



Sector Leaders

Semi's

Housing

Software

Stock Gainers

AMBA 9.4%

SMAR 6.5%

BEAM 6%

AMC 5.6%

NTLA 5.5%

RRC 5.3%

Volatility Gainers

- AVIR
- FUTU
- HOOD
- GOGO
- AMBA
- BB

High Call Volume

- MMSI
- EUFN
- GO
- SKX
- EWY
- CPRT

Bullish Options

- FB
- AMD
- UPST
- SKX
- SMAR
- APA
- CPRT
- PAGS
- BP
- IAA
- ASAN

Market Review: Stocks rose overnight after the FOMC Minutes were further digested and earnings season kicked off on a positive note and the VIX declined. In morning data jobless claims came in much lower than expected while PPI also came in light and markets moved to highs into the open. Stocks trended strong through the morning with the S&P breaking out of its falling wedge pattern and back above short-term moving averages with the 55-day MA just overhead. Strength was broad-based led by Semiconductors, Materials, Housing, Software and Biotech. Breadth trended upwards most of the session though lacked any real high TICKS. The schedule is quiet tomorrow and markets are ready for the coming earnings season.

S&P Chart:



Resistance	Support
4435	4350
4470	4280
4480	4230

Options Action Trends: We saw plenty of bull flow across the Metals names once again, a group with relative strength, as well as in precious metals. We also saw some bull flow in Grocers **GO**, **ACI** and Automotive plays **IAA**, **MGA**, **CPRT**.

What's On Tap: Retail Sales, Import/Export Prices and NY Empire. Earnings from **SCHW**, **PLD**, **PNC**, **JBHT**.

Trade Tracker Portfolio Changes:

- 1) Closed **FCX** Calls \$4.30 (Opened \$2.50)
- 2) Closed **COIN** Bull Put Spreads at -\$2 (Opened \$-4.50)

Sector Laggards

Solar

China Internet

Aerospace

Stock Losers

FUTU -14.5%

CAR -6.3%

PLUG -6%

INSM -5%

AMN -4.75%

MATX -4.75%

Volatility Losers

- UNH
- LMND
- FLGT
- PLUG
- AUPH
- VRTX

High Put Volume

- ZGNX
- IVZ
- CSTM
- AEP
- IGT
- GLW

Bearish Options

- ORCL
- CARR
- DAL
- CROX
- SNBR
- DOW
- PLXP
- PAYX
- ZIM
- CGC
- T
- HOOD



FEATURED OPTIONS RADAR REPORT



Best-in-Class Med-Tech Name Sees Massive Call Buys into Weakness Before Earnings

Ticker/Price: ALGN (\$596)

Analysis:

Align Technologies (ALGN) weak yesterday after a broker note but bullish flow into the dip including 1,600 October 29th (W) \$600 calls for \$3.88M and 1,000 November \$670 calls for \$1M. ALGN had a buyer of 1000 November \$630/\$700 call spreads on 10/12 as well while the December and April calls bought in size since 9/30, albeit smaller lots. ALGN reports on 10-27 and higher in three of the last four with an average closing move of 7.4% and a max move of 34.97%. The current implied move is 10%. Shares bounced yesterday right at VWAP from the huge October earnings gap higher at \$575 and large rising channel which measures back to \$740. ALGN also closed right at VPOC from the range since that date too at \$595. The \$48.4B company trades 45X earnings, 14X sales, and 54X FCF with mid-20% growth. ALGN is coming off a strong quarter, their first \$1B revenue quarter, with record volumes for both clear aligners and services for both teens and adults. They continue to see strong growth from implementation of the iTero scanners. ALGN has benefitted from the reopening of offices and a return to 'normalcy' and the company continues to see a massive opportunity in an underpenetrated market with 15M+ orthodontic case starts each year and more than 500M potential starts with people who need teeth straightening. They see training and marketing efforts in collaboration with doctor's offices as key to driving growth and most now at 90% to 100% open which will help utilization. They also see China as an untapped market where they have invested in their first outside manufacturing plant and training centers. Analysts have an average target for shares of \$689 with a Street High \$790. Stifel's note on 10/13 indicated checks came back soft into September and the quarter is skewed more towards downside than prior quarters. They continue to have a Buy rating and think the long-term drivers for the stock are intact. Piper with a \$775 PT and positive in late July noting that adult Invisalign demand isn't showing any signs of slowing down and the reopening momentum should drive further upside. Short interest is 1.9%. Hedge fund ownership fell 4%. Melvin Capital a buyer of call options and stock. Edgewood Management a top holder with 4.4M shares.

