



Sector Leaders

Tech

Healthcare

Utilities

Stock Gainers

MITT 200%

SNAP 25%

ROKU 10.5%

TTD 9.5%

RHI 8.8%

SPRT 7.7%

FUV 6.5%

Volatility Gainers

- GOTU
- DAO
- DIDI
- SPRT
- NSH
- MOXC

High Call Volume

- XRX
- NTES
- UL
- FOXA
- TTD
- GPRE

Bullish Options

- TGT
- AMD
- ROKU
- EXPE
- TTD
- COP
- FUV
- MA
- VIAC
- KKR
- FANG

Market Review: Stocks continued to rally overnight and into the close of the week with strong Tech earnings lifting the Nasdaq to record highs and Europe Flash PMI hitting a 21-year high as the economy surges with reopenings. US flash PMI data was mixed with manufacturing rising slightly while services fell. Strong earnings continue to be the early story with Snap and Twitter both crushing estimates last night and helping drive optimism around Facebook and Google into next week. Other large-cap techs are also holding up well. Energy is the laggard today, although nothing is getting hit too hard. Focus now turns to next week which will be a very busy 5-day stretch – the most active earnings week of the quarter and the FOMC as well. The S&P put in a bullish engulfing week and closing near all-time highs after initially testing longer timeframe support and bouncing. And, after three-straight gap-and-go sessions and near resistance from the May/July highs, on watch for a potential early-week digestion period.

S&P Chart:



Resistance	Support
4,350	4,220
4,375	4,165
4,450	4,100

Options Action Trends: We saw bullish flow into top payment processors **V** and **MA** today ahead of earnings. Both **ROKU** and **TTD** saw aggressive call buying ahead of earnings after commentary from Twitter and Snap on advertising.

What's On Tap: One of the busiest weeks of the quarter with earnings from LMT, OTIS, FFIV, TSLA, GE, MMM, PHM, SHW, UPS, AAPL, AMD, GOOGL, MSFT, SBUX, V, BA, BMY, MCD, PFE, FB, NOW, LRCX, PYPL, QCOM, CMCSA, MA, MRK, AMZN, PINS, and many more. We'll also get the FOMC on Wednesday, Q2 GDP, and inflation data

Trade Tracker Portfolio Changes:

- 1) Closed **MA** Call Spreads \$11.20 (Opened \$6.50)

Sector Laggards

Energy

REITs

Industrials

Stock Losers

TAL -68%

GOTU -60%

EDU -60%

YQ -37.5%

MOXC -33%

ADVM -25%

Volatility Losers

- ADVM
- VNE
- TWTR
- SKX
- INO
- SAM

High Put Volume

- ACAD
- BEKE
- API
- SIX
- SEAS
- JETS

Bearish Options

- SKLZ
- ORCL
- UBER
- BEKE
- ING
- FUTU
- PINS
- DIDI
- EBAY
- CNK
- ACAD
- JKS



FEATURED OPTIONS RADAR REPORT



Bulls See New Highs for Well-Diversified Asset Manager

Ticker/Price: KKR (\$60.70)

Analysis:

KKR Co (KKR) late buyers on 7/22 of more than 3,000 December \$60 calls from \$4.00 to \$4.20, notable trade in the name near new highs. KKR has seen some smaller trades recently but nothing notable. It does have 1000 January \$50 short puts in OI from mid-May. Shares are nearing a breakout above \$61.25 with a measured move up to \$70. KKR has been a steady winner since the March lows and breakout higher would be a nice continuation of the longer-term move. The \$51.42B company trades 16.7X earnings, 5X sales, and 2.6X book. They have a 1% yield. KKR likely has a nice positive read-through from Blackstone who reported strong earnings this week including double-digit growth in AUM and their best-ever quarter for fund appreciation. KKR has been scaling faster-than-expected after their Global Atlantic deal and growing faster than peers in both traditional asset management and alternatives. They continue to see large TAM opportunities in real estate, private equity, alternative credit, leveraged credit, and hedge funds, areas where they have less than 5% market share currently. Analysts have an average target for shares of \$65 and a Street High \$74. BMO positive in April noting that their new long-term targets of \$4-\$5 in EPS by 2023 are about 30% higher than expected and the company has significant growth opportunities with traditional and adjacent strategies, geographical expansion, capital markets, and distribution. Short interest is 1.5%. Hedge fund ownership fell 20%. ValueAct is a top holder with over 60M shares. Vulcan Value is also a top holder with 24M shares. Insiders also active in the name. In February, a director bought \$1.25M in stock at \$48. In February 2020, the CFO bought \$1.4M in stock at \$28.

