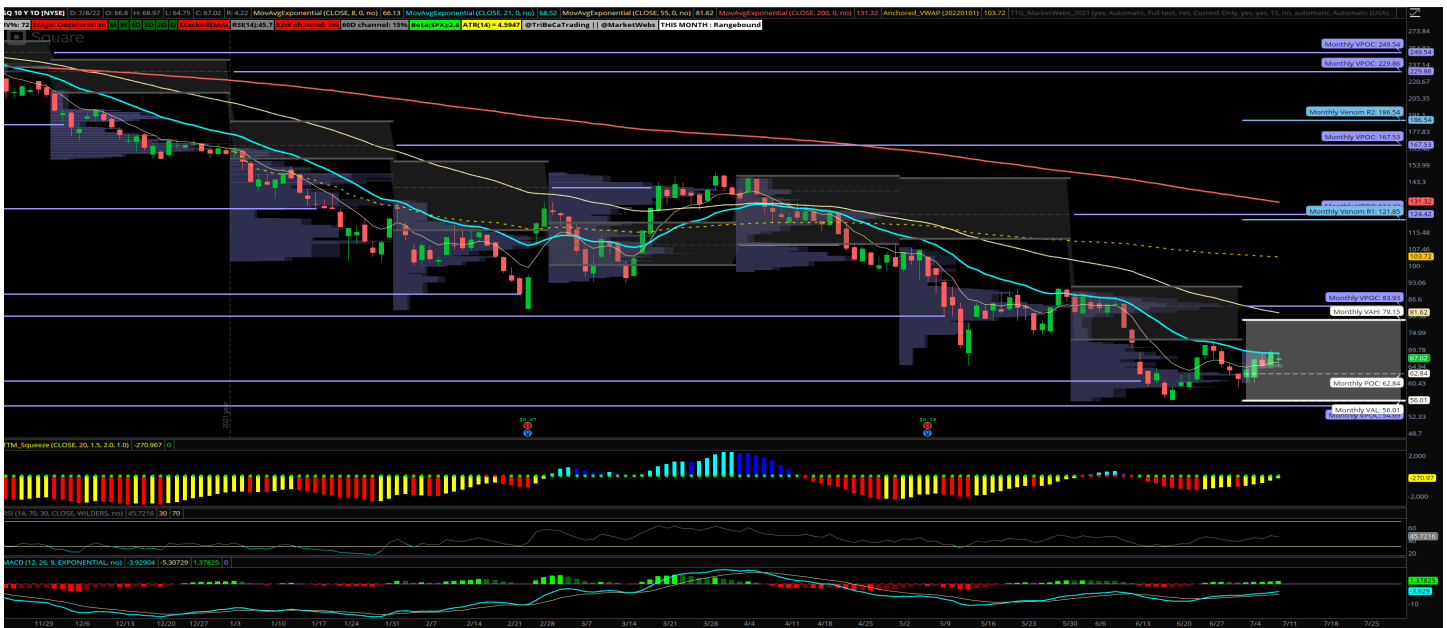
Fintech Name Sees Bearish Put Buys into Bounce

Ticker/Price: SQ (\$67.02)

Analysis:

Block Inc (SQ) with a large put buyer on 7/8 for 2,800 August \$65 puts bought at \$6.89 for over \$1.9M. Also, action in the August 5th \$69 puts bought at \$7.20 for over \$1.2M. SQ has also seen December \$57.50 puts open the past week for over \$2.4M in premium. Bearish flow into the weak bounce recently as Fintech names remain in a strong downtrend. Shares have been in a steep decline this year with growth tech under pressure and each rebound being sold into. SQ has resistance at the 21 EMA being hit at 68.50 and above that has space to the 55 EMA and upper edge of monthly value area near 80. MACD recently crossed up, but the bounce has been lackluster compared to the broad market and the weekly chart showing more of a bear flag forming since the June lows. A move back under 62 could see a quick drop towards 55 and 50 which is getting close to the panic levels of March 2020. The \$38.9B company trades 51.4x earnings and 2.0x EV/sales with a FCF yield of 2.6% and is estimated to grow revenues +21% in FY23 while seeing +13.5% sales growth in FY24. Block, Inc. creates tools that enable businesses, sellers and individuals to participate in the economy. Its segments include Square and Cash App. The Square segment includes managed payment services, software solutions, hardware and financial services products offered to sellers. SQ is coming off a quarter where it missed EPS and Revenues estimates amid a slowdown in consumer spending that is creating a stiff headwind for its payment services. Not only did the payment processing company miss top- and bottom-line estimates, but its revenue also declined on a yr./yr. basis for the first time in its history as a publicly traded company. Average analyst target is \$183 with a Street high of \$371. Still seems to be too many bullish analysts amid a declining growth story. Only 2 Sell ratings on the stock while 38 Buy ratings so room for further downgrades before a true bottom. Key Corp lowering the price target on the stock on 7/7 to \$80 from \$180 and Piper also lowered their target to \$84 but kept a Neutral rating. Truist also recently cutting their price target to \$105 from \$145 citing near term margin risk and market challenges with legacy payment processors. Redburn cutting estimates last week on SQ and sees a perverse correlation at play, with the rising probability of a recession leading to falling interest rate expectations, which in turn leads to a rerating of finance technology stocks. Deteriorating e-commerce trends, rising funding costs, changes to share-based compensation and a fragile unsecured market will result in more downgrades to disruptor names. Short interest is at 7.5%. Hedge fund ownership fell 15.5%.