Hawk Vision:



Hawk's Perspective: ALGN is a best-in-class name that has a massive long-term opportunity in front of it and recent weakness is likely a nice opportunity; yesterday's low came right at a big spot and sets up a nice risk/reward for a run into earnings

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Calls Accumulate in Modern Card Issuer with Major Fintech Clients

Ticker/Price: MQ (\$22.45)

Marqeta (MQ) an IPO from July that has traded lower with shares down 26.5% YTD but starting to see some size buyers in calls with 1500 December \$20 ITM calls bought on 10/6 and then on 10/13 another 1900 traded with aggressive buys at \$3.70 to \$4. MQ also has 3500 December \$25 puts in open interest from buyers in late June at \$3 to \$3.50 that are currently pricing \$4.25. MQ is an ugly trend but after testing last week's low shares are working higher and above the 8-day MA with a potential weekly bull hammer reversal shaping up and MQ next reports on 11/10. Marqeta is a modern card issuing business, enabling its clients to establish card programs with easy to use APIs for card management, case management, fraud monitoring, and other tools. Marqeta provides virtual, physical, and tokenized card products (credit, debit, and prepaid) and manages card fulfillment for its customers, to enable them to launch unique card programs that are tailored to their needs. As of 3/2021, ~320M cards have been issued through Marqeta's platform, collectively driving ~\$96B of annualized volume in 1Q21, up ~167% Y/Y from ~\$36B in 1Q20. Marqeta also provides virtual card services for *buy now pay later* (BNPL) players like Klarna, Affirm, and Afterpay, which require cards to be issued to process payments to merchants for installment payments. Marqeta currently has concentrated exposure to several marquee clients, like Square (Cash App and Seller), which made up 73% of revenue in 1Q21, as well as Instacart (11% of 2019 revenue, <10% in 2020), Doordash, Klarna, Affirm, Uber Eats, and Coinbase, among others. The digitization of global payments results in a large TAM, which should provide Marqeta with a long runway for growth as software/fintech companies increasingly leverage card programs to monetize users and as the company gains share from legacy providers that currently serve most traditional financial institutions. Marqeta's \$60.1B of volume in 2020 represents less than 1% of the \$6.7T of card-based payment volume in the US during 2020 leaving ample runway for future growth. MQ generates revenue through platform services revenue and other services revenue. Platform services revenue includes interchange fees, net of fees that Marqeta shares with clients, as well as processing and other fees. MQ currently has a market cap of \$12.3B and trades 16.7X FY22 EV/Sales with revenues seen growing at a 37% CAGR for 2020-2023. Analysts have an average target of \$34 with short interest high at 19% of the float. Truist started shares at Buy in August with a \$37 target positive on next-gen vCard solutions and expects further penetration of its markets. Citi started at Buy with a \$36 target in July citing its usage-based financial model with it growing as its clients grow. Blair sees margin expansion toward management long-term targets of at least 20% EBITDA margins. Lone Pine has a \$500M stake.