Hawk Vision:



Hawk's Perspective: KKR is a solid name and should report a great quarter in early August; shares have run a little hot this week and could consolidate a bit before moving through \$61.5

Confidence Ranking: \$\$



TJX Put Sales See Limited Downside in Top Retailer Near Key Support

Ticker/Price: TJX (\$67.27)

Analysis:

TJX Co (TJX) large opening sale 3,000 September \$65 puts \$1.88 on 7/22 and follows buyers recently in the January 2023 \$70 calls and size buyers of the January \$60 calls, over 4000X. TJX has bullish open interest in August and January also while October has seen significant accumulation with the \$65 calls over 3000X and the \$67.50 calls 1000X. Shares are basing along the 200-day MA since mid-June and a move above \$69 has room to run back to new highs. TJX has been largely rangebound since November 2020 and clearing \$72 would be a significant trend shift with a measured target to \$83. The \$82B company trades 21.3X earnings, 2.17X sales, and 12.8X FCF with a 1.55% yield. TJX is coming off of a strong quarter, especially across their home businesses, while apparel should continue to outperform as the reopening/normalization continues to gain momentum. TJX reinstated a buyback in May. Analysts have an average target for shares of \$74 with a Street High \$87 from Barclays. The firm positive in May noting that TJX has sufficient inventory to convert excess demand, and there is clear desire for the TJX value proposition that is driving customers to their brick-and-mortar stores over alternative channels. RBC positive as well as the analyst sees considerable room for margin improvement in the second half of the year as productivity should bounce back faster given its off-mall and value exposure while accelerating bankruptcies and closures reduce competition. Jefferies positive on the 2H noting that they should see a much-improved outlook in the second half even with lingering freight and wage pressures. Short interest is 1.12%. Hedge fund ownership fell 1% in Q1. Alkeon Capital with a 6M share position. Insiders buying stock in May when a director added at \$62.50 and in 2020 a different director bought stock at \$53.50.

Hawk Vision:



Hawk's Perspective: TJX has long been one of our favorite retail names and sets up well here against the 200-MA with a strong 2H outlook as the reopening continues to take shape

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bull Bets in Recent IPO at the Heart of Cloud Adoption

Ticker/Price: DOCN (\$53)

Analysis:

Digital Ocean (DOCN) a recent IPO that is starting to attract some bullish options action this week ahead of earnings on 8-5, the August \$45 calls opened 1125X for \$700K and on 7/22 1000 of the \$50 calls bought in the \$5.50 to \$7.70 range. DOCN sold off into early May but has been strong since recently hitting highs before pulling back on 7-15 and bouncing at trend support and its rising 55-day moving average. DOCN may be starting a rising channel pattern and above a key volume node at \$56 can make a run to \$65. DigitalOcean is a leading cloud computing platform offering on-demand infrastructure and platform tools for developers, start-ups and small and medium-sized businesses, or SMBs. Its platform simplifies cloud computing, enabling customers to rapidly accelerate innovation and increase their productivity. DigitalOcean's cloud offering competes with both large cloud vendors such as AWS and Google Cloud, as well as smaller niche players including OVH, Vultr and Heroku. DOCN's pricing is consumption-based and billed monthly in arrears. According to IDC, the worldwide IaaS and PaaS markets for individuals and companies with less than 500 employees are estimated to be approximately \$44.4 billion in the aggregate in 2020. DOCN currently has a market cap of \$5.5B and trades 12.5X FY21 EV/Sales with revenues seen rising 28-30% annually the next five years. DOCN is seeing improving net dollar retention rates, reaching 107% last quarter, and also steady growth in ARPU.

