



The **S&P 500 (SPX)** closed lower for the third straight week but put in a long hammer reversal off of the 200-EMA on Thursday and Friday closing back above cloud resistance. We ran right into a confluence of declining or flattening moving averages at the close with the 13-, 20-, and 50-EMA right around 2,950 which also aligns with the 10/1 breakdown level. There's also downtrend resistance from the 9/19 highs just around 2,975 which would continue a series of lower highs. A more intermediate-term look shows a continued series of higher-lows since June with a rising channel that targets 3,100. However, September formed a lower-high with the S&P unable to recapture 3,025+ so moving above that downtrend becomes the most important spot for a continuation of the bull trend. To the downside, areas of interest include 2,920 and then 2,900. MACD is curling slightly higher on the daily while RSI is near a move back above 50. The longer-term timeframe continues to look constructive above 2,955. **Volatility (VIX)** spiked and retraced this week back to 17 with the 2019 mean down just below 16. **Bonds (TLT)** continue to drift higher back near the August peak while **Gold (GLD)** continues to coil in a bull wedge.



Market Sentiment/Breadth

The latest AAI Sentiment survey for the week ending 10/2 showed a drop in bullish sentiment, down 8%, while bearish sentiment rose 6.2% and neutral sentiment rose 1.8%. Bearish responses remain 9% above the long-term average. NAAIM Exposure fell again to 57.39, down from around 75 just two weeks ago. This 55-56 area has been the low for the survey several times in 2019. Lipper Fund flows had \$7.9B in outflows from equities this week and now more than \$150B in outflows for the year. The percentage of S&P stocks above their 50-day MA rebounded to 53.7% while those above their 200-day rose to 63.5%. Neither came close to the August lows. Cumulative AD pulled back below its 20-day MA but rebounding on Friday and remains near new highs. Cumulative TICK however closed weak on Friday but for now remains above its key moving averages. The 50-MA for TRIN closed the week at 1.094, the highest weekly close since Feb. 2018. The 50-MA for CBOE Equity P/C continues to rise to its highest levels since January. NYMO hit an extreme low on Wednesday at -65 and rebounded to close at -16.29. NYSE Summation is 555.89 and remains below its 8-EMA. Overall, sentiment hit a few bearish extremes and rebounded sharply but not clear indication yet that we're out of the woods.

Market Event Outlook

Monday: Neel Kashkari Speaks at 10:20 AM, Jerome Powell Speaks at 1:00; **International Data:** German Manufacturing Orders; **Earnings After the Close:** LMAT; **Analyst Days:** WVE

Tuesday: PPI-FD at 8:30 AM, Redbook at 8:55, Charles Evans Speaks at 1:35, Jerome Powell Speaks at 1:50; **International Data:** German Industrial Production, Japan PPI; **Earnings Before the Open:** AZZ, DPZ, HELE; **Earnings After the Close:** LEVI; **Analyst Days:** GBT, FEYE

Wednesday: JOLTs at 10:00 AM, EIA Petroleum at 10:30, Jerome Powell Speaks at 11:00, Esther George Speaks at 11:00, FOMC Minutes at 2:00; **International Data:** Japan Machine Orders; **Analyst Days:** RRD

Thursday: CPI at 8:30 AM, Jobless Claims at 8:30, EIA Nat Gas at 10:30, Neel Kashkari Speaks at 12:15; **International Data:** ECB Minutes; **Earnings Before the Open:** DAL; **Analyst Days:** HRL, FOLD

Friday: Neel Kashkari Speaks at 8:00 AM, Import/Export Prices at 8:30, Consumer Sentiment at 10:00, Eric Rosengren Speaks at 1:15, Robert Kaplan Speaks at 3:00; **International Data:** German CPI; **Earnings Before the Open:** FAST, INFY; **Analyst Days:** WEN

Weekly Open Interest Radar

Lab Corp (LH) shares have pulled back to the 200-EMA and putting in a hammer reversal on Thursday which gives a strong level to trade against for a move back above \$175 and a measured target of \$200. LH has been consolidating on the weekly since early July after a strong run. Last week we saw the February \$165 calls open in size, over 4000X at \$10.60, while some November \$160 and \$170 calls remain in OI as well.

