



**MARKET RECAP 8/12/2022**

### Sector Leaders

Lithium

Biotech

Semis

### Stock Gainers

PLL 15%  
TOST 12.5%  
GFS 11.5%  
CHPT 10%  
DKNG 10%  
LTHM 6.5%

### Volatility Gainers

- LAW
- GOEV
- PTLO
- ASTS
- 

### High Call Volume

- NEOG
- MBB
- CALX
- IGT
- BJ
- ACI

### Bullish Options

- ROKU
- HAL
- COIN
- LLY
- GNRC
- PBR
- NCR
- COMM
- PFE
- CIEN
- UBER
- AXP
- LVS

**Market Review:** Stocks opened higher as commodities, namely Energy, pulled back from Thursday's rally and an overall bullish tone remains following inflation data and Eurozone industrial production came in sharply ahead of estimates. Consumer Sentiment data came in stronger than expected. Biotech and Semis were the strongest groups along with Software as growth regained some momentum, Tech leading overall. Energy was one of the only sectors in the red. Volatility continued to get sucked out of the market with the VIX near 19. It was a slow tape, but once again positive breadth won out as accumulation continues in equities. The S&P set to close above 2022 VWAP and the 50% retrace remains impressive.

**S&P Chart:**



Resistance	Support
4220	4100
4330	4050
4400	4000

**Options Action Trends:** We saw some put buying in Banks like **BAC**, **WFC** but overall slower action, some November risk reversals in quality names **GNRC**, **LLY**.

**What's On Tap:** August Options Expiration; FOMC Minutes and RBA Minutes Due Out; US Housing and Retail Sales Data; Retail earnings from WMT, HD, LOW, EL, TGT, TJX as well as reports from CSCO, AMAT, ADI, NTES, SE, KEYS; Conferences: Deutsche Bank Transports, Needham Med-Tech, Piper Energy Transition

### **Trade Tracker Portfolio Changes:**

- 1) No Changes

### Sector Laggards

Energy

Transports

Consumer Goods

### Stock Losers

CERT -15%  
PBR -13.5%  
AGL -10.5%  
MCW -8.5%  
ILMN -8.5%  
ZIM -6.5%

### Volatility Losers

- SNY
- SPB
- SONO
- ILMN
- CERE
- RIVN

### High Put Volume

- CDR
- CSTM
- EWJ
- GO
- LOGI
- APP

### Bearish Options

- DM
- ZM
- BABA
- XOP
- AMC
- CVX
- WFC
- BAC
-



## FEATURED OPTIONS RADAR REPORT



### Bull Spread Sees Recovery in Leading DTC Brand as Expectations Reset

**Ticker/Price:** YETI (\$45)

#### Analysis:

**Yeti Holdings (YETI)** following the earnings sell-off this week saw a large trade buy 2500 November \$50/\$65 call spreads looking for a rebound and has 2250 September \$40 short puts in open interest. YETI shares held near trend and volume support on lows this week and above \$47.50 can start a push back to recent highs while the 200-MA is near \$63.50 where these spreads are targeting. YETI interestingly is basing on the weekly right at VWAP from its IPO and a weekly close above \$51 would likely confirm a bottom. YETI is a global designer, retailer, and distributor of innovative outdoor products such as coolers, drinkware, bags and apparel. In 2021 and 2020, DTC accounted for 56% and 53% of net sales, respectively, and wholesale channel accounted for 44% and 47% of net sales, respectively. YETI has faced tough comps and decelerating growth out of the pandemic as DTC normalizes and focus shifts to wholesale strength and channel restocking. YETI has also faced challenges within their supply chain and looking for improvement in not just drinkware but also hard cooler inventory which was limited in Q4 (although a potential positive is more production has moved out of China and into Vietnam). International remains a major opportunity for the company to grow with plans to expand in the EU and UK and overall non-US sales just 10% of their overall mix. YETI now has a \$3.8B market cap and trades 15.2X Earnings, 2.5X Sales and 42.1X FCF, a value name despite forecasts for double-digit topline growth the next three years and although profits seen down modestly in 2033 after four years of strong growth, seen rising 20% in 2023. YETI margins are contracting closer to 20% while the balance sheet is strong. Visibility on channel mix and its corresponding margin impact as well as easing cost pressures will likely be needed to lend credibility to the long-term outlook. The company flagged a more competitive market for digital traffic and an increasingly promotional environment, which is fueling concerns that sales and margins could slow further from here. Analysts have an average target of \$57.50 with short interest elevated at 11% of the float. Jefferies cut its target to \$75 seeing a good entry point long-term for a top brand dealing with a tough backdrop. CSFB lowered its target to \$70 positive on the long-term outlook despite near-term headwinds.

