



Technical Market View

The **S&P 500 (SPX)** closed modestly higher last week as we oscillated around the key 4,700 level into options expiration. We ran right into trend resistance off the May and September highs while MACD and RSI are both extended in the short-term, so combined the two continue to present a poor risk/reward for longer-term swing positions. We continued to hold the rising 8-EMA all week, a key spot to watch for short-term sentiment to change, and a break below the 4682 level could lead to a deeper pullback. There's a composite VPOC from the 11/10 to 11/12 lows near 4648.75 and then the rising 21-EMA at 4631.75 and the 55-EMA at 4537 are both in focus. A move higher above the 4705-4700 zone has room to move back into resistance near 4718.75 and then new highs. Upside targets include 4732.75 and then 4743. The current bull flag targets a move to 4790.



Market Sentiment/Breadth

AAll sentiment for the week ending 11/17 showed a decline in bulls to 38.8% from 48% while neutral sentiment rose to 33.9% from 28% and bears rose to 27.2% from 24%. NAAIM Exposure fell modestly to 102.54 and remains highly elevated at the top of the normal range. Lipper Fund flows had \$465M in outflows this week, the first outflows in over seven weeks. As of Friday's close there were 291 new highs vs 426 new lows, weakening breadth. The percentage of stocks above their 50-day MA fell sharply to 54.8% while those above their 200-day was 57.87%, the lowest level since early October. NYSI and NASI both fell last week and below the 8-EMA for the first time since early October, a sign of caution. Cumulative AD rolled hard off of 52-week highs and back at its lowest level in a month. CBOE Equity P/C 50-day MA was 0.466 and remains near three-month lows. CNN Fear and Greed is 69, down from 83 last week. VIX:VXV ratio is 0.817, overly complacent.

Seasonality Outlook

Per the Trader's Almanac,

- Since 1988, Wednesday-Friday of Thanksgiving week has gained 18 of 32 times. The best strategy has been to sell longs into the half day Friday session as the following week sees sellers.
- November starts the seasonally “best 6 months of the year” for the S&P which stretches into April. SPX average return from Nov 1-Apr 30 since 1950 is +7.5%, while May 1-Oct 30 returns since 1950 are just +1%.
- Last trading day of November, S&P is down 14 of the last 22 years.

More recently in the last 21 years of stats below, the week of Thanksgiving has bullish tendencies across the 3 main indices with Wednesday prior to Thanksgiving being traditionally one of the most bullish days of November with the Dow up 76% of years. Looking forward to the following week which will end the month of November, the start of the week has been greener with the Tuesday-Thursday midweek being more bearish so potential to see some pullback after the holiday according to seasonality.

Seasonality Percentages <small>since year 2000</small>						
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg
	11/22/2021	11/23/2021	11/24/2021	11/25/2021	11/26/2021	
Dow	57.1	61.9	76.2	Thanksgiving	61.9	64.3
S&P	52.4	57.1	66.7	Market Closed	57.1	58.3
Nasdaq	66.7	61.9	66.7		57.1	63.1
Average	58.7	60.3	69.9		58.7	61.9
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg
	11/29/2021	11/30/2021	12/1/2021	12/2/2021	12/3/2021	
Dow	61.9	52.4	42.9	38.1	66.7	52.4
S&P	71.4	38.1	42.9	47.6	61.9	52.4
Nasdaq	61.9	42.9	52.4	52.4	66.7	55.3
Average	65.1	44.5	46.1	46.0	65.1	53.3

Market Event Outlook

Monday: Chicago Fed, Existing Home Sales; **International Data:** China LPR, Taiwan Exports, EU Consumer Confidence; **Earnings Before the Open:** AVYA, CRNC, SR, TWST, ZH; **Earnings After the Close:** A, ARWR, KEYS, URBN, ZM, CENT

Tuesday: Redbook, Manufacturing PMI, Composite PMI, Services PMI, Richmond Fed; **International Data:** Taiwan Industrial Production, EU Flash PMIs; **Earnings Before the Open:** ANF, AEO, AMWD, ADI, BBY, BURL, ROAD, CBRL, DKS, DLTR, DY, GENI, SJM, MDT, TITN, J, QIWI, ESLT, JACK; **Earnings After the Close:** PLAN, ADSK, DELL, GPS, GES, HPQ, JWN, NTNX, PSTG, VMW, DADA; **Analyst Days:** ORAN

