



**Sector Leaders**

Energy

Metals

Banks

**Stock Gainers**

CVNA 31

NET 21%

TEAM 13%

DKNG 12%

LYFT 11%

PCTY 11.7%

PEN 11%

**Volatility Gainers**

- SHLS
- LMND
- ISEE
- PBR
- PTON
- 

**High Call Volume**

- EHC
- WB
- VWO
- 

**Bullish Options**

- AMD
- WB
- CVNA
- NTR
- ALLY
- TMUS
- RUN
- FSLR
- WIX
- FIVE
- OVV
- U
- APO

**Market Review:** Stocks were quiet overnight but a Jobs Report that was extremely stronger than expected sent markets and bonds lower as it gives the Fed more justification to raise rates faster but also makes it less likely of any severe recession in the US. A sharp jump in Yields pushed the Nasdaq lower while some fears mount on wage inflation. The week summarized has seen much better than feared earnings and a strong pickup in M&A activity. Breadth started to roll over mid-morning with laggard sectors Energy and Metals holding up best while Banks also rallied on the move in yields. Weakness was seen across Consumer Discretionary, Semis, and Housing. The market turned weaker as the Bond volatility expanded. The S&P rally stalled this week right at major overhead supply from the previous breakdown with inflation data in focus next week.

**S&P Chart:**



Resistance	Support
4150	4050
4220	4010
4300	3950

**Options Action Trends:** Solar September calls adjusted higher in **RUN, ARRY**.

**What's On Tap:** Earnings schedule slows but still some key reports coming from DIS, AIG, EMR, RMD, ILMN, TSN, RIVN, RBLX, GFS, TTWO, TWLO, TTD, COIN, WMG, AKAM, APP, U, AZPN, AER, EDR, OLPX, CAH, FOX. Economic data is fairly light and the week will squarely focus in Inflation data in the US. The investment conference schedule will start to pick back up again as we move out of earnings season.

**Trade Tracker Portfolio Changes:**

- 1) No Change

**Sector Leaders**

Bonds

Consumer Disc.

Semis

**Stock Losers**

DH -16%

WBD -15%

TWLO -14%

CELH -11%

LOPE -10%

DOCS -8%

**Volatility Losers**

- FTNT
- PXD
- ELY
- LED
- VST
- XPO

**High Put Volume**

- CARG
- DINO
- ELY
- DOCN
- CRSR
- RVLV

**Bearish Options**

- DELL
- SHLS
- NVDA
- INTC
- NKLA
- PLTR
- BIDU
- CRSR
- EXAS
- BROS
- FSR



## FEATURED OPTIONS RADAR REPORT



### Specialty Metals Company Draws Upside Action with Value Unlock Catalyst Potentially

**Ticker/Price:** ARNC (\$27.65)

#### Analysis:

**Arconic (ARNC)** interesting trade on 8/3 bought 4000 October \$32/\$40 call spreads in a name lacking any other notable open interest. ARNC shares are -16% YTD and building higher lows since March with the 200-day moving average offering resistance this week while an 8/21 bull cross remains in play. ARNC with a weak candle this week after earnings and is testing 200-week EMA support with MACD still in buy zone. ARNC is a global leader in manufacturing aluminum sheet, plate, extrusions and architectural products and systems, serving primarily the ground transportation, aerospace, building and construction, industrial, and packaging end markets. ARNC has a market cap of \$2.86B and trades 5X EBITDA and 0.36X Sales with revenues seen rising 28% this year after a 32% climb in 2021 and EBITDA rising another 16.5% after gaining 115% in 2021. ARNC is a low margin name with 9.5% EBITDA margins though climbing the last few years while its balance sheet is healthy but Debt/EBITDA is at 1.2X. ARNC held an investor day in June where the company outlined plans for 10% EBITDA CAGR thorough 2026 and sees growth opportunities in automotive driven by light-weighting and electrification while Aerospace is recovering and it has favorable long term contracts. Arconic can continue to grow EBITDA through disciplined organic volume growth and targeted cost reduction in the form of casting pits, debottlenecking, and other initiatives. ARNC is also buying back stock and will initiate a dividend as FCF rises. Another catalyst is the company exploring strategic options in Building and Construction Systems businesses and recent transactions in the space have occurred at valuations at a significant premium to Arconic's current EV/EBITDA multiple. On its recent call the company noted it has paused that process due to uncertain debt markets. Aerospace grew at the highest relative rate for Arconic, for the first time since separation as the market recovery continues to accelerate and the channel continues to destock. Analysts have an average target of \$36 with just 4% of the float short.