DOCN is already profitable and EBITDA/EPS seen ramping strongly the next few years. Its Droplet offering has accounted for the majority of the company's revenues but newer products are seeing stronger uptake such as Managed Databases, App Platform, and Managed Kubernetes. Analysts have an average target of \$55 and short interest around 3% of the float. Goldman started shares Buy in April with a \$101 target seeing shares cheap to peer average of 17X while growing faster. JPM started shares Overweight with a \$50 target in April as a differentiated platform and expectations for accelerated growth and expanding FCF and operating margins. Canaccord started at Buy seeing DOCN at the heart of key themes like cloud adoption, empowerment of the developer, and an increase in cloud-native start-ups.

Hawk Vision:



Hawk's Perspective: DOCN was profiled by us in May as a great opportunity into weakness and continue to see it as a really strongly positioned new Tech name, these calls should be rewarded come earnings.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Bullish Spreads Position in Online Lending Platform Leader

Ticker/Price: TREE (\$192.50)

Analysis:

Lending Tree (TREE) has been a laggard with shares down 30% YTD and will report earnings on 7-29, a name that has closed lower 7 of the last 8 reports with an average move of 14%. Despite the weak performance and poor history, option traders have been making bullish bets recently with 1000 August \$210 calls bought on 7/8, most spread against the \$240 strike, and then on 7/22 the August \$160 puts sold 2500X to buy the \$195/\$230 call spreads at a net debit of \$7.80. TREE does have 16% of its float short which may indicate short-hedging with these bullish trades. TREE shares are actually back near multi-year lows near its lower monthly Bollinger and the \$180 level that held in October 2018 and March 2020. The weekly is showing some indications of a bullish RSI divergence developing. TREE operates an online consumer platform that empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays. Services include mortgage loans, mortgage refinances, home equity loans and lines of credit, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans, insurance quotes and other related offerings. TREE has launched LendingTree Next as an extension of its platform and has also underwent significant management changes. TREE has been diversifying away from its cyclical mortgage business and sees opportunities in small business. TREE expects to see success from a continued shift of consumer behavior to digital solutions.

TREE's mortgage refinance business should be having a strong quarter with rates back at record lows. TREE shares have traded negatively correlated to rising interest rates even though most of its segments like Credit Cards, Personal Loans and Insurance are not tied to rates and TREE also sees itself better differentiated and positioned this time around for a higher rate environment. TREE currently has a market cap of just \$2.6B and trades 18X FY21 EV/EBITDA and 2.3X EV/Sales. Estimates see revenues rising 15-25% annually the next four years and EBITDA growth forecasted at 15%, 50% and 32% respectively the next three years. Analysts have an average target of \$315 on shares. OpCo lowered its target to \$275 from \$325 this week and sees TREE's consumer personal loan product performing strong in 2H21 but concerns with consumer segment margins in the near-term. OpCo notes that sentiment around the majority of large card issuers' 2Q conference calls was positive on consumer spending levels and credit demand driving increased marketing investment into the back half of the year which will create a strong environment for TREE to deliver ROI to issuers. TREE's product scale, high revenue conversion, and paid marketing execution will generate above-average market share gains in the secular shift of the financial and insurance advertising market (\$29B TAM) market. SIG noted on 6/24 that TREE's business continued to improve and sees a positive trajectory, a Positive rating and \$350 target. Northland raised to Outperform in May with a \$225 target seeing an improved risk/reward despite intense competition and TREE's dependence on Google search.

Hedge Fund ownership fell 10% in the latest quarterly filings though Ark Investment the top holder.

Hawk Vision:



Hawk's Perspective: TREE feels dirt cheap though an ugly trend to step in front of and the red flag of the high short float. It is also hard to trust with its history of performance on earnings reports.