Wednesday: MBA Mortgage Applications, Durable Goods, Core PCE, GDP, Weekly Claims, Wholesale Inventories, Michigan Consumer Sentiment, New Home Sales, Personal Income/Spending, EIA Inventories, FOMC Minutes;
International Data: New Zealand Rate Decision, German IFO; **Earnings Before the Open:** DE, KC, FUTU, CNTG, JFIN, HTHT, CMCM, VIOT, CD

Thursday: Market Closed to Observe Thanksgiving

Friday: Early Close (1:00 EST); **International Data:** Japan CPI, Australian Retail Sales, EU Money Supply; **International Earnings:** Meituan; **Earnings Before the Open:** PDD

Weekly Open Interest Radar

Texas Roadhouse (TXRH) shares putting in a big reversal candle on Friday right off the lower value area for the month and setting up a nice risk/reward for a move higher in a name with sizable bullish open interest. TXRH rallied strong in 2020 and has pulled back from 52-week highs near \$110.75 to base at the 23.6% Fibonacci of the run. Shares have room back to \$93 in the near-term but a breakout of this base above \$95 can make a bigger move up towards \$105+. TXRH had sellers last week in the December \$80 puts while 6400 May \$95 calls and 9,500 March \$95 calls sit in OI from buyers, more than \$8M combined. The May \$100 calls were bought 6000X on 10/27 as well, a \$3.6M buy.

Trade to Consider: Long the TXRH January \$90 Calls for \$5.30 or Better

Date	Description	Volume	Open.Int	Price	Delta	Impl Vo	Prob.ITV	Premium Paid
11/19/2021	TXRH 100 17 DEC 21 80 PUT	1,436	233	\$0.83	-0.17	39.19%	20.00%	\$150,780
11/8/2021	TXRH 100 18 MAR 22 85 PUT	648	41	\$5.10	-0.32	40.51%	41.21%	\$330,480
10/29/2021	TXRH 100 20 MAY 22 95 CALL	6,028	50	\$8.80	0.49	39.32%	37.92%	\$5,485,480
10/29/2021	TXRH 100 18 MAR 22 95 CALL	4,214	339	\$8.00	0.48	40.17%	38.79%	\$3,244,780
10/27/2021	TXRH 100 21 JAN 22 90 CALL	993	83	\$6.50	0.53	37.95%	45.35%	\$655,380
10/27/2021	TXRH 100 20 MAY 22 100 CALL	6,029	53	\$5.90	0.39	37.34%	28.64%	\$3,617,400

Weekly Options Technical Trade Set-Up

Ticker	LULU
Trigger Level	\$478.25
Call/Put	Calls
Strike	\$480
Target	\$490
Stop	\$465

Lululemon (LULU) shares consolidating in a small bull flag above the 8-EMA, just below fresh highs, and poised to break out and make a run to \$500. LULU has been in a strong trend and a best-of-breed retailer ahead of a seasonally strong two-month period for the space.



Credit Spread of the Week

Relative Strength Gaming Entertainment Stock at Support

Caesar's (CZR) - CZR has been one of the few gaming and casino stocks that have held up above its 200 day moving average this year and is a best-in-class name compared to peers with higher risks. The \$20B casino is still up +29% YTD while others languish. CZR peaked up near 119 at the end of September and has pulled back to its 200 day EMA and near YTD VPOC support at 95. This should be a level it finds a base and bounces back from as RSI is now nearly as oversold as it was in July when the stock bounced off its 200 day and rallied to new highs. CZR has been public for 7 years now and seasonally thrives in the year end period with November average returns of +16.9% and December being up 6 of 7 years for an average gain of +6.5%. Looking for the 90 level to hold into year end sets up a nice bull put spread opportunity. Large traders seem to agree lately positioning bullishly looking forward with plenty of action in the March expiration. March \$110 and \$120 calls still in open interest from late October buys of over \$3M combined. Also puts sold to open at the March \$100 strike for over \$1.4M and Jan \$110 put strike for \$1.3M still in open interest showing confidence shares recover back above those levels.