#### Hawk Vision:



**Hawk's Perspective:** ARNC is an attractive value and the segment sale could really boost shares, although paused, markets are improving and it could happen in Q4. ARNC's upside/downside looks quit favorable with Auto recovering and Aero strong.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



### Bear Spread Sees Multiple Compression for Quality Business Facing Tough Comps

**Ticker/Price:** POOL (\$370.7)

#### Analysis:

**Pool Corp (POOL)** large trade on 7/29 with 2000 November \$320 puts bought for \$3.4M against the sale of 2500 of the \$270 puts for \$2.35M, ratio spreads often protective but shares with a weaker rebound move into a falling 55-day moving average and trend resistance this week while earnings were a bit disappointing. POOL has rebounded off its 200-week EMA, yet shares are still -34.5% YTD and broke a long-term uptrend while forming a potential weekly bear flag, a move under that \$320 level targets a fall back to \$230. POOL is the world's largest wholesale distributor of swimming pool supplies, equipment and related leisure products and is one of the leading distributors of irrigation and landscape products in the United States. POOL continues to benefit from a surge in pool demand in 2020/2021 that grew its installed base with a high amount of recurring revenues, ~60% driven by day-to-day maintenance items and another 20% from big ticket R&R. The US pool industry had a total addressable retail market of \$20B in 2020 and saw secular shifts including increased consumer spend on outdoor living, home price appreciation, and migration towards warmer Southern and Western states. New swimming pool construction comprises 15% to 20% of consumer spending in the pool industry. POOL now has a market cap just under \$15B and trades 14.8X EBITDA, 20.3X Earnings and with a 1.1% dividend yield. Forecasts expect revenues to rise 18% with EBITDA growing 25% but 2023 consensus forecasts see flat Y/Y growth. POOL has EBITDA margins around 16.5% and Debt/EBITDA is 0.88X. POOL has seen a continuation of the demand for connected and smart technology products like automation, salt chlorination, variable speed pumps, robotic cleaners and customizations, which positively impact revenue on repair and replacement as well as new construction and remodel. POOL noted that the inflation it is seeing is driven by structural cost increases by our suppliers, making these new price levels permanent in nature. Analysts have an average target of \$415 and short interest rose 100% Q/Q to 7.5% of the float. Baird cut shares to Neutral with a \$398 target on recession risks. Jefferies cut its target to \$400 after a survey of pool builders indicated that they expect demand to be flat or down once current backlogs were depleted.

#### Hawk Vision:



**Hawk's Perspective:** POOL is a strong business but that flat 2023 outlook has to weigh and could see a 25% compression in the multiple, watching a move under \$350 to trigger.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



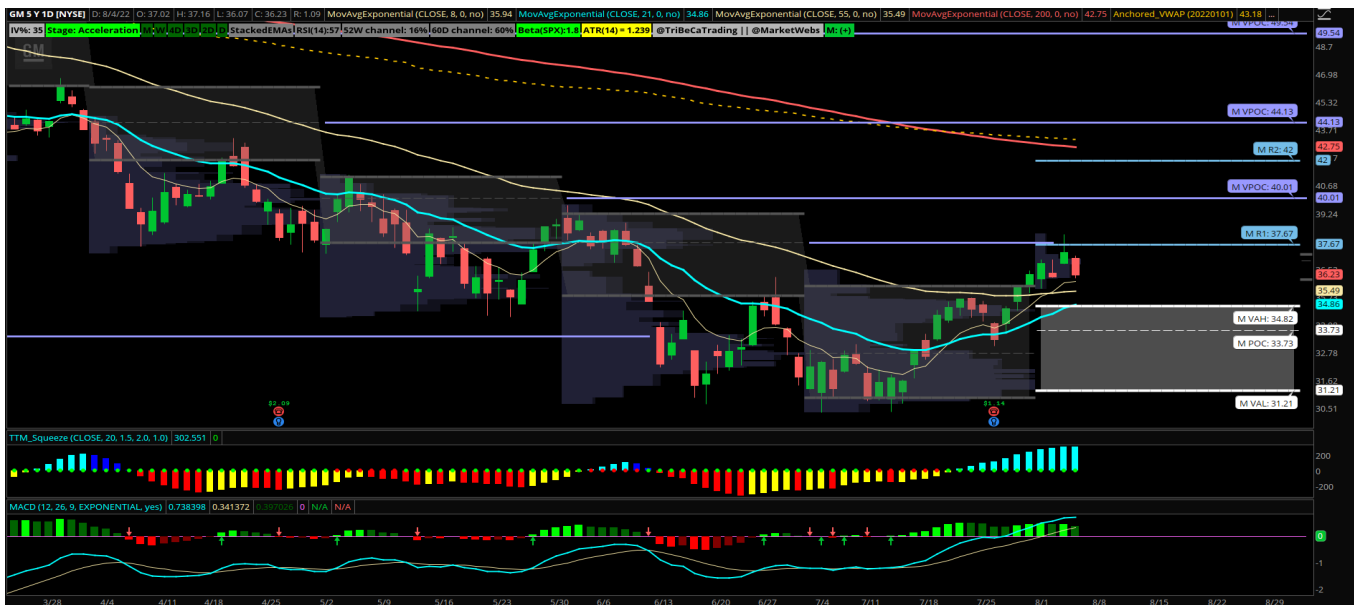
### Bulls Target Automaker in Long Term Turnaround