Trade to Consider: Long the LH November \$170 Calls for \$4.70 Debit



Weekly Options Technical Trade Set-Up

Ticker	ORCL
Trigger Level	\$55.65
Call/Put	Calls
Strike	\$55
Target	\$57-\$58
Stop	\$54.5



Insider Trade of the Week

Forterra (FRTA) with a number of insider buys recently including over \$680,000 in stock bought by the CEO Karl Watson between \$5.98 and \$6.94. Watson starting buying stock on 9-5 through 9-9. In August, a director bought stock around \$6.84 while Watson added another \$450K at \$6.94. Others have bought around \$400K in stock as well. Shares are up around 78% for the year and up 50% over the last half of the year. FRTA traded as high as \$11 in 2018. On the chart, shares pulled back on Friday to a rising channel low and hammering with cloud support just below as well. A move above \$7.50/\$8 has room up to a big VPOC at \$8.70 from 2018 and then \$9.50. The \$428M company trades 43.1X earnings, 0.29X sales, and 25.5X cash. They expect mid-single digit revenue growth in FY20 and FY21 with improving margins. FRTA is a leader in water infrastructure in both drainage pipe and water pipe products. Their product range includes stormwater and waste water drainage as well as potable transmission with channels to both contractors and municipalities. They have tailwinds from highway infrastructure spending, stormwater replacement cycles, muni spending, and residential housing starts. Analysts have an average target for shares of \$7.50. Goldman Sachs upgraded shares to Buy from Sell on 8-7 with a \$8 PT noting that senior management has completely turned over and pricing is now accelerating despite declining input costs. The firm sees FRTA in the early stages of multiple expansion. Short interest is 7.7% and down from around 9% in January. Hedge Fund ownership rose 10% in Q2. Electron Capital with 2.8M shares while Redwood Capital also a notable holder with 1.5M shares.

Earnings Preview

Dominos (DPZ) will report earnings on Tuesday before the open with the Street looking for \$2.07 on \$825.07M in sales (+5%) while the FY is at \$9.45/\$3.62B (+5.3%). DPZ has seen estimates slowly be revised down all year. Shares have closed lower four of the last five with an average closing move of 5.2% and a max move of 9.1%. The market is implying around a 6.25% move this quarter with IV30 in the 70th percentile of its average range. Skew is slightly bearish at 9.1% vs 6.7%. This also aligns with recent options flow from Friday where the November 1st (W) \$235/\$200 put spread was bought 900X and the October 11th (W) \$230/\$217.50 put spread was bought 500X750. Other notable positions include 1500 October \$240 puts sold to open at \$6.70 on 10-1 and some January \$250 calls bought 450X on 9-13. The \$9.94B company trades 22.4X earnings, 2.8X sales, and 42X FCF with a 1.07% yield. DPZ has faced pressure from third-party delivery services over the last 2-3 quarters as well as resurgence from peers like Papa Johns (PZZA). They remain focused on tech/innovation as well as expanding their footprint with 3-6% SSS growth and 6-8% unit growth. In early Sept. the company laid out a number of short-term initiatives including new advertising efforts (especially around their delivery insurance program and new crust options) and their \$5.99 value platform to help push back against recent headwinds. They also hope a new late-night promotion and digital-only ads will differentiate them vs the third-party platforms. Analysts have an average target for shares of \$287. Wedbush starting at Outperform on 10-3 with a \$280 PT citing overly negative sentiment. They think the 3rd party delivery erosion is clearly having an impact on SSS but that DPZ's domestic system can withstand the challenges near-term while management executes on a more offensive strategy. Wells Fargo cutting their TP to \$261 on 10-2 seeing estimates as too high into the quarter. The firm thinks it's unclear right now as to how big of an impact the 3rd party delivery will have on the company. CSFB out on 9-9 noting that the company's vision remains positive as they look to a number of short-term initiatives. Short interest is 10% and hitting its highest-level of the year in the most recent week. It's up from around 2.9% in December 2018. Hedge fund ownership fell 5% in Q2. Lone Pine Capital, Melvin Capital, and DSAM Partners notable holders. Tiger Global a notable seller of 1.22M shares.