Trade to consider: Sell **CZR** January 90/85 put spread for 1.70 credit or better



Insider Trade of the Week

Cliff's Natural (CLF) with a notable open market buy this week on 11/19 when the EVP of CC Services bought 10,000 shares at \$21.83. This is the first insider buy since March and largest since the CEO bought \$900K in stock in March 2020 at \$4.50. On the chart, CLF is back at monthly VPOC and putting in a reversal week after selling off over the last month. The longer-term chart continues to show a nice bull flag forming under \$2650 with upside out to \$33.50. Options flow has been bullish with buyers last week in the February \$23 calls, April \$17 calls, and December \$24 calls in size. The December 23rd (W) \$22.50 calls also seeing buyers last week. The \$11.06B company trades 3.8X earnings, 0.65X sales, and 13.5X FCF. CLF is a leader in flat-rolled steel in the US after their acquisitions in 2020 of AK Steel and Mittal USA and positioned well in the automotive and infrastructure markets. The company should see demand jump in 2022 as auto production ramps, especially around EVs where their lightweight materials play a critical role. Analysts have an average target for shares of \$30 with a Street High \$38. Wolfe starting coverage at Outperform on 11/16 while GLJ Research raising estimates as the firm sees Cleveland Cliffs as a core portfolio holding given expectations for inflation to surge as pent-up demand arrives in 2022. B Riley raising their PT on 10/25 as the company alleviated concerns about a medium-term margin deterioration by disclosing impressive fixed-price contract renegotiations. Hedge fund ownership fell 16%. Hodges Capital a buyer of 850K shares. Short interest is 11.26%.

Earnings Preview

American Eagle (AEO) reporting earnings on Tuesday 11/23 before the open with the Street looking for \$0.61 on \$1.228B. Next quarter is guided to \$0.53 on \$1.5B while the FY is \$2.22/\$4.96B, a 32% Y/Y increase. Shares were down 10% last quarter but have closed higher in the previous five straight. The average closing move has been 7.2% while the max move was 14.67%. The current implied move is 8.52%. On the chart, shares are consolidating above monthly value and the rising 8-EMA. The top of value is at \$25.25 while the POC is at \$24.40. Longer-term, AEO made a big run from the 2020 lows and has pulled back to the 50% retracement last month. A move higher above \$29 has room to run back to \$35. Options flow has been mostly bullish with buyers in the May \$23 calls, January \$25 calls, and sellers in the December \$20 puts. The \$4.46B company trades 11.35X earnings, 0.98X sales, and 33.8X FCF with a 2.67% yield. AEO is coming off a strong quarter with digital penetration growing to 35%, higher at Aerie, while promotions remain limited and price hikes are being absorbed well. They should see strong margins again which will help offset more inflationary pressures while back-to-school could be a positive tailwind for traffic. AEO has been investing in their supply chain, too, including acquisitions of logistics startup AirTerra which will help them secure additional capacity. Analysts have an average target for shares of \$41.50 with a Street High \$49. UBS raising estimates on 9/8 and the firm expects the company's growth to surprise next year as the Aerie market share gain story proves to be a bigger earnings driver than tough compares. The firm also sees EPS growth above Street consensus as they believe the stock's earnings multiple will expand. Hedge fund ownership fell 10%. Samlyn Capital adding another 540K shares and now with 1.34M total. In June, a director bought \$130K in stock at \$32.45. Short interest is 14.86%.

Date	Description	Volume	Open.In	Price	Delt	Impl Vo	Prob.ITN	Premium Pai
11/19/2021	AEO 100 (Weeklys) 3 DEC 21 26 PUT	972	65	\$1.04	-0.354	68.25%	40.50%	\$101,088
11/18/2021	AEO 100 20 JAN 23 30 CALL	1,342	1,239	\$4.50	0.52	47.18%	33.03%	\$603,900
11/9/2021	AEO 100 20 MAY 22 23 CALL	300	30	\$5.80	0.7	57.74%	55.05%	\$198,000
10/21/2021	AEO 100 17 DEC 21 20 PUT	5,607	11	\$0.38	-0.14	52.81%	18.92%	\$241,101
10/7/2021	AEO 100 21 JAN 22 25 CALL	1,319	787	\$2.61	0.558	47.31%	45.81%	\$344,259
10/1/2021	AEO 100 17 JUN 22 23 PUT	1,511	356	\$2.70	-0.313	47.57%	47.18%	\$407,970
9/8/2021	AEO 100 17 JUN 22 25 PUT	1,527	190	\$3.95	-0.38	47.74%	55.53%	\$595,530



Top 40 Micro-Cap Profile

BiLife Solutions (BLFS) shares are +27.35% YTD as a solid performer from the top micro-cap picks to start 2021 and shares remain in a strong uptrend despite consolidating much of 2H21.