**Ticker/Price:** GM (\$36.23)

#### Analysis:

**General Motors (GM)** on 8/4 saw a large bull step in and buy 10,000 December \$42 calls at \$1.66 for about \$1.66M in premium. The stock has seen bull flows the past week mostly as December \$45 calls were also active with buyers at \$1.26 for 2300 contracts as well as a large buy of 2000 June \$37 calls at \$5.86 for over \$1.1M. GM also has November \$40 calls in open interest from buys on 5/24 at \$2.48 and sizeable, short puts in OI for January \$37 puts sold between \$3.20 and \$4.70 back in April. Shares are trending up since the lows in July and have rallied to test an old VPOC resistance level at 38. The stock has monthly value area support at near 35 on a dip and the 21/55 EMA nearing a bullish cross showing medium term momentum shifting. Above 38 has space to 40 and 42.75 where the declining 200 EMA and YTD VWAP reside. Long-term looking at the weekly chart the MACD bull cross recently can push the stock further towards 48 which is the 50% retracement of the entire 2022 selloff. The \$52.8B company trades 5.6x earnings, 0.9x EV/sales, with a FCF yield of +14.7%. Revenue is seen growing +21% this year and +7% in FY 23. GM beat Revenues but missed EPS last week on earnings while reaffirming their positive outlook for end of year saying our outlook for the second half is strong, and we are reaffirming our full earnings guidance that includes EBIT-- year adjusted of between \$13 billion and \$15 billion. This confidence comes from our expectation that GM global production and wholesale deliveries will be up sharply in the second half. Going forward, we will continue to mitigate risk and drive down costs to help us deliver \$90 billion of annual EV revenue by 2030. Average analyst target is \$55 with a Street high of \$87. In early July, Barclays reiterated their Buy rating and \$52 target while in May, Berenberg initiated coverage with a Buy and target of \$55 stating that despite market concerns on demand weakness, supply chain disruption and cost inflation, price-mix strength and deep order books can help generate free cash flow and fund transformation of legacy businesses into the electrified arena. The firm expects tight volumes can support pricing through a "modest" recession and says a consumer survey indicates premium segment resilience. Short interest is at 2.2%. Hedge fund ownership rose 5.6%.

#### Hawk Vision:



**Hawk's Perspective:** GM has had a strong move to resistance at 38 so maybe looking to buy a dip to the top of monthly value area at 35 is the higher odds setup.

**Confidence Ranking:** \$\$



## FEATURED OPTIONS RADAR REPORT



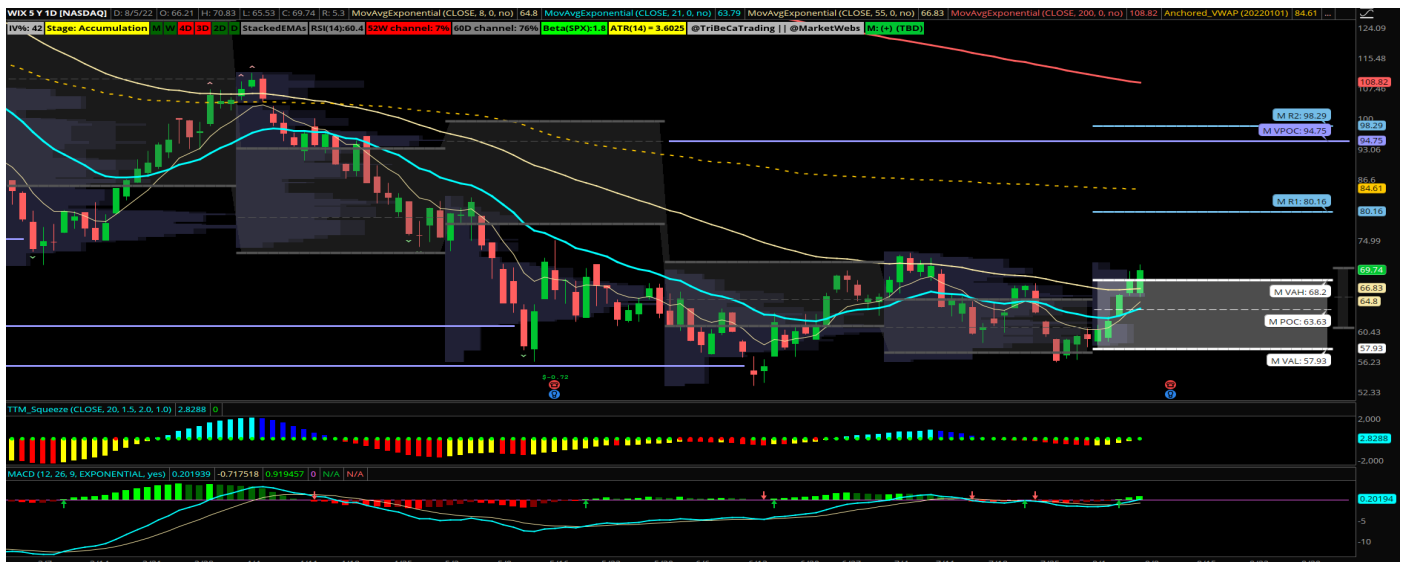
### Cloud Based Web Platform Sees Large Call Buy