Hawk Vision:



Hawk's Perspective: MQ is a forgotten IPO with a great growth outlook though still a bit pricey on valuation on EV/Gross Profit. I want to see the December puts close out and monitor this one, a name that could quickly emerge a winner in 2022.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Call Buys in Personal Care Leader with Robust Growth and Margin Expansion See for FY22

Ticker/Price: EL (\$315)

Estee Lauder (EL) traded 11X daily calls on 10/13 as more than 3000 April \$320 calls were bought \$19.20 to \$22.40, sizable premium. EL does not really have much notable open interest outside of 1770 November \$290 short puts and will next report on 11/2. EL shares have pulled back off the August highs though are still +16% YTD and held the rising 200-day moving average nicely into the recent lows as well as VWAP off the late January lows providing a nice spot to trade against. The recent low was also a 38.2% Fibonacci retracement and retest of the strong June breakout and key volume node. EL is one of the world's leading manufacturers, marketers and sellers of quality skin care, makeup, fragrance and hair care products under a number of well-known brand names including: Estée Lauder, Clinique, Origins, M·A·C, Bobbi Brown, La Mer, Aveda, Jo Malone London, Too Faced, Dr. Jart+, and The Ordinary. Skin Care is 58% of Sales, Makeup at 26% and Fragrance at 12%. EL has a market cap of \$112.7B and trades 36.5X Earnings, 7X Sales and 50.3X FCF with a 0.69% yield. EL's EBITDA margins have seen a steady climb to above 22% in FY21. EL has seen strong growth in China and also its beta haircare brands Aveda and Bumble. EL managed the pandemic well with strong online growth and sees FY22 a year of brick & mortar rebounding. E-commerce sales have surged from 5% in 2019 to 28% today. Forecasts see EL posting 16% revenue growth in 2022 and 19.7% EBITDA growth, its strongest topline growth in many years. Analysts have an average target of \$365 and short interest is low at 0.8% of the float. BAML recently reinstated at Buy with a \$345 target noting the DTC benefits, navigating the supply chain disruption and product innovation. Berenberg raised its target to \$383 in August seeing consumer habits leading to a strong sales recovery in 2022. RBC sees EL reaching 25% EBITDA margins and DA Davidson also noted EL's leaner cost structure will lead to all-time high operating margins in FY22. Hedge Fund ownership fell 8% in the latest quarterly filings though FundSmith and Edgewood each have \$2B concentrated stakes.

Hawk Vision:



Hawk's Perspective: EL is a dominant leader in the best category within consumer staples and sets up as a strong performer in 2022.

Confidence Ranking: \$\$\$



Bullish Traders Stick with Lagging Ad-Tech Company into 2022

Ticker/Price: RAMP (\$52.35)

Live Ramp (RAMP) strong setup with shares starting to clear a multi-month base today and seeing bullish adjustment trades stick with the name as traders close the December 2021 \$30 and \$45 ITM calls and roll out to buy 785 May 2022 \$30 calls for \$22.80, 785 January 2023 \$30 calls for \$24.30, and 1,050 January 2023 \$50 calls for \$10.55. Shares have pulled back sharply from the January highs near \$85 but finding support and basing at a big volume node from 2018 and 2019. RAMP is also forming a longer-term higher low versus both 2018 and 2020 with a move targeting the 1-year value high at \$65. The \$3.45B company trades 7.4X sales and 6.33X cash. RAMP provides businesses with a data connectivity platform for onboarding and transfer of offline data online for marketing. They have end-market exposure across retail, automotive, telecom, CPG, healthcare and more. RAMP has been under pressure due to concerns about cookie-related revenues online but they see a significant opportunity in CTV where they are scaling rapidly. The company posted strong bookings growth last quarter and sees further room for near-term growth given the digital transformation trends which have made enterprise spending around data more relevant than ever, especially around first-party data. Analysts have an average target for shares of \$80. Susquehanna positive on 9/30 seeing a strong risk/reward for shares while business momentum remains strong, as evidenced by bookings growth of 30% and ARR growth of 25%. The firm believes the headwind from the contraction of wholesale, cookie-related revenue has masked strong underlying revenue growth and once the headwind is gone, the subscription revenue growth will more closely mirror ARR growth. Short interest is 2.5%. Hedge fund ownership fell 12% last quarter. In June, the CEO bought stock for the first time on the open market in over a year at \$42.67.