BiLife Solutions develops bioproduction tools and services to the cell and gene therapy industry, which are designed to improve quality and de-risk biologic manufacturing and delivery. BLFS also provides biological and pharmaceutical storage services to the CGT industry. Customers use its products to maintain the health and function of biologic material during sourcing, manufacturing, storage, and distribution of cells and tissues. It has a diversified portfolio of tools and services that focus on biopreservation, frozen storage, and thawing of biologic materials.



The CGT market has been rapidly expanding, treating diseases once thought incurable. According to the Alliance for Regenerative Medicine there were over 1,100 ongoing clinical trials utilizing regenerative medicine at the end of 2020. ARM also states there were over \$19.9 billion in total global financings in the regenerative market in 2020. The FDA predicts ten to twenty cell and gene therapies per year will be approved by 2025.

BLFS currently has a \$2.16B market cap and trades 12.9X FY22 EV/Sales with forecasts for revenues to rise > 30% each of the next three years after 75.7% and 143% Y/Y growth the prior two years while profitability also seen ramping in 2022 and beyond. BLFS is targeting \$250M in revenues with > 30% Adjusted EBITDA margins in three years.

BLFS products and services are instrumental to the booming CGT industry without carrying the event-risk of betting on which drugs are approved and it stands to continue to benefit moving forward as a must own small cap growth stock. BLFS added 200 new customers in Q3 with 200% Y/Y revenue growth.