**Ticker/Price:** WIX (\$69.72)

#### Analysis:

**Wix.com (WIX)** on 8/4 saw a large buyer for 580 January \$70 calls at \$12.35, nearly \$750k bought while the January \$60 puts were sold to open 600x at \$8.10 for over \$500k in premium sold. This follows some bullish flow last week in the name as the January \$85 calls were bought 575x at \$3.70. Shares are curling higher and have a nice, rounded base formed while breaking out above monthly value as the 8/21 EMA bull cross confirmed this week. The stock is very oversold still and found recent support at the early 2018 lows near 57. A potential to bounce back to YTD VWAP at 84 on a continued market stabilization of growth stocks this quarter. Lots of space above 70 for a upside breakout higher as earnings approach next week on 8/10. Options implying a 12.5% move on earnings while the name has been lower the last 5 reports for a median closing move of -5.9%. The \$3.9B company trades 43x FY23 EBITDA, 2.1x EV/sales, with a FCF yield of +1.6%. Revenue is seen growing +11% this year and +16% in FY 23. WIX is a leading global cloud-based web development platform for millions of registered users and creators worldwide. WIX has opportunities across ecommerce tools, payments, coding and more while also starting to expand Internationally. In June WIX approved a \$500M buyback of shares and during its May investor day the company stated that with regard to the overall free cash flow margin, we believe that it will be improved in the next 3 years, mostly because of leverage that we are seeing from hiring less people, as we mentioned before. But also, for the long term, we believe the margin are going to increase to about 30%, bring us to 45% in terms of the Rule of 40. Average analyst target is \$93 with a Street high of \$260. Needham reiterated their Buy rating in late June and a \$85 price target Jefferies recently adjusted their price target to \$100 while keeping a Buy rating and citing declining economic conditions. Evercore removed WIX from its Underperform list after their investor day and maintained a \$105 target with Outperform rating while stating headwinds to estimates from near-term operational exposure to Ukraine and potential revenue shortfalls and costs overruns have played out and they are incrementally constructive on the stock. Short interest is at 9.0%. Hedge fund ownership rose 1.6%.

#### Hawk Vision:



**Hawk's Perspective:** WIX has a promising chart as the base has formed all summer, buying the break above value here can likely use a stop below monthly VPOC at 63.50

**Confidence Ranking:** \$\$

## **Additional Options Flow**

### **Market/ETFs**

**Treasury (TLT)** spread selling 2650 December 112 puts into weakness to buy the 117/128 call spreads

**S&P Minis (XSP)** unusually active Oct. \$375 puts 16,500X bought versus \$335 puts for around \$4 debit

### **Consumer Goods**

**Nikola (NKLA)** buyers of 8000 November \$8 puts at \$1.95

**Aptiva (APTV)** earlier opening sale 1430 September 82.5 puts for \$1.17 also seeing 300 November \$100 calls bought \$9.10

**Target (TGT)** with 2800 September/December \$150 put calendars opening for \$4.85 looking for weak Holiday spending

**Fisker (FSR)** buyer 12,000 November \$10 puts \$2.25

### **Consumer/Business Services**

**Carvana (CVNA)** squeezing and 5000 September \$60 calls are bought \$2

**Wix (WIX)** more bull spreads today this time selling January 55 puts to buy the 70/90 call spreads 900X

**Five Below (FIVE)** strong base breakout this week reports late August and today with 1000 of the Aug. 26th (W) \$125 puts sold to buy \$141/\$160 call spreads

