



Technical Market View

The SPX had a quiet choppy week with a midweek selloff after the rally Wednesday was sold into at 8 EMA near 3900 but was able to find strong support at 3775 just under the 50% retracement from the October lows. The 3775-3800 zone remains a crucial level to hold going into the new year and with the final week of 2022 likely seeing lower volumes and potential decreasing volatility is opens the door for the seasonal Santa rally that historically is the final 5 days of the year and into the first two days of the new year. A move higher would see first resistance at near 3900 where the 21 EMA is at followed by 3930 and 3975 likely next targets higher with the declining 200-day MA closer to 4000 if markets were able to rally further. RSI and MACD are in bearish trends still but potentially losing downside momentum for a bounce.



Market Sentiment/Breadth

AAll sentiment for the week ending 12/21 showed bullish responses fall to 20.3% from 24.3% prior while bearish responses rose to 52.3% from 44.6%. Neutral sentiment fell to 27.4% from 31.1%. Pessimism among individual investors about the short-term direction of the stock market rose to a nine-week high. This week's bullish sentiment reading is the 52nd lowest recorded since the survey started in 1987. NAAIM Exposure index decreased to 39.35 from 71.60 and is back below last quarters average of 40.63. Lipper fund flows for the week ending 12/21 had \$19.5B of outflows in equities, the 5th straight week of outflows. Friday's close saw NYSE new highs at 52 while new lows of 82 and the 10-day MA of New High/Low Differential is at -73. The percentage of SPX stocks above their 50-MA is 57.0% while those above their 200-MA was 51.8%. NYSI and NASI Summation indexes are below the 8-MA for a short-term bearish signal. NYMO McClellan Oscillator closed at -20 and is short term oversold. Cumulative AD line is just under the 40 EMA and now below the 89 EMA long term signal. CBOE Equity P/C 50-day MA at 0.83 and at new highs based primarily on put arb trades skewing the data. CNN Fear and Greed index is in Fear zone at 39 from 43 last week.

Seasonality Outlook

Per the Trader's Almanac,

- Santa Claus rally begins December 23rd historically the last trading day before Christmas. This rally tends to span the last 5 days of the year and into the first two days of January. On average producing an average gain of +1.3% since 1969. If a rally cannot materialize during this timeframe, it has often preceded bear markets.
- The last trading day of the year has seen the Nasdaq down 16 of the last 22 years.
- Pre-Election year January's have been the best month of year for Nasdaq, ranking 1st and up an average of +6.8%.

Below shows the daily odds the market has been up each day since the year 2000. The final week of the year tends to start the Santa Claus rally that can continue into the first few days of January historically but in years it does not occur it's often a warning sign of further downside to come in the coming new year. The final week of the year tends to see strength at the start into midweek with the last trading day being more bearish showing downside bias over the last 22 years with the Nasdaq up just 6 of 22 years. The first week of January is strong historically with day one of the year up about 67% of years since 2000.

Seasonality Percentages							% up since year 2000
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg	
	12/26/2022	12/27/2022	12/28/2022	12/29/2022	12/30/2022		
Dow	Christmas	71.4	47.6	42.9	42.9	51.2	
S&P	Market Closed	71.4	52.4	47.6	38.1	52.4	
Nasdaq		66.7	42.9	42.9	28.6	45.3	
Average		69.8	47.6	44.5	36.5	49.6	
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg	
		1/3/2023	1/4/2023	1/5/2023	1/6/2023		
Dow	New Years	66.7	61.9	52.4	52.4	58.4	
S&P	Market Closed	57.1	52.4	61.9	57.1	57.1	
Nasdaq		66.7	47.6	57.1	57.1	57.1	
Average		63.5	54.0	57.1	55.5	57.5	

Market Event Outlook

Monday: Global Markets Closed for Christmas

Tuesday: Prelim Wholesale Inventories, HPI; **International Data:** Japan Unemployment, Retail Sales, BOJ Core CPI, Housing Starts; **International Earnings:** None; **Earnings Before the Open:** None; **Earnings After the Close:** None; **Analyst Meetings:** None; **Conferences:** None