Hawk Vision:



Hawk's Perspective: SQ is seeing a weak bounce and still below the 21 EMA at 68.50 so a level to trade short against if bearish. A more ideal level to sell into a larger bounce would be top of value at 79.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

China Internet (KWEB) into 6.3% dip with 20,000 Oct. \$33/\$43 and 20,000 Oct. \$35/\$45 call spreads bought

Nasdaq (QQQ) buyer 5500 November \$240 puts for \$7.37. **QQQ** 8000 July 29th (W) \$290 calls opening 8.83 as Aug. 295 adjust

Oil & Gas (XOP) buyer 5000 August \$105/\$95 put spreads for \$2.36, sells 2500 of the \$129 calls

Consumer Goods

Costco (COST) leading early bull flow with 950 next week \$505 calls bought \$9.45 to \$9.60, strong comps last week and working back near the 200-MA

BJ's (BJ) with 900 January \$80 calls bought at \$4 and seeing November \$65 puts bought \$5.40 for 850X stock-tied

Polaris (PII) some more bear flow with 625 September \$110 puts bought near \$9.60

Ferrari (RACE) buyers of 700 January \$175 puts at \$10.80, back to resistance near 55 EMA recently

Rivian (RIVN) buyer 2000 Aug. 12th (W) \$33 calls \$2.21 should capture earnings

Hormel (HRL) recession type play with 900 December \$50 calls bought \$2.15

Newell (NWL) buyer 2200 August \$20 calls for \$0.85, name that feels like it could draw activist

Tesla (TSLA) buyers of 1,200 June 2024 \$580 puts at 150.05. Nearly \$18M of premium bought with the ugly failure at 55 EMA

Consumer/Business Services

Pinduoduo (PDD) buyer Aug 60 calls 1000X at \$4.05

Shopify (SHOP) buy-writes selling 1390 Jan. 2024 \$47 calls \$6.93. **Shopify (SHOP)** 1,250 November \$33.50 puts sold to open at \$6.55

Airbnb (ABNB) buyers of 400 October \$90 puts at \$10.30. Shares struggling to get back over 100 recently

Lyft (LYFT) sweep buyers for over 1,000 January 2024 \$22.50 calls on the \$2.06 offer

Royal Caribbean (RCL) opening put seller in August \$33 puts sold on the bid over 1,500x. **RCL** buyer 1000 July 29th (W) \$32 puts \$2.10

Carvana (CVNA) buyers of 4400 January \$15 puts at \$3.80 offer sweeps today, see how OI changes tomorrow

Paramount (PARA) bid-side sales at \$4.35 of 1800 January 2024 22.50 puts

Vroom (VRM) sweep buyers 3000 October \$0.50 calls for \$1.05

Etsy (ETSY) spreads selling 1200 July 29th (W) \$73 puts and buying Aug. 5th (W) \$85 puts at net \$6.39, targets early Aug. earnings

Digital World (DWAC) rising late again up 17% today after the Musk/TWTR news and seeing Oct. \$30/\$55 call spreads bought 1500X while Sep. \$30 calls active 2000X

Energy

Transocean (RIG) seeing aggressive buyers of January 2024 \$2 puts bought over 16,000x up to \$0.54 with IV rising

Halliburton (HAL) into early lows with 10,000 July 29th (W) \$30 calls bought \$1.27 to \$1.34 and captures 7-19 earnings

Conoco (COP) with 1550 November \$70 puts bought \$4.20 offer while also seeing 1725 Aug. 12th (W) \$90 calls bought \$2.76

Antero (AR) spreads selling 2500 September \$25 puts to buy the \$30/\$40 call spreads

Marathon Oil (MRO) opening sale 1500 October \$22 puts for \$3.10

PlugPower (PLUG) with 5000 July 20.5 ITM puts selling to open 2.25 to 2.21

Financials

PayPal (PYPL) with 1245 Aug. 5th (W) \$72 puts bought \$6.25 to \$6.45 offers, captures 8-2 earnings