November 26th (W) OpEx Notable Open Interest

Date	Description	Volume	Current OI	Current Price	Price Change	Current Value	OI Differential
11/10/2021	GOOGL 100 (Weeklys) 26 NOV 21 2900 CALL	1,768	4788	\$73.05	9.03%	\$34,976,340.00	155.22%
11/2/2021	AAPL 100 (Weeklys) 26 NOV 21 150 CALL	7,930	41789	\$4.05	26.56%	\$16,924,545.00	224.17%
11/3/2021	QCOM 100 (Weeklys) 26 NOV 21 140 CALL	2,246	3018	\$41.88	1300.67%	\$12,639,384.00	-12.55%
11/2/2021	QCOM 100 (Weeklys) 26 NOV 21 140 CALL	1,015	3018	\$41.88	1575.20%	\$12,639,384.00	146.17%
11/10/2021	GOOGL 100 (Weeklys) 26 NOV 21 3000 CALL	2,952	7087	\$17.00	-27.66%	\$12,047,900.00	114.95%
11/3/2021	QCOM 100 (Weeklys) 26 NOV 21 145 CALL	2,038	3078	\$36.76	2062.35%	\$11,314,728.00	-3.60%
11/2/2021	QCOM 100 (Weeklys) 26 NOV 21 145 CALL	1,027	3078	\$36.76	2706.11%	\$11,314,728.00	162.63%
11/1/2021	RBLX 100 (Weeklys) 26 NOV 21 90 CALL	1,028	2499	\$33.75	1140.81%	\$8,434,125.00	79.78%
11/12/2021	FUTU 100 (Weeklys) 26 NOV 21 70 PUT	8,169	8043	\$8.90	-28.23%	\$7,158,270.00	-2.49%
11/10/2021	RBLX 100 (Weeklys) 26 NOV 21 110 CALL	6,626	4158	\$15.43	279.12%	\$6,415,794.00	-42.11%
10/8/2021	AMD 100 (Weeklys) 26 NOV 21 102 CALL	1,305	1179	\$48.00	523.38%	\$5,659,200.00	-9.66%
10/13/2021	KSS 100 (Weeklys) 26 NOV 21 46 CALL	1,115	3087	\$12.55	364.81%	\$3,874,185.00	173.67%
11/12/2021	FUTU 100 (Weeklys) 26 NOV 21 75 PUT	1,185	2011	\$16.90	0.60%	\$3,398,590.00	36.06%
11/10/2021	ABNB 100 (Weeklys) 26 NOV 21 180 CALL	2,000	1698	\$19.58	39.86%	\$3,324,684.00	-26.21%
10/15/2021	DDOG 100 (Weeklys) 26 NOV 21 165 CALL	1,392	1132	\$27.70	350.41%	\$3,135,640.00	-22.57%
11/17/2021	LCID 100 (Weeklys) 26 NOV 21 51 CALL	5,156	5616	\$4.92	-17.59%	\$2,763,072.00	-0.97%
10/29/2021	DLTR 100 (Weeklys) 26 NOV 21 114 CALL	1,100	1177	\$18.45	1217.86%	\$2,171,565.00	6.52%
10/12/2021	TJX 100 (Weeklys) 26 NOV 21 65 CALL	1,197	1980	\$10.45	553.13%	\$2,069,100.00	59.04%
10/29/2021	GM 100 (Weeklys) 26 NOV 21 45 CALL	1,000	1003	\$19.60	117.78%	\$1,965,880.00	-0.69%
11/10/2021	BA 100 (Weeklys) 26 NOV 21 230 CALL	5,848	6138	\$3.00	0.00%	\$1,841,400.00	-27.42%
11/2/2021	DLTR 100 (Weeklys) 26 NOV 21 115 CALL	903	1103	\$16.30	519.77%	\$1,797,890.00	20.41%
10/14/2021	FL 100 (Weeklys) 26 NOV 21 52 CALL	2,000	2777	\$5.20	352.17%	\$1,444,040.00	38.85%
11/5/2021	TJX 100 (Weeklys) 26 NOV 21 70 CALL	3,197	3529	\$3.93	45.56%	\$1,386,897.00	-22.88%
11/4/2021	TJX 100 (Weeklys) 26 NOV 21 70 CALL	1,102	3529	\$3.93	124.57%	\$1,386,897.00	158.91%
11/10/2021	ASO 100 (Weeklys) 26 NOV 21 45 CALL	3,066	3124	\$4.40	100.00%	\$1,374,560.00	-3.43%
10/18/2021	DIS 100 (Weeklys) 26 NOV 21 165 PUT	1,016	1857	\$7.37	108.78%	\$1,368,609.00	55.92%
10/18/2021	DKNG 100 (Weeklys) 26 NOV 21 49 PUT	1,307	1217	\$11.06	218.73%	\$1,346,002.00	-8.56%
11/16/2021	CRWD 100 (Weeklys) 26 NOV 21 260 CALL	1,012	1072	\$12.37	97.92%	\$1,326,064.00	-26.63%
10/20/2021	ATVI 100 (Weeklys) 26 NOV 21 70 PUT	1,602	2142	\$6.07	631.33%	\$1,300,194.00	24.17%
10/7/2021	TDOC 100 (Weeklys) 26 NOV 21 130 CALL	1,140	1145	\$8.40	-16.00%	\$961,800.00	0.44%
11/17/2021	PDD 100 (Weeklys) 26 NOV 21 92 CALL	1,202	2421	\$3.75	-18.48%	\$907,875.00	83.83%
11/4/2021	APPS 100 (Weeklys) 26 NOV 21 66 PUT	2,073	1998	\$4.23	85.53%	\$845,154.00	-4.68%
11/10/2021	ASO 100 (Weeklys) 26 NOV 21 47 CALL	3,792	4206	\$1.94	25.16%	\$815,964.00	1.50%
10/29/2021	ZM 100 (Weeklys) 26 NOV 21 290 CALL	1,008	1764	\$4.54	-11.15%	\$800,856.00	46.63%
11/9/2021	C 100 (Weeklys) 26 NOV 21 67 PUT	2,260	8491	\$0.92	-6.12%	\$781,172.00	221.87%
11/17/2021	C 100 (Weeklys) 26 NOV 21 67 PUT	5,116	8491	\$0.92	15.00%	\$781,172.00	-4.18%
11/9/2021	GPS 100 (Weeklys) 26 NOV 21 25 PUT	2,759	4499	\$1.72	33.33%	\$773,828.00	62.07%
11/4/2021	DISH 100 (Weeklys) 26 NOV 21 38 PUT	3,210	3240	\$2.33	316.07%	\$754,920.00	0.93%

Disclaimer:

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