**Shopify (SHOP)** buyers 5000 August 26th (W) \$50 calls \$0.65

**Paramount (PARA)** buyer 500 December 22.50 calls at 3.45 offer

**Dutch Brothers (BROS)** buyer 1000 October \$35 puts \$3.40 aggressive offer buy on wide bid-ask, reports 8-10

**Match (MTCH)** recovering from the earning sell-off with spreads selling 1000 December \$50 puts to buy the \$67.50 calls and sell the \$87.5 and \$95 calls

**Warner (WBD)** buyer 2000 November 12.50 ITM calls \$3.05 offer into weakness

### **Energy**

**HF Sinclair (DINO)** opening seller 3380 September 35 puts for 0.53

**SunRun (RUN)** with 6000 of the \$35 calls opening as the \$30's adjust from 7/27 buys

**Array (ARRY)** with 4000 Sep. \$20 calls bought as \$15 calls adjust higher

**First Solar (FSLR)** more long-dated put sales with 1000 January 2024 \$100 puts selling 17.10 bid to open, and 3000 of the \$95 puts \$14.70 sold to open. FSLR also size opening sales March \$95 puts at \$9.60 for 3000X

**Ovintiv (OVV)** buyer 2000 September \$49 calls \$3.40 to \$3.60 with a nice 200-MA bounce candle today

**Plug Power (PLUG)** buyer 1000 March \$32.50 calls \$3.80 in stock replacement

**Technip (FTI)** buyer 1500 September \$6 ITM calls \$2.50

### Financials

**Upstart (UPST)** seeing next week \$26/\$20 ratio put spreads open 7000X14,000 for earnings

**Ally (ALLY)** a basing financial sees 1340 Dec. \$35 calls bought \$2.18

**Coinbase (COIN)** opening sales 4350 Oct. 50 puts for 2.65, also seeing 6000 Sep. 90 puts bought with stock. **COIN** also seeing 4000 September \$95 puts bought at \$15.90, stock tied.

**Truist (TFC)** buyer 450 January \$45 calls \$6.70 offer

**Apollo (APO)** buyer 1185 January 62.50 calls \$4.10

**NCR (NCR)** jumpy again with reports of deal nearing yesterday, could see news this weekend, November \$25 calls bought 2975X for \$3.3M

**Fortress (FTAI)** buyer of 5000 September \$20 calls bought at \$0.65, rolling the August calls out

### Healthcare

**Exact Sciences (EXAS)** with 1500 September/January \$45 put calendar spreads opening for \$2.40

**NGM Bio (NGM)** unusual buy 600 January 17.50 calls 2.90 offer sweep, weekly bull engulfing

### Industrials

**Waste Mgmt. (WM)** opening sale 1000 September \$165 puts \$3.50, very strong reports across the group

### Materials

**Barrick (GOLD)** seeing 3000 Dec. 15 puts sell to open 1.34

**Nutrien (NTR)** buyers 2850 September \$90 calls aggressive \$1.75

**Sociedad Minera (SQM)** opening sale 1200 January 105 calls 8.15

**Albemarle (ALB)** stock replacement opens 550 January 2024 270 calls for 42.70

### Tech

**AMD** buyer 1000 March \$125 calls \$8.30 offer

**Western Digital (WDC)** trade opens 2000 October 57.5/37.5 bull risk reversals at zero cost

**Intel (INTC)** buyer 5000 June \$32.50 puts \$3.05 after that disaster quarter

**Weibo (WB)** unusual action early with 3500 January \$25 calls bought \$1.20

**Baidu (BIDU)** buyer of 1000 December \$125 puts to open \$9.65

**Google (GOOGL)** with 15,000 November \$105 calls opening as August adjust, the November \$107.50 puts also buying 12,000X for lower Delta

**Unity (U)** buyer 2500 November \$50 calls \$8.70 as the \$45 adjust

**Taiwan Semi (TSM)** opening seller 1100 March \$90 puts for \$9.20

**Avnet (AVT)** unusual buy 1000 November 446 puts into 8-10 earnings for \$3.10

**Zoom Info (ZI)** seller 2000 October 45 straddles for 9.40

**Twitter (TWTR)** strength and break out to close the week seeing 1000 November 45 calls bought aggressive up to 3.85

### Communications/Utilities

**T Mobile (TMUS)** 8-MA hammer seeing 1500 November \$145 calls open 8.05 as the 140's adjust up

#### **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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