#### Hawk Vision:



**Hawk's Perspective:** YETI valuation is compelling and I believe this brand will continue to have success, watching for price-action to confirm this key support bottom for potential long-term entry into a top consumer name.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Call Accumulation in EMS Leader with Stronger Growth Profile

**Ticker/Price:** FLEX (\$18.65)

#### Analysis:

**Flex (FLEX)** seeing interesting bull flow all week with October in focus as the \$18, \$19 and \$20 calls are seeing accumulation. FLEX still has 13,000 January 2024 \$20 calls and 6,875 January 2024 \$25 calls in open interest as well. FLEX shares are now positive YTD after jumping 30% in a month and now back near a major long-term resistance level of \$20 and the monthly flag would measure to a \$25 target. Flex delivers advanced manufacturing solutions and operates one of the most trusted global supply chains, supporting the entire product lifecycle with fulfillment, after-market, and circular economy solutions for diverse industries including cloud, communications, enterprise, automotive, industrial, consumer devices, lifestyle, healthcare, and energy. Outsourcing growth is driven by increased complexity, whether it's in products, in markets or all the sustainability requirements. The EMS industry is around \$600 billion, and expected to grow at a 5% to 7% CAGR to calendar '25. FLEX is benefitting from multiple secular growth trends like 5G and EV. FLEX got a new CEO in early 2019 and she's focused on building up the balance sheet, investing in their commercial strategy, and executing on opportunities within their supply chain. FLEX sold its NEXTTracker stake, a solar unit, for \$500M in February. FLEX has a market cap of \$8.4B and trades 8X Earnings, 0.3X Sales and 28.4X FCF with revenues seen rising 11% in 2023 with 15% EBITDA growth, though a low margin business responsible for the low multiple with 6% profit margins. FLEX has been transforming its geographic and customer concentration and reducing exposure to consumer devices. FLEX was very positive on the latest earnings call on its new program and share gains as it is winning a lot of cloud business. Analysts have an average target of \$22.50 with short interest low at 2.5% of the float. Argus raised shares to Buy in May with a \$22 target on strong bookings and execution.

#### Hawk Vision:



**Hawk's Perspective:** FLEX extended near-term but a company that sees little recognition for the portfolio transformation and healthier financials, the long-term range breakout could be a nice one with upside calls so cheap in the low volatility name.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



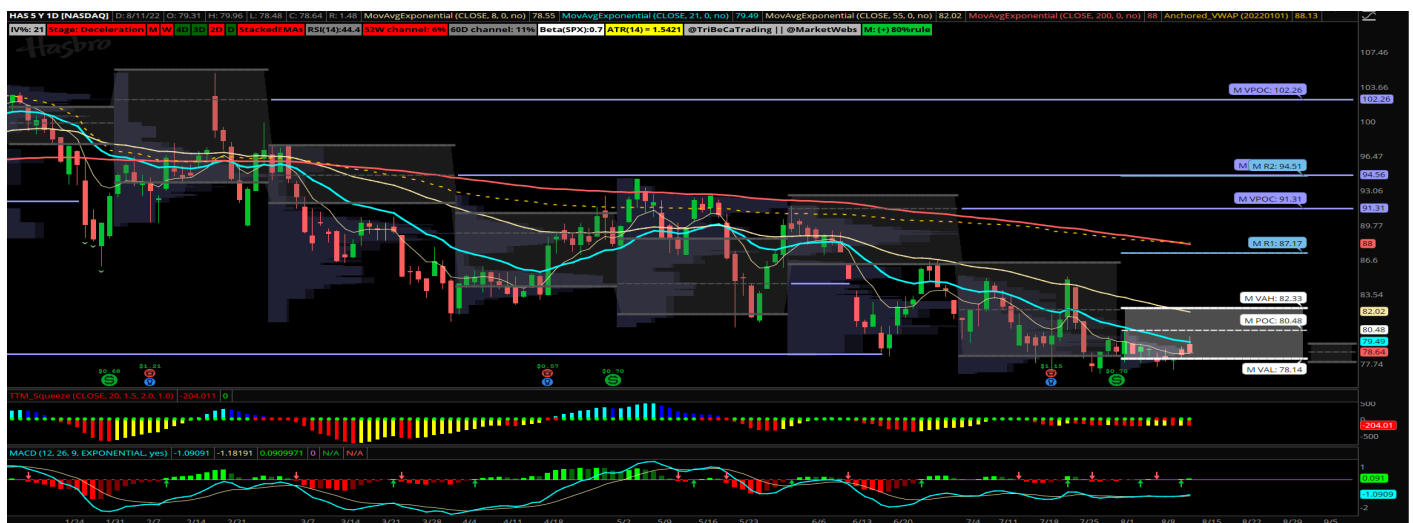
### Consumer Products Name Sees Put Buyer as Stock Stays Sluggish