Hawk Vision:



Hawk's Perspective: RAMP is a nice value at these levels and offering a solid risk/reward with the recent base and plenty of upside on a move back above the 200-day MA

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

South Korea (EWY) buyer of 5700 January \$82 calls to open \$2.45 offer

S&P (SPY) with buyers active for 12,000 December \$418 puts for over \$7M into morning strength, also the Nov. 5th (W) \$395/\$375/\$355 put fly opens 28,000X56,000. **SPY** buyer 7500 Nov. 26th (W) \$455 calls for \$2.16

Oil & Gas (XOP) opening sale 2500 Dec. \$106 calls for \$7.40

Canada (EWC) with 15,000 January 2023 \$35/\$25 bull put spreads opening, seen similar in Canadian Banks and Telecom names

Consumer Goods

Croc's (CROX) with 1000 November \$130 puts bought for \$7.40 with the \$165 calls sold for \$1.20 to open today

Grocery Outlet (GO) unusual buyer 2000 Nov. \$25 calls \$0.63

Hasbro (HAS) buyers 850 November \$90 calls \$3.50 to \$3.58 ahead of 10-26 earnings

Sleep Number (SNBR) more bearish flow with 700 November \$80 puts bought \$5.90 to open

Tempur Sealy (TPX) with 1000 December \$50 calls bought for \$1

Yeti (YETI) large opening sale of 900 May \$87.50 puts for \$10.30 today in a stock replacement

Harley Davidson (HOG) with 1300 November \$38 puts sold to open for \$2.79, adjusting some October puts that were sold on 9/15. **HOG** rising to highs with 5500 Oct \$37 calls active w/ buyers

Albertsons (ACI) strong today out of a small pullback and base and seeing the November \$31 calls bought for \$0.80 to \$0.85 here over 2000X

International Game (IGT) stock replacement sells 4000 November \$26 puts for \$0.75 and buys the November \$30/\$35 call spread 4000X8000 for \$0.75

Lamb Weston (LW) with 1000 December \$60 calls bought for \$1.32 and also 1,500 of the December \$65 calls bought \$0.40 to \$0.45, also saw insiders buying into the earnings weakness this week

Monster Beverages (MNST) buyers of the November \$90 calls for \$1.10 to \$1.25 with earnings on 11-4 and recent weakness

Sci-Play (SCPL) with 2000 May \$30 OTM calls bought for \$1.02 to \$1.03, in July **SGMS** proposed to buy the remaining equity interest in the company it doesn't already own

Coty (COTY) with 20,000 May \$9 calls bought \$1.05 as some November and February positions adjust

Steve Madden (SHOO) buyer 2250 November \$45 calls for \$1.40 and then a buyer of 1000 Nov. \$45/\$40 strangles

Consumer/Business Services

Skechers (SKX) large buyer 10,000 November \$49/\$55 call spreads for \$0.70

Live Nation (LYV) with 325 January 2024 \$65 puts sold to open \$7.60

Paychex (PAYX) buyer 500 January 2023 \$95 puts \$5.30 to open

Airbnb (ABNB) large opening sale 500 June 2022 \$185 ITM puts at \$29.35 bid

Copart (CPRT) with 1500 January 2023 \$155/\$185 call spreads bought for \$8 today, nice weekly flag forming in the high-quality name that should continue to benefit from the current auto environment

IAA (IAA) buyer 2400 January 2023 \$65/\$80 call spreads for \$3.90, similar to **CPRT** trade, a peer, and shares breaking out above 200-MA today. **IAA** also now with buyers in Dec. \$60 calls 1900X at \$3.20

Fubo-TV (FUBO) seller 1000 May \$34 calls to open for \$4

Comcast (CMCSA) with 3,500 March \$45 puts sold to open for \$1.06 ahead of 10-28 earnings

Five Below (FIVE) jumpy with 3500 next week \$195 calls being bought \$0.55 to \$0.95