Wednesday: Pending Home Sales, Richmond Manufacturing; **International Data:** Japan BOJ Summary, Industrial Production; **International Earnings:** None; **Earnings Before the Open:** None; **Earnings After the Close:** CALM; **Analyst Meetings:** None; **Conferences:** None

Thursday: Jobless Claims, Crude Oil Inventories; **International Data:** Eurozone Money Supply; **International Earnings:** None; **Earnings Before the Open:** None; **Earnings After the Close:** None; **Analyst Meetings:** None; **Conferences:** None

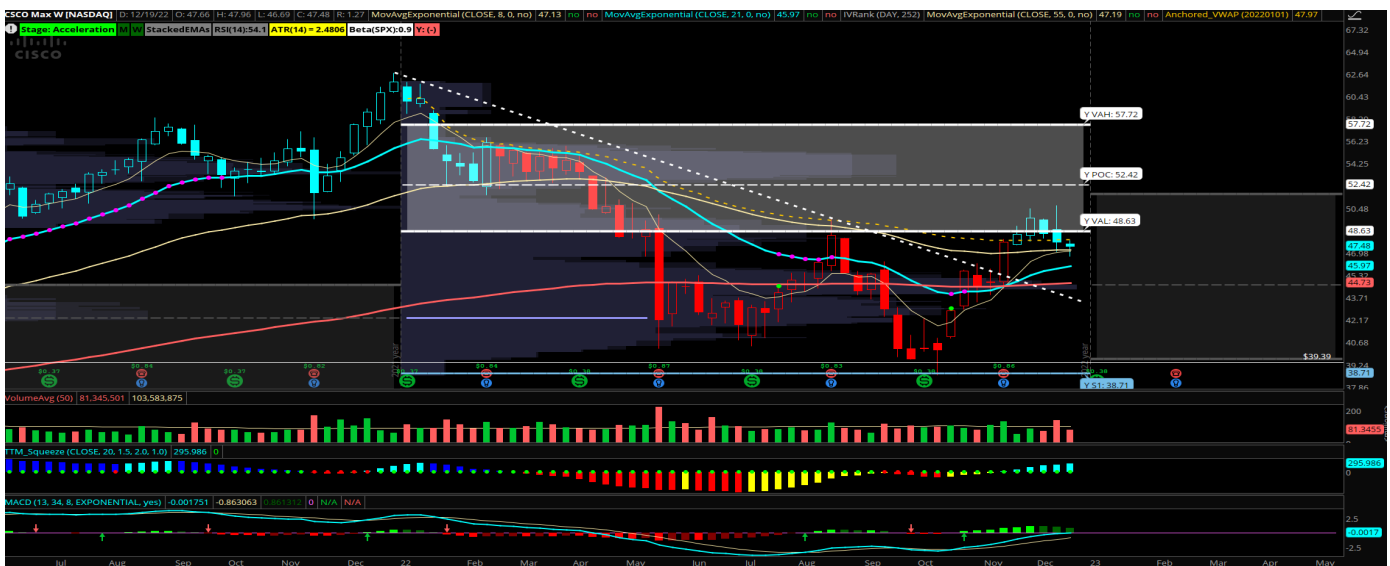
Friday: Chicago PMI; **International Data:** UK HPI, BOE Bulletin, Spain CPI, China PMI (after market); **International Earnings:** None; **Earnings Before the Open:** None; **Analyst Meetings:** None; **Conferences:** None

Weekly Open Interest Radar

Cisco Systems (CSCO) shares are forming bull flag on the weekly chart after a recent 8/21 EMA week bull cross and now sitting right near YTD VWAP as it holds the top of monthly value. The stock has yearly value resistance at 48.60 that created this current pullback, but a move back above can likely see buyers back in control up to 52 and then possibly 57. Bullish flows have been accumulating the past few weeks as well with open interest building in July \$42.50 calls as well as the July \$40 deep ITM calls bought 2300x last week at \$8.80. Buyers also active for 10,000 June \$45 calls back in late September at \$5.65 and still holding in OI while up 50%. Also, 8000 June 2024 \$40 calls were bought on 10/6 for \$5.10.