**Ticker/Price:** HAS (\$78.64)

#### Analysis:

**Hasbro (HAS)** on 8/10 saw a large bear buy 5000 January \$70 puts at \$3.20 for over \$1.6M in premium on a strike well below current prices. This follows mostly bear flow the past 3 months including a massive bear risk reversal back on 5/20 for 15,700 October \$87.50 short calls sold at \$4.20 and the Oct \$77.50 puts bought for \$5.90, for an overall net debit near \$1.70. About half of the calls have been bought back but the long puts remain in OI. Shares are acting sluggish and not participating in the market rally as they are still near the July lows of 77 with potential to break below and see the 75 level that is an untested yearly VPOC from 2020. The volume node from 2020 goes to about 72.50 so that would be a target on the downside as the weekly chart still is in bearish mode and recently even saw a bearish 55/200 EMA cross lower on the weekly timeframe. HAS struggled even during the latter stages of the bull market in 2021, never reclaiming its 2019 highs up over 120. The \$10.9B company trades 14.4x earnings, 2.1x EV/sales, FCF yield of 6.2% and a dividend yield at 3.6%. Revenues are expected to grow just +1% in FY22 and +4% growth in FY23 estimated. Like many other companies, HAS is feeling the impact of a strengthening dollar, which created a significant foreign exchange headwind in Q2. Excluding the effect of foreign exchange, total revenue was up 4%, with the Consumer Products segment posting solid growth of 9%. Average analyst target is \$102, and BMO Capital recently lowered its target to \$80 from \$85 and keeps a Market Perform rating saying the company's Q2 results were better than expected as stronger-than-anticipated Consumer Product sales offset weaker-than-anticipated results from Wizards of the Coast and Entertainment, the analyst further states that Hasbro management has continued to sound positive about the overall toy demand, as well as the industry's inherent stability and defensiveness. Truist lowered its target to \$88 after earnings last month and stated the company's Q2 results were mixed but sees potential risk to second-half numbers in the event of a softening consumer/retail landscape, adding that the 10-times expected FY23 EBITDA multiple on Hasbro shares leaves less room for error in FY22 guidance while noting that the risk-reward on the stock looks balanced. Short interest is at 4.2%. Hedge fund ownership rose 44% as Alta Capital is a top holder owning 2.6% of the company and increased its stake by 3.6M shares in Q1.

#### Hawk Vision:



**Hawk's Perspective:** HAS sports an ugly chart which can breakdown under 78 monthly value to play a short side trade or waiting for a retrace to the VPOC near 80.50 to sell into and use a stop on a close over 82.50.