Norwegian Cruise (NCLH) with 1100 June \$25 puts sold to open today for \$3.25

Energy

SunPower (SPWR) the January \$28 puts opening 1500X, sold for \$3.50 this morning into recent strength

Antero Resources (AR) with 2,000 January \$24 calls bought to open for \$1.55 as shares flag above the rising 21-EMA after a big run in September

BP PLC (BP) another large bull spread today with the January \$31 calls being bought for \$1.07 to \$1.08 over 15,000X and the \$25 puts being sold for \$0.50 to open, over 7,500X

Apache (APA) over 11,750 November \$27.50 calls bought for \$0.87 to \$1.07 to open into recent strength and earnings on 11-3

Scorpio (STNG) with 3750 January 2023 \$17 calls opening \$4.75 as the January 2022 \$14 adjust

Financials

Upstart (UPST) new highs and nearly 1500 next week \$380 calls hot early for around \$1M premium. **UPST** now with 2000 October 29th (W) \$360 calls opening for \$23.03 as the \$340 calls adjust higher 1500X

PaySafe (PSFE) ramping trading 17,000 calls opening thirty minutes with IV30 up 17% with next week \$8 calls 8750X most notable

Synchrony (SYF) with 2200 November \$50 calls sold to open \$1.45

Invesco (IVZ) opening sale of 2,400 April \$20 puts for \$0.90 with the recent near-term call buys and M&A talk with State Street

PagSeguro (PAGS) buyer 10,000 December \$37.50 calls for \$2.60, spread with the January \$57.5 calls

MasterCard (MA) with 750 March \$350 calls sold for \$20.65 in a buy-write

Robinhood (HOOD) fading off resistance and weakening this afternoon with buyers active in November \$39 puts \$3.80 to \$4.10 for 3000X

Healthcare

Moderna (MRNA) opening sales of 1,750 December \$350 calls into the gap higher from \$23 to \$22

Sarepta Therapeutics (SRPT) IV falls with 675 December \$80 puts sold to open for \$4.80, name that has seen some bullish longer-term spreads recently

Neurocrine (NBIX) with 250 May \$105 puts sold to open this morning for \$11.80 to \$11.90

Pacira (PCRX) with 500 May \$55 puts sold for \$7.50 to \$7 to open, follows their recent deal for Flexion

Zogenix (ZGNX) buyer opening 6,000 November \$16 puts for \$1.18, the October \$16 puts from 8/20 adjusting

PLX Pharma (PLXP) weak with bear flow buying 2200 November \$12.50 puts for \$1.65

ICU Medical (ICUI) with 1,250 November \$220 calls bought for \$20.50 today as the October \$210 calls close and adjust

Industrials

Carrier (CARR) opening buyer of 1000 November \$50 puts for \$1.40, earnings on 10-28

Boeing (BA) seeing opening sales in Oct. 29th (W) \$220 calls 1250X while Nov. 5th (W) \$230 calls with a buyer of 1000

United Rental (URI) with 620 March \$250 puts sold to open today for \$5

Tesla (TSLA) stock buyer collars with 2025 September 2022 \$1275/\$510 willing to be called away at \$1275 and put on for a \$3.50 debit. **TSLA** also seeing opening sales of Oct. 29th (W) \$735 puts 4500X

Whirlpool (WHR) with 5000 Oct. 22nd (W) \$190 puts bought \$1.95, stock tied into earnings 10-21

Aptiv (APTIV) with 1000 November \$170 calls opening for \$5.15 to \$5.30 as the October \$150 calls adjust out and up

Li Auto (LI) opening sale of 3000 March \$28 puts for \$3.11, some December short puts adjusting

Union Pacific (UNP) with 1,500 January 2023 \$175 puts bought for \$9.33 ahead of earnings on 10-21

Materials

Huttig Building Products (HBP) unusual volume today with 1000 March \$7.50 puts sold to open for \$1.95 to \$1.80, a \$146M maker of millwork and wood products like doors, windows, and moldings for residential construction and R&R

Dow Chemical (DOW) with 350 January 2024 \$47.50 puts bought \$8.20, a name exposed to inflation and supply chain concerns