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paid
10/4/2019	DPZ 100 (Weeklys) 1 NOV 19 235 PUT	900	0	\$7.60	-0.368	37.97%	40.87%	\$684,000
10/1/2019	DPZ 100 18 OCT 19 240 PUT	1,521	236	\$6.60	-0.41	40.51%	44.83%	\$1,125,540
9/13/2019	DPZ 100 17 JAN 20 250 CALL	749	231	\$14.46	0.493	28.75%	42.72%	\$1,083,054
9/13/2019	DPZ 100 17 JAN 20 270 CALL	743	565	\$6.90	0.304	27.02%	25.22%	\$512,670
9/13/2019	DPZ 100 17 JAN 20 280 CALL	707	114	\$4.53	0.223	26.35%	18.02%	\$320,271
9/6/2019	DPZ 100 (Weeklys) 11 OCT 19 247.5 CALL	249	4	\$6.10	0.36	32.06%	32.37%	\$151,890
8/26/2019	DPZ 100 18 OCT 19 250 CALL	1,213	237	\$3.70	0.243	31.67%	20.66%	\$448,810
8/20/2019	DPZ 100 18 OCT 19 230 PUT	916	491	\$10.89	-0.43	32.90%	48.08%	\$989,280
8/19/2019	DPZ 100 18 OCT 19 230 PUT	373	93	\$12.50	-0.47	34.00%	52.35%	\$477,440