**Confidence Ranking:** \$\$





## FEATURED OPTIONS RADAR REPORT



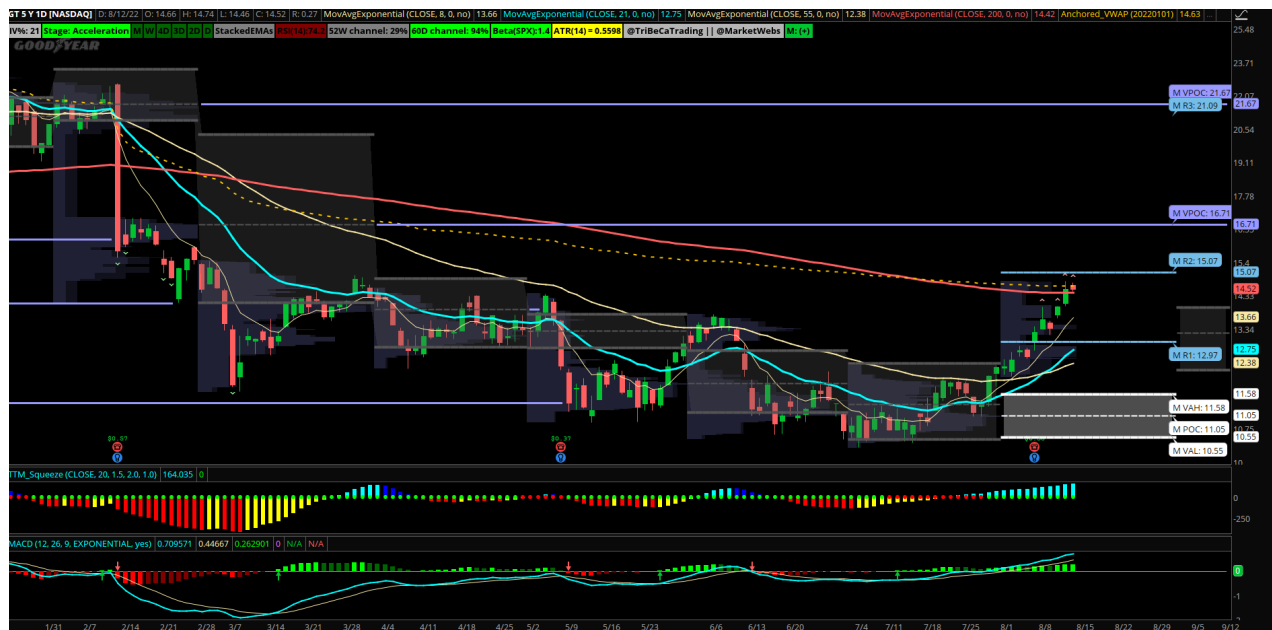
### Global Auto Replacement Parts Leader Sees Bullish Call Buyers

**Ticker/Price:** GT (\$14.55)

#### Analysis:

**Goodyear Tire (GT)** on 8/10 saw a notable buy of 2500 December \$15 calls at \$1.30 and the Dec \$16 calls bought over 1600x, combined for over \$500k in premium bought in the name that sees quieter options flows. This followed a larger bullish trade on 8/4 that bought 10,000 shorter term August \$12 ITM calls at \$1.00 for over \$1.1M. This near term in the money buy likely shows this buyer is comfortable being exercised on shares and owning at 12.00. GT also has a large October \$15 short put in open interest from 5000x sold at \$2.70 earlier this year. Shares are rebounding well this month after basing near long term support at 11.50 and now hitting YTD VWAP resistance 14.50. A close back over this level can see a follow through move to 16.70 which is VPOC from February. Strong action confirming on the weekly chart with a MACD bull cross last month and lower edge of yearly value sits at 15.50 so potential to get back inside value for the year and see continuation higher into year end. The \$4.1B company trades 6.3x earnings, 0.5x EV/sales, and 0.7x book value. Revenues are expected to grow +19% in FY22 and +6% growth in FY23 estimated. It operates approximately 1,000 retail outlets where it offers its products for sale to consumer and commercial customers and provides repair and other services. GT last week posted earnings beats on both the top and bottom lines pointing to smoother roads ahead after a challenging first half of 2022. Cost inflation has been a considerable hurdle for GT this year. However, after Q2, GT's price and mix have more than offset cost increases for three-straight quarters. GT is optimistic that current trends will continue to improve. One item that stood out was GT's wins within its OE business, particularly with electric vehicle (EV) manufacturers, driving a better margin profile. Also, GT's penetration into the EV market should provide a lasting tailwind over the long term. GT notes EVs should last longer in terms of miles on the road, helping its tire replacement business. Average analyst target is \$18, with a Street high of \$23. Nomura recently upgraded the name to Buy with a \$15.30 price target. Also, JPM earlier this year upgrading the stock to Overweight with a price target of \$23 is one of the top bulls on the Street and cited several compelling trends in the tire industry from which Goodyear stands to benefit, including the ongoing recovery in replacement volumes as miles driven bounce back from the COVID-19 pandemic and as car maker shipments rebound from levels that have been depressed by the global semiconductor shortage. Short interest is at 5.9%. Hedge fund ownership fell 3.5%.