Berkshire Hathaway (BRK/B) seeing 500 September \$235 ITM calls bought at \$47.20

Blackstone (BX) sale to open 3744 Sep. \$75 puts for \$2.25

Healthcare

Qiagen (QGEN) unusual 500 December \$55 calls bought this morning \$2.50, name pursued in M&A in the past

GlaxoSmithKline (GSK) with 2000 February \$42 calls bought to open ITM at \$3.40 offers

Moderna (MRNA) opening sale 1000 Oct. \$250 calls for \$5.70

Clovis (CLVS) with 20K July \$3 calls closing and opening 20,000 August 3.5/5.5 call spreads

HCA Health (HCA) spreads selling 700 August \$155 puts and buying September \$170 puts, coming off an ugly warning last Q and stock remains on the floor

CRSIPR (CRSP) opening sale 2000 Oct. \$105 calls for \$2.90

Horizon Therapeutics (HZNP) bearish risk reversal opened 2,000x as August \$90 calls sold to buy the \$80 puts aggressively. Could be collaring long stock.

Community Health (CYH) jumped with 5500 August \$5 calls bought \$0.15, been some talk it could be a M&A target

Industrials

United (UAL) opening sale 1500 August \$37 puts for \$3.60 as July 39 adjust

Caterpillar (CAT) opening sale 600 Dec. \$140 puts for \$5.02

Fluor (FLR) spread sells 3000 January \$15 puts and buys 4000 June 2023 \$15 puts

Union Pacific (UNP) oddly structured spread sells 2500 August \$235 calls for \$0.80, buys 1250 January \$200 calls for \$23.19 and buys 1250 January \$190 puts for \$9.80

Materials

Cameco (CCJ) buyer 5000 Sep. \$26 calls \$1.08 offer. **Cameco (CCJ)** also buyer of October \$19 puts at \$1.69 offers. **CCJ** now buyer 2500 Oct. 20 calls \$3.95 offer

Sylvamo (SLVM) unusual 1550 November \$40/\$20 bull risk reversals opening at \$0.85 debit, a \$1.36B maker of printing paper trading 3.2X EBITDA though also carries a lot of debt. SLVM announced a \$150M buyback recently and more interesting adopted a rights plan after Atlas acquired 14% of SLVM stock.

Globe Specialty (GSM) buyer 2000 Sep. \$7 calls for \$0.50 here after call buys last week and into Investor Day tomorrow. **GSM** now 1000 July 5 calls bought into that Investor Day

Huntsman (HUN) buyer 1200 November \$35 calls \$0.80 after unusual call buy last week as well. **HUN** also with 4500 Sep. \$35 calls bought 0.40 offer

Tenaris (TS) buyer 27400 August \$27.50 calls for \$1, saw an upgrade last week and did a key acquisition

Southern Copper (SCCO) September \$50 calls bought 500x at \$2.90, spread with \$60 calls sold for \$0.40

Agnico Eagle Mines (AEM) adjusting long January 2023 \$55 puts out to January 2024 \$55 puts, paying \$15.38 for 1,750x. **AEM** also with 1000 June 2023 \$55 calls sold to buy the \$45 puts

Linde (LIN) buyers of 1000 October \$290 calls \$11.60+ after seeing some puts exit last week, positive sell-side note this morning

Freeport (FCX) buyer 2900 October \$22 puts \$1.38

West Fraser (WFG) unusual 750 November \$90 calls opening \$4.70

Alcoa (AA) stock replacement seeing 600 deep ITM March \$60 puts sold to open 19.92

Tech

Oracle (ORCL) buyer 1500 December \$60 puts for \$2. **ORCL** buyer 4000 September 2023 62.50 puts for \$5.05

Snowflake (SNOW) buyers 625 January \$220 calls \$11.30 offer

Twilio (TWLO) with 500 August 80 calls opening 14.50 to 14.60 with July 90 adjusting out and back

Broadcom (AVGO) buyer 270 June 2023 \$420 puts \$37.20

SmartSheet (SMAR) unusual buy 500 January \$50 calls for \$2

Zoom (ZM) with 1200 January \$165 calls sold to open 6.60

Twitter (TWTR) with 1500 December \$40 calls bought for \$3.20 offer

Micron (MU) block of 13,967 December \$52.50 puts open \$4.10 mid-market, unusual block size likely hedging stock position

Dell (DELL) opening seller 2000 January \$40 puts at \$3.50, PC headwinds well-known now an trading 5.7X Earnings

Communications/Utilities

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Not Investment Advice or Recommendation

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