Newmont Mining (NEM) opening sales 1800 December \$57.5 puts near \$2.77. **Newmont Mining (NEM)** with over 10,000 November \$62.50 calls sold to open for \$0.60 as IV falls off mid-morning. **NEM** also 6500 Dec. \$52.50 short puts opening as Oct. \$55 adjust

Yamana (AUY) buyer 6000 November \$4 calls \$0.49 as Oct. calls adjust

Mohawk (MHK) working out of a pullback base and 600 November \$195/\$210 call spreads bought to open, earnings 10-28

Freeport (FCX) buyer of 1000 September 2022 \$42 calls for \$4.39. **FCX** also another 2000 March \$38 calls bought today for \$4.15

Alcoa (AA) buyers of more than 3,000 November \$49 calls for \$3.40 to \$3.55, some October calls adjusting up and out into earnings

Kinross (KGC) with 8000 November \$5 calls bought for \$1.21, adjusting out of the October calls

Tronox (TROX) buyer of 1000 November \$23 puts for \$0.95

Tech

Cloudflare (NET) with 1000 November \$160 puts opening for \$10.77, tied to stock, adjusting back the protective puts from 10/11

Dynatrace (DT) with 2000 May \$90 calls opening for \$6.10, adjusting the January \$80 calls sold on 8/25 and likely buy-write that continues to adjust giving room for upside

Facebook (FB) next week \$335 calls hot early 6500X for nearly \$2M

Applied Opto (AAOI) unusual 2000 Nov. 26th (W) \$10 calls bought for \$0.20 to \$0.25

HP (HPQ) opening sale 2500 Jan. 2023 \$22 puts for \$1.87

Trade Desk (TTD) breaking out of a pullback trend and back over its 55-MA, and next week \$78 calls active 1300X. **Trade Desk (TTD)** nice move higher today outside of monthly value and 3000 January \$55 OTM puts being sold to open for \$1.25 to \$1.20

TI (TXN) with 1100 December \$200 calls sold for \$3.20 in a buy-write today into the bounce back higher, earnings 10-26. **TXN** stock replacement buys 1000 Dec. \$195 calls for \$5.20

SmartSheet (SMAR) with 700 December \$65 calls bought this morning for \$7.60 as it starts to work out of a downtrend from the September highs

Apple (AAPL) with 6000 November 12th (W) \$146 calls selling to open today near \$2.48

Workday (WDAY) opening sale 400 March \$270 puts for \$22.15

Mandiant (MNDT), the former FireEye, seeing 5250 Nov. 5th (W) \$19.50 calls sold \$0.35 to open

Mercado-Libre (MELI) seeing one of those diagonal credit spreads selling 1200 Jan. 2023 \$1520 puts and buying the June 2022 \$1500 puts

Nvidia (NVDA) with 2,500 December \$215 synthetic long spreads bought today for \$0.50

Advanced Micro (AMD) buyer of 2900 Nov. 5th (W) \$109 calls \$6.38 as Oct. 22nd (W) \$106 adjust

Zoom Info (ZI) buyers of 1000 November \$65 calls bought for \$5.90 to \$6.20 today with shares near a breakout to new highs

United Micro (UMC) with 20,000 April \$10 puts sold to open today for \$1.05 in a stock replacement

Intel (INTC) strong move today and March \$50 calls active on \$5.75 offer in sweeps for 2000X

Asana (ASAN) over 1,500 November \$120 calls bought today, smaller lots throughout the day from \$7.80 to \$9.10

Telecom/Utilities

Exelon (EXC) stock replacement buys 5000 January \$50 calls \$1.75, follows size April calls yesterday

Lumen (LUMN) opening sales of 5,500 April \$13 calls for \$0.92 to \$0.84

AT&T (T) with 4000 January 2024 \$20 puts sold to open for \$2.10, adjusting 8000 Jan. 2023 \$25 short puts from February

Disclaimer:

Not Investment Advice or Recommendation

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