#### Hawk Vision:



**Hawk's Perspective:** GT is a bit extended but on a dip to the 13 level would be a good buy for move to that overhead 16.70 target.

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Oil & Gas (XOP)** buyer 3000 Sep. 2nd (W) 132/117 put spreads for \$2.99, and buyer 2000 Oct. 125 puts \$6.05 offer

**Gold (GLD)** stock replacement bought 1500 March 170/180 call spreads for \$3.37

### **Consumer Goods**

**Spectrum (SPB)** it hard on earnings but moving off early lows with 1000 January 80 calls bought 2.14 as October are sold

**Roblox (RBLX)** sellers of 2400 January \$85 calls at \$1.83

**Roku (ROKU)** trade rolls 1000 Oct. 100 short puts to June \$85 that sell to open for \$21.33 and another 1000 sell Jun 2023 \$100 puts \$31.11 to open

**BJ's (BJ)** August 70/75 call ratios trading 4000X6000 into earnings next week

### **Consumer/Business Services**

**Disney (DIS)** trading 5200 Aug. 26th (W) 124 calls as weeklies adjust out

**Uber (UBER)** opening seller 1000 March \$35 ITM puts for \$6.55 as company continues to accelerate its profitability. **UBER** also 4500 Sep. 9th (W) 26.50 puts sell to open 0.28. **UBER** long-term play buys 500 June 2024 \$22.50 calls for \$14.40

**Pinduoduo (PDD)** with \$1M in Sep. 23rd (W) 42 ITM calls opening early with earnings likely late August

**Warner (WBD)** with 1600 June 2023 12.5 puts sold to open 1.99

**AMC (AMC)** with 5500 September \$20 puts being bought \$3.90 to \$4.20

**Las Vegas Sands (LVS)** opening sale 1475 Oct. 35 puts for 1.67 and seeing 3000 Sep. \$39 calls active with buyers as weeklies adjust

**Starbucks (SBUX)** jumps as 3500 December 87.50 calls buy \$6.35 offer, name seeing tons of call buys into new CEO and Investor Day

**Norwegian Cruise (NCLH)** buy-write sells 3000 January 2024 \$35 calls for \$0.85

**Trade Desk (TTD)** opening seller 1500 January \$43 puts \$2.30

**Ford (F)** with 18,767 October \$12 puts bought at \$0.18, adjusting the Sept puts

**Chef Warehouse (CHEF)** buyer 1000 Sep. 35 calls 1.35 to 1.40 after some size call buys into recent lows

**Carnival (CCL)** working on a multi-week base and some large bull trades today as 3000 June 2024 \$12.50 calls are bought \$3.50 and 3000 of the \$15 calls bought \$2.72

### **Energy**

**Halliburton (HAL)** early spreads selling 2000 December 24 puts to buy 31/37 call spreads

**Conoco (COP)** seller of 1000 November \$100 puts on 8.80 bid

**Chevron (CVX)** buyer 1000 June 2024 \$135 puts for \$16.15, long-term bear bet on fossil fuels

**Enovix (ENVX)** buyer 1500 Oct. \$25 calls here for \$1.90. **ENVX** up to 2900X and stock moving

**ChargePoint (CHPT)** 5000 November \$26 calls sold at \$0.80, stock tied buy write willing to be called away 40% higher by November

**ProPetro (PUMP)** jumpy with unusual aggressive buy 1000 March 7.50 calls for \$2.70, an \$875M energy services name trading 1.1X Book and 2.8X EBITDA with 125% EBITDA growth seen this year and sees margins expanding and strong FCF into 2023. It sees the transition to dual-fuel and electric equipment as an important step for its role in the electric frac market.

**Enphase (ENPH)** stock replacement bought 100 January 2024 \$420 calls for \$51.75, best in class Solar play

**Cheniere (LNG)** buyers here for 1700 January \$125 puts at \$4.50

### Financials

**NCR (NCR)** deep ITM call buyers at it again with 1900 Dec. \$25 bought today for \$2.3M as a sale of the company reportedly nears

**Lufax (LU)** unusual opening sale 4650 December \$4 puts for 0.60

**Zillow (Z)** spreads are selling the Sep. 30th (W) \$35 puts to buy the \$40/\$44 call spreads 1600X

**AmEx (AXP)** IV rising with buyers of 2500 September \$170 calls near \$2.80, a name with a recent massive call buy and pushing up near June highs with 200-MA resistance