Confidence Ranking: \$

Additional Options Flow

Market/ETFs

S&P (SPY) in early action with 15,000 September \$435 puts opening as the \$425 strike adjust

High Yield (HYG) stock replacement sells 12,000 November \$86 puts for \$1.31 to open

Russell (IWM) bull spread today buys 5000 September \$222 calls for \$6.07 and sells the \$210 puts 10,000X for \$4.92

Real Estate (IYR) buyer of 23,800 August \$103/\$100 put spreads for \$0.42, top holdings include AMT, EQIX, DLR, and SPG

Biotech (XBI) with 4,820 January \$120 puts bought for \$8.10 and spread with the \$150 calls sold for \$2.85, adjusting out of some Sept. collars

Consumer Goods

Peloton (PTON) buyers today of 1,000 August 6th (W) \$117 calls for \$8.15 to \$8.30 as shares flag under \$130 and recent highs

Kimberly Clark (KMB) weak after earnings but seeing 1000 September 3rd (W) \$150 ITM puts sold to open around \$17.50 in stock replacements

Boston Beer (SAM) weak after earnings today but afternoon buyers of 500 March \$900 calls for \$43.40 to \$44.60

Consumer/Business Services

VF Corp (VFC) with 4000 July 30th (W) \$82.50 calls bought up to \$2.15, earnings on 7-30, although a weak history. **VFC** also with 2,500 August \$82.50 calls bought for \$3.48, adjusting higher the \$77.50 calls

Expedia (EXPE) buyers of 1500 October \$165 calls for \$10.90 into 8-5 earnings

Canada Goose (GOOS) buyer 1000 January \$40 calls \$6.760 to \$6.90, traded 1000X to open to start the week, then yesterday traded 1000X with no OI change

Academy Sports (ASO) more bull flow with 2500 August \$38/\$43 call spreads active

ViacomCBS (VIAC) also with 3,000 August \$42 calls bought for \$1.41 and follows the earlier buyers in the August \$46 calls

eBay (EBAY) size buyers 2500 August \$74 puts \$3.80 offer ahead of 8-11 earnings. **EBAY** also with 2000 September \$70 puts bought \$2.55. **EBAY** also seeing 1,500 January 2023 \$105 calls bought up to \$3.10

Cinemark (CNK) buyer of another 2500 August \$17.50 puts \$2.14 spread versus September \$12.50 puts

Kohls (KSS) buyer of 1000 August \$50 calls for \$2.75, 1000 of the \$50.50 calls for \$2.50, and 1000 \$51 calls for \$2.25 with shares bouncing off the 200-day this week

Hilton (HLT) buyers of 3,850 August \$125 calls for \$4.10 to \$4.20 ahead of earnings on 7-29

Context Logic (WISH) with over 4800 December 2022 \$25 calls sold to open for \$2 to \$1.85

SeaWorld (SEAS) IV starting to rise now with buyers of 1200 August \$46 puts for \$3.40, earnings on 8-5

Melco (MLCO) buyers of 9000 January \$15 calls for \$1.64, adjusting back the \$17 calls

Carnival Cruise (CCL) with 9000 November \$15 puts sold to open for \$0.43

Etsy (ETSY) opening sellers of 850 January \$190 puts for \$17.50 to \$17 this afternoon

Boyd Gaming (BYD) with 700 September \$60 puts sold to open for \$6.20 this afternoon

American Eagle (AEO) buyers of 2000 August \$34.50 calls for \$1.55 to \$1.75 into afternoon weakness

Penn National (PENN) IV rising this afternoon with 2000 August \$70 calls bought for \$4.80 to \$5

Las Vegas Sands (LVS) with 2000 March \$50 calls bought for \$4.19

Take-Two (TTWO) with 3,500 of next week's \$177.50 calls bought up to \$0.85, earnings not until later