October 11th (W) OpEx Notable Open Interest

Date	Description	Volume	Price	Premium Paid	Date	Description	Volume	Price	Premium Paid
9/25/2019	ROKU 100 (Weeklys) 11 OCT 19 110 CALL	6,556	\$4.30	\$2,950,200	9/9/2019	GS 100 (Weeklys) 11 OCT 19 217.5 CALL	1,581	\$3.20	\$577,065
9/30/2019	AAPL 100 (Weeklys) 11 OCT 19 225 CALL	8,488	\$3.32	\$2,843,480	9/20/2019	FOXA 100 (Weeklys) 11 OCT 19 32.5 CALL	6,377	\$0.85	\$542,045
9/17/2019	NVDA 100 (Weeklys) 11 OCT 19 182.5 PUT	3,639	\$6.95	\$2,547,300	9/11/2019	SBUX 100 (Weeklys) 11 OCT 19 90.5 CALL	2,347	\$2.22	\$528,075
9/10/2019	NVDA 100 (Weeklys) 11 OCT 19 180 CALL	2,053	\$9.30	\$1,960,615	10/1/2019	VMW 100 (Weeklys) 11 OCT 19 152.5 CALL	1,225	\$4.05	\$526,750
9/10/2019	NVDA 100 (Weeklys) 11 OCT 19 182.5 CALL	2,130	\$7.98	\$1,735,950	9/24/2019	SNAP 100 (Weeklys) 11 OCT 19 18.5 CALL	11,459	\$0.45	\$515,655
9/3/2019	NOC 100 (Weeklys) 11 OCT 19 367.5 CALL	1,620	\$9.45	\$1,555,200	9/12/2019	GS 100 (Weeklys) 11 OCT 19 220 CALL	986	\$5.10	\$512,720
9/9/2019	ADSK 100 (Weeklys) 11 OCT 19 150 CALL	2,996	\$4.97	\$1,196,500	9/11/2019	MCK 100 (Weeklys) 11 OCT 19 146 CALL	1,001	\$5.10	\$510,510
9/3/2019	NOC 100 (Weeklys) 11 OCT 19 372.5 CALL	1,612	\$7.02	\$1,192,880	9/17/2019	NFLX 100 (Weeklys) 11 OCT 19 312.5 CALL	1,559	\$3.25	\$506,675
9/26/2019	JPM 100 (Weeklys) 11 OCT 19 118 PUT	5,011	\$2.47	\$1,182,596	10/1/2019	CAT 100 (Weeklys) 11 OCT 19 130 PUT	1,031	\$4.90	\$500,035
9/20/2019	SNAP 100 (Weeklys) 11 OCT 19 16.5 CALL	10,097	\$0.93	\$989,506	9/30/2019	SHOP 100 (Weeklys) 11 OCT 19 315 CALL	508	\$9.80	\$497,840
9/10/2019	PYPL 100 (Weeklys) 11 OCT 19 106 CALL	4,641	\$1.71	\$974,610	9/17/2019	MGM 100 (Weeklys) 11 OCT 19 31 CALL	12,614	\$0.39	\$491,946
9/11/2019	FB 100 (Weeklys) 11 OCT 19 192.5 CALL	2,526	\$3.37	\$846,210	10/2/2019	CSCO 100 (Weeklys) 11 OCT 19 46 CALL	5,190	\$0.92	\$472,290
9/10/2019	ULTA 100 (Weeklys) 11 OCT 19 230 CALL	707	\$9.50	\$735,280	9/24/2019	TLRY 100 (Weeklys) 11 OCT 19 25 CALL	2,008	\$2.32	\$465,856
9/11/2019	SQ 100 (Weeklys) 11 OCT 19 57.5 PUT	3,997	\$1.84	\$727,454	9/3/2019	ABBV 100 (Weeklys) 11 OCT 19 67.5 PUT	1,250	\$3.50	\$462,500
10/1/2019	VMW 100 (Weeklys) 11 OCT 19 150 CALL	1,210	\$5.55	\$713,900	9/25/2019	CRM 100 (Weeklys) 11 OCT 19 155 CALL	1,842	\$2.39	\$456,816
9/11/2019	COST 100 (Weeklys) 11 OCT 19 292.5 CALL	734	\$9.00	\$711,980	9/25/2019	MSFT 100 (Weeklys) 11 OCT 19 135 PUT	2,268	\$1.99	\$446,796
10/1/2019	ATVI 100 (Weeklys) 11 OCT 19 55 CALL	14,679	\$0.46	\$675,234	9/19/2019	FDX 100 (Weeklys) 11 OCT 19 152.5 CALL	1,237	\$3.65	\$445,320
9/9/2019	ADSK 100 (Weeklys) 11 OCT 19 155 CALL	2,974	\$2.77	\$668,622	9/12/2019	SPLK 100 (Weeklys) 11 OCT 19 120 CALL	1,346	\$2.93	\$430,720
9/16/2019	BABA 100 (Weeklys) 11 OCT 19 177.5 CALL	1,203	\$5.50	\$667,665	9/25/2019	JPM 100 (Weeklys) 11 OCT 19 118 PUT	2,022	\$2.24	\$430,686
9/10/2019	ULTA 100 (Weeklys) 11 OCT 19 227.5 CALL	669	\$9.70	\$648,930	9/30/2019	NVDA 100 (Weeklys) 11 OCT 19 170 PUT	1,053	\$3.90	\$410,670
9/10/2019	SFIX 100 (Weeklys) 11 OCT 19 19 CALL	2,000	\$3.10	\$640,000	10/2/2019	PLCE 100 (Weeklys) 11 OCT 19 74.5 PUT	1,234	\$3.25	\$401,050
9/12/2019	ULTA 100 (Weeklys) 11 OCT 19 227.5 CALL	691	\$8.20	\$635,720	9/18/2019	PM 100 (Weeklys) 11 OCT 19 68.5 PUT	3,272	\$1.10	\$373,008
9/19/2019	MOMO 100 (Weeklys) 11 OCT 19 35 CALL	2,503	\$2.44	\$625,750	10/1/2019	TWTR 100 (Weeklys) 11 OCT 19 40 CALL	3,211	\$1.14	\$366,054
9/26/2019	JPM 100 (Weeklys) 11 OCT 19 118 CALL	5,035	\$1.12	\$609,235	9/5/2019	INTC 100 (Weeklys) 11 OCT 19 52 CALL	3,354	\$1.09	\$365,586
9/27/2019	AMD 100 (Weeklys) 11 OCT 19 30 CALL	6,750	\$0.87	\$594,000	9/19/2019	TTD 100 (Weeklys) 11 OCT 19 207.5 PUT	412	\$8.00	\$350,200
9/6/2019	TSN 100 (Weeklys) 11 OCT 19 88.5 CALL	3,263	\$1.80	\$587,340	9/25/2019	JPM 100 (Weeklys) 11 OCT 19 118 CALL	2,096	\$1.57	\$335,360
10/2/2019	ADBE 100 (Weeklys) 11 OCT 19 260 PUT	2,218	\$2.61	\$581,116	9/9/2019	UAL 100 (Weeklys) 11 OCT 19 87 CALL	1,068	\$3.03	\$323,604

Technical Scans

BULL SCANS

Notable 8/21 EMA Bull Crossovers: RNG, MDLZ, SQ, AFL, PDD, CHRS, SPLK, TAL, INFO, HSY, CHTR, CHD, CCEP, ALGN, SVMK, WMS, FIVE, SFL, COHU, ECC, VRA, GEL, CHDN, CASH, MIT, ESRP, CWST