**Wells Fargo (WFC)** buyer 2500 March \$45 puts \$4.05 offer

**Safehold (SAFE)** opening sale 2000 January \$50/\$45 strangles for \$7.30 after the transaction with STAR this week

**Bank of America (BAC)** seeing 12,000 September \$37 puts bought at \$1.83, adjusting August puts and also sellers in the Sept \$37 calls

**KE (BEKE)** big breakout move today and a seller 7500 Oct. 12.50 puts to open for 0.86

**Block (SQ)** with 1500 Sep. 23rd (W) \$85 calls opening \$8.10 in a large trade, great flag into next week eyeing that 93 break

### Healthcare

**Glaxo (GSK)** with 4600 Sep. \$31 puts sold to open \$0.41

**Pfizer (PFE)** buyer 2500 March \$45 puts \$2.41, stock tied. **Pfizer (PFE)** with 1900 November \$47.50 calls bought \$3.90 offer after some large call buys yesterday

**Eli Lilly (LLY)** a 2022 leader that sold off recently on earnings seeing 2773 November 330/260 bull risk reversals open at 6.50 debits

**Intercept (ICPT)** popping with an unusual aggressive buy of 1000 Dec. 20 calls for \$2.60 to \$2.70

**Axsome (AXSM)** with 1000 September \$47.5 calls open \$6.89 as August \$40 adjust from a buy on 7/26. **AXSM** now with Oct. \$35 short puts opening 1299X at \$4.80 as Dec. \$30 adjust

### Industrials

**Desktop Metals (DM)** buyer 3000 February \$3 puts for \$1.30

**Generac (GNRC)** with 1575 November \$300/\$220 bull risk reversals opening for #10.60 debits, also seeing some protective spreads sell Sep. \$300 calls to buy \$260/\$220 put spreads 400X, so Sep/Nov \$300 calendar call an interesting way to play it

**Norfolk Southern (NSC)** stock buyer also buys 1500 January \$210 puts at \$3.60, married puts

### Materials

**Pan American (PAAS)** weak yesterday on results but held support and today 1650 January 17 puts selling to open for 1.60

**Barrick (GOLD)** buyer 2000 March 16 puts for 1.65, stock tied

**Arcelor (MT)** with 6000 Dec. 18 puts selling to open 0.44

### Tech

**Zoom (ZM)** 1500 October \$100 puts bought up to \$9.25 this morning, earnings 8-22

**Shopify (SHOP)** seeing opening put sales far OTM for 5000 November \$24 puts at \$0.85

**Alibaba (BABA)** with 1600 November \$80 puts bought \$4.40 offer

**Pinterest (PINS)** opening seller 2500 February \$12.50 puts for \$0.64

**Ciena (CIEN)** offer buyer in Jan. 2024 \$50 ITM calls for \$13.20 offer, 340X after an upgrade this morning

**Calix (CALX)** buyer 1200 September \$55 calls for \$4.80 as those Aug. 50 finally adjust, a top small cap consolidating after a big earnings run

**Bentley (BSY)** with 500 February \$40 puts sold to open \$4.90, an interesting trade with shares at \$40.70 and coiled under the 200-MA. BSY develops software for the design, construction, and operation of infrastructure for the plant, civil, and geospatial markets. Typical projects developed using BSY's software include roadways and railways, bridges, and buildings while they've also expanded into industrial and power plants as well as utility networks. The company has been benefiting from higher spending on public works and utility projects as well as a rebound in energy projects while continuing to see headwinds from lower industrial / resources capex.

**Oracle (ORCL)** buyers of 915 Sept 30th \$85 calls at \$1.03 as the August 26th \$77 calls adjust higher

**Vertiv (VRT)** unusual 200 September \$12.50 calls bought or \$1.30, starting to work out of a nice bull flag. VRT was one of the few SPACs I actually liked and has a strong datacenter business and JPM noted in April the Board could take some action to unlock value with a break-up

**NXP Semi (NXPI)** nice relative strength breakout for the chip name seeing 2000 September \$190 calls open for \$5.90, stock replacement



**ON Semiconductor (ON)** buyer of 5000 Sept \$75 calls at \$2.20

### **Communications/Utilities**

**CommScope (COMM)** buyer 1500 January \$11 calls for \$1.60 and has seen a lot of call buying the past two weeks, breaking out strong

#### **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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