Energy

Conoco (COP) buyer 1890 September \$60 calls \$1.39. **COP** calls up to 2950X

Baker Hughes (BKR) more bullish flow with 2000 September \$22 calls bought for \$0.55 to \$0.60

Magellan (MMP) with 800 January \$47.50 puts sold to open \$4.50. **MMP** also with 1000 January \$45 puts sold to open for \$3.10

Green Plains (GPRE) with over 1000 December 2022 \$30 ITM calls bought today for \$10.70 to \$10.90, follows buyers in \$35 calls earlier this week

Antero (AR) buyer of 18,500 February \$20 calls for \$1.05, stock replacement

JK Solar (JKS) buyers of 1000 August \$50 puts for \$2.17

Chevron (CVX) with 1000 March \$95 puts sold to open this afternoon for \$8.40

Financials

MasterCard (MA) strong after size October \$375 calls opened into weakness the other day and today 2000 October \$390 calls hot with buy side flow. **MA** also seeing over 6,000 of next week's \$400 calls bought ahead of earnings

KKR (KKR) working higher with 1100 September \$60 calls bought for \$3.50, follows the December call buyers late yesterday

Square (SQ) with 2500 Aug. 13th (W) \$255 calls opening \$18.35 to \$18.55, captures earnings 8-5 and likely adjusting the \$235 calls trading 1850X

Morgan Stanley (MS) with 2500 February \$100 calls being sold to open \$5.15. **MS** now with 1370 February \$80 and 1890 February \$90 calls bought, similar structure and process as the **PGR** spreads yesterday

Riot Blockchain (RIOT) buyers of 7000 July 30th (W) \$28 puts up to \$1.54. **RIOT** buyers of 1000 August \$29 calls today for \$3.95

S&P Global (SPGI) with 1000 October \$350 ITM calls opening today for \$70 to \$72

Fair Isaac (FICO) buyers of the August \$560 calls 650X for \$14.30 to \$17.70, adjusting some call spreads ahead of 8-3 earnings

Visa (V) buyers today of 2,200 October \$265 calls for \$4 to open, strong name lately and earnings on 7-27

Blackstone (BX) into strength today a buyer of 1200 September \$110 puts for \$3.75

Wells Fargo (WFC) with 3450 November \$52.50 calls bought for \$0.73, adjusting some Sept. calls higher

Blackrock (BLK) with spreads active today selling the Sept. \$910 calls and buying the \$830 puts for a net \$4.07, over 590X

ICICI Bank (IBN) IV rising into the highs with 4000 August \$18 calls bought for \$0.70

Aon (AON) IV fading this afternoon with 1500 September \$240 calls sold to open for \$6.80 to \$6.30

Healthcare

Conmed (CNMD) unusual buys of nearly 1000 August \$130 puts \$3.70 to \$4.20 into 7-28 earnings

Baxter (BAX) with 2,500 of next week's \$82 puts bought for \$2.80, tied to stock ahead of earnings

Biontech (BNTX) with 300 December \$330 calls opening \$30.47 to \$31.30 in stock replacements. **BNTX** stock replacements are now buying 400 August \$275 calls for \$26.50

Zimmer (ZBH) buyer 600 August 160 calls \$4.75/\$4.80 into 8-3 earnings

Acadia (ACAD) spreads are buying the August \$21 puts over 1700X for \$1.80 and selling the September \$17 puts 3,400X for \$0.55

Phressia (PHR) seeing 1000 September \$65 calls bought for \$5.44, adjusting back some \$70 calls

McKesson (MCK) with 1300 January \$230 calls bought for \$5.20 with the \$170 puts being sold or \$3.10 to \$3.20

Signify Health (SGFY) with 425 February \$30 puts sold to open for \$6 this afternoon

Industrials

Arcimoto (FUV) buyers of 3,000 September \$17.50 calls for \$2.30 to \$2.35, forming a nice multi-week range above the 200-day and on watch for a breakout above \$17.50

3-D Systems (DDD) with 2000 November \$25/\$17 put spreads bought for \$3.35

Honeywell (HON) opening sale of 500 December \$220 puts for \$10.55, adjusting back some short puts from the \$190 strike