Notable 13/34 EMA Bull Crossovers: FEYE, XRAY, WMS, SVMK, DPZ, MANH, CVLT, SIMO, CWST

Notable 21/55 EMA Bull Crossovers: STAG, CCEP

Emerging Strength (Daily RSI Cross of 50 w/ Accumulation/Distribution Ratio at 12 Week High): AGNC, AVGO, TEAM, CB, VEEV, MDU, CM, DGX, LYV, ARW, PWR, KRC, IPHI, GEF, EPAM, JKHY

30 Day Highs with Strong Closes: AAPL, BMY, JNJ, PEP, TSM, LEN, CELG, D, TAL, CB, TER, NEE, PAYX, EQR, ES, SPLK, O, DLR, EW, XRAY, ETR, FBHS, CHTR, FIZZ, AVB, EDU, MDC, MAA, SYNA, MKC, FSCT, CINF, WMS, WCN, GLIBA, MTH, NSIT, LAMR, SUI, ANSS, PEGA, ESS, HELE, QTS, RNR, MHO, CPT, CHDN, COR, IDA, TRNO, ORA, MBUU, KFRC, NANO, SSD, AMWD, KNSL, REV

Weekly MACD Bull Crossover: VER, TAL, FEYE, PEP, JEF, DRE, DOC, ORI, CHL, ZYXI, FBHS, SRE, CHTR, GLNG, FRC, ROL, AVB, ATI, MGP, FSCT, CWH, MYGN, DDS, LAMR, NSIT, CXXI, BRKS, FIX, STC, AIT, VECO

BEAR SCANS

Notable 8/21 Bear EMA Crossovers: JPM, APA, RF, CAG, HST, DOW, USFD, CPRI, AVT, SU, STZ, CAH, STWD, SHO, ZION, TD, BHF, AMP, BIG, KSU, DOV, VOYA, PEGI, RCII, POST, ENR, SUM, HAIN, ACM, ALK, AN, WWW, PRSP, RMBS, AMBA, CHEF, ORLY, AGCO, WHD, CMG

Notable 13/34 EMA Bear Crossovers: BK, BX, TOT, COP, BHGE, LVS, AIG, NOV, CFG, LDOS, BJ, ABB, IP, CF, COF, TRN, UAL, UNVR, ETN, NTAP, OLN, AOS, BWA, CMA, RLJ, NTRS, IR, LPLA, LNG, LHX, PFG, TROW, THC, CNO, PNR, ZBH, FLS, VVV, YELP

Notable 21/55 EMA Bear Crossovers: MRVL, NBL, WRK, MYL, DOW, TRN, KAR, UNVR, UAL, PVH, GOOS, WAB, DK, GD, NCR, CHRS, MXL, GTHX, LH, SF, IPGP, AAN, RETA, HLI

Notable 34/144 EMA Bear Crossovers: GH, NAVI, TTD, YNDX, CNI, BL, NTRS, VRSN, PD, COO, CECO, FDS

Notable 55/233 EMA Bear Crossovers: XLNX, GM, ALSN, PAG, VRTX, KURA, LOPE

Notable 89/233 EMA Bear Crossovers: SPOT

Emerging Weakness (Daily RSI Cross Under 40 w/ Accumulation/Distribution Ratio at 6 Week Low): PE, ALLO, TXRH

20 Day Lows with Weak Closes: HRTX, TOT, APA, CTVA, CLR, NBL, USFD, HDB, IP, BJ, UNFI, HUYA, PFGC, DELL, ADNT, TIF, TEN, MCK, GOOS, MAC, HP, WAB, FMC, CAKE, IRDM, BIG, CDK, ANGO, TXRH, MRCY, NTR, TRUP, ICPT, SMPL, DY, IDCC, CP, LEA, ATGR, SILK, QLK, TWST, BOOM, GTT, CHEF, CAL, WHD, ATHM, R, ALLK, SSYS, LOOP, ANDE, CRY

Weekly MACD Bear Crossover: FCX, CMCSA, AMTD, KO, IQ, BX, MS, CLR, TWTR, CCL, NEM, COST, WEN, JCI, AEO, ALLY, HES, GS, LLY, NCLH, IP, TTWO, SIX, STZ, LITE, PK, COF, UAL, LPX, LSCC, BAX, HIG, IIVI, FMC, SAIL, CME, DOV, LMT, PTLA, ITW, AYI, WSM, EDIT, XLRN, SCCO

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