Tesla (TSLA) with over 4,000 August 13th (W) \$650 puts sold to open today from \$36.85 to \$35.85

Li Auto (LI) buyer of 5000 January \$35 calls for \$4.35 into weakness

Materials

Newmont Mining (NEM) buyers of 1000 August 13th (W) \$58.50 ITM calls for \$2.09

Hecla Mining (HL) buyer of 1500 December \$6 calls for \$1.17/\$1.18, shares back at the 200-MA this week

Tech and Telecom

Advanced Micro (AMD) buyers of 2,500 August \$88 calls for \$5.50 today after the Intel report, earnings 7-27

Roku (ROKU) hot early and 1,350 August 6th (W) \$470 calls being bought for \$10.70 to open, earnings on 8-4 and higher each of the last four. **ROKU** also seeing 1000 September \$385 puts sold to open for \$12.20, adjusting the September \$350 short puts

Snowflake (SNOW) next week's \$285 calls active with buyers today at \$2.65, over 4500X

Trade Desk (TTD) with 3,200 August 6th (W) \$85 calls bought up to \$2.90 today ahead of 8-5 earnings

Baidu (BIDU) buyer of 1000 December \$125 puts for \$3.20 as increased concerns with regulatory environment persists. **BIDU** also with 2000 October \$185/\$220 call spreads bought \$4.97. **BIDU** now with 8000 October \$195 calls bought for \$4.72 and spread with a sale of 10,000 October \$230 calls for \$1.04

Agora (API) with 1150 September \$25 puts sold to open today for \$2.30 into early weakness

Twitter (TWTR) August 2nd (W) \$72/\$77 call ratio spreads opening 5000X10,000

Pinterest (PINS) buyer of the August \$73/\$60 ratio put spreads 1275X2550, follows the 1500 \$72.5 puts bought earnings 7-29

Apple (AAPL) with 5850 Aug. 13th (W) \$148 puts selling to open \$4.30 to \$4.20, extremely popular play in it the past few weeks

Cohu (COHU) working off the early lows with 925 November \$40 calls bought for \$3.20 to \$3.30, basing in a narrow range

NetEase (NTES) holding the 200-MA and 2000 September \$105 calls being bought for \$6.85 as the \$115 calls adjust back

AutoDesk (ADSK) strong run this week and today seeing 1500 January \$230 puts sold to open for \$4.65; size October \$300 calls bought this week too

Joyy (YY) with 1000 January \$70 calls bought today for \$2.90 to \$3.45

Facebook (FB) buyers of 1000 October \$410 calls this morning for \$5.65 to \$7.20, strong reaction off of the SNAP/TWTR results. **FB** also with 1000 June 2022 \$520 calls bought up to \$8.95

Alphabet (GOOGL) buyers of 1,500 August \$2,750 calls today for \$30.52, adjusting higher some positions into strength and earnings next week

Micron (MU) with 1500 September 2022 \$70 puts sold to open for \$8.15 today, strong lift here to the highs. **MU** now with 1650 September 2022 \$67.50 puts sold to open from \$7 to \$7.05

IQIYI (IQ) with 10,000 December \$12.50 calls bought for \$1.33 in a stock replacement

Nvidia (NVDA) IV rising this afternoon with over 6000 September \$220 calls bought for \$4.30 to \$4.40

Microsoft (MSFT) stock replacement opens 1000 September \$335/\$240 bull risk reversals for a small \$0.20 debit

Intuit (INTU) buyers of 1385 September \$520 puts for \$16.15 to \$16.40, adjusting the \$490 puts back and may be a hedge against long stock

Western Digital (WDC) continues to see bullish flow with 5000 August \$71/\$76 call spreads bought to open for \$0.57

Utility

Vistra (VST) with 3000 October \$21 calls bought \$0.45 and 2500 of the \$20 calls \$0.70

Disclaimer:

Not Investment Advice or Recommendation

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