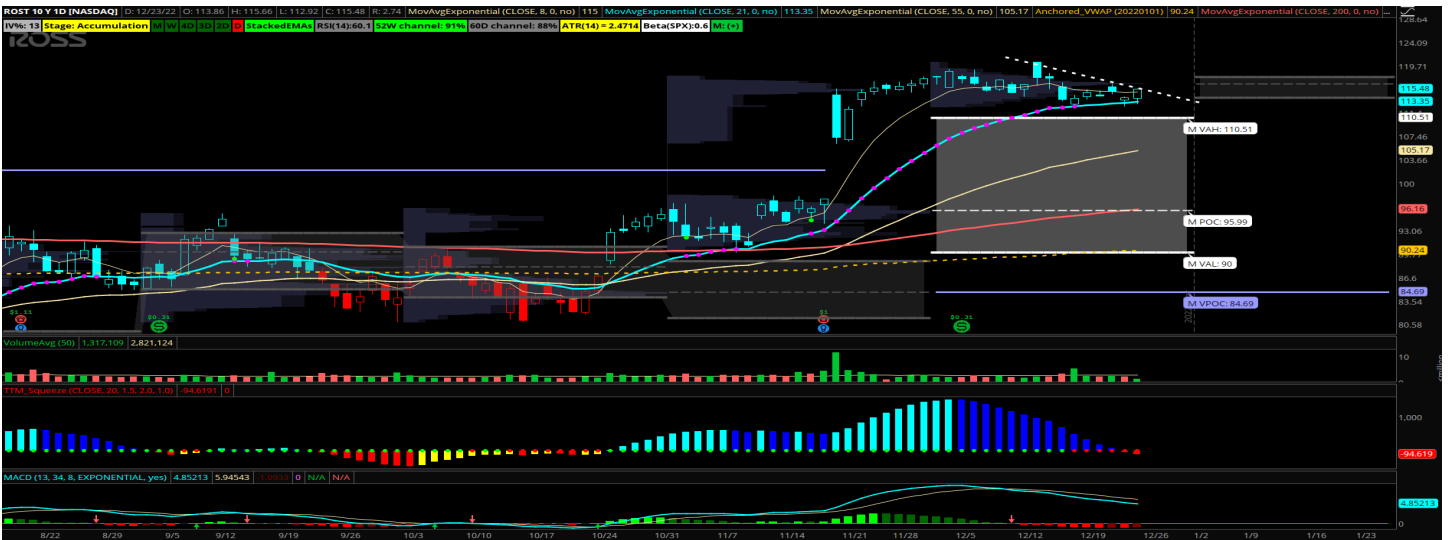
Trade to Consider: Long **CSCO** March \$47.50 calls at \$2.45

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium
09-20-2022	CSCO	CSCO 100 16 JUN 23 40 CALL	10,001	\$5.65	565	0.62	32.6%	\$5,750,575
10-06-2022	CSCO	CSCO 100 21 JUN 24 45 CALL	8,006	\$5.1	199	0.48	30.8%	\$4,163,120
09-15-2022	CSCO	CSCO 100 19 JAN 24 42.5 CALL	5,001	\$6.1	2,258	0.56	31.71%	\$3,100,620
12-21-2022	CSCO	CSCO 100 21 JUL 23 42.5 CALL	3,575	\$7.4	20	0.73	30.25%	\$2,663,375
08-26-2022	CSCO	CSCO 100 17 MAR 23 45 CALL	6,037	\$4.35	1,149	0.56	29.85%	\$2,626,095
08-25-2022	CSCO	CSCO 100 19 JAN 24 55 CALL	7,542	\$3	3,357	0.34	26.89%	\$2,262,600
12-23-2022	CSCO	CSCO 100 21 JUL 23 40 CALL	2,393	\$8.8	7	0.79	31.71%	\$2,129,770
08-29-2022	CSCO	CSCO 100 17 MAR 23 47.5 CALL	5,038	\$2.99	8,373	0.46	28.21%	\$1,536,590



Weekly Options Technical Trade Set-Up

Ticker	ROST
Trigger Level	116.50
Call/Put	Calls
Strike	116
Target	120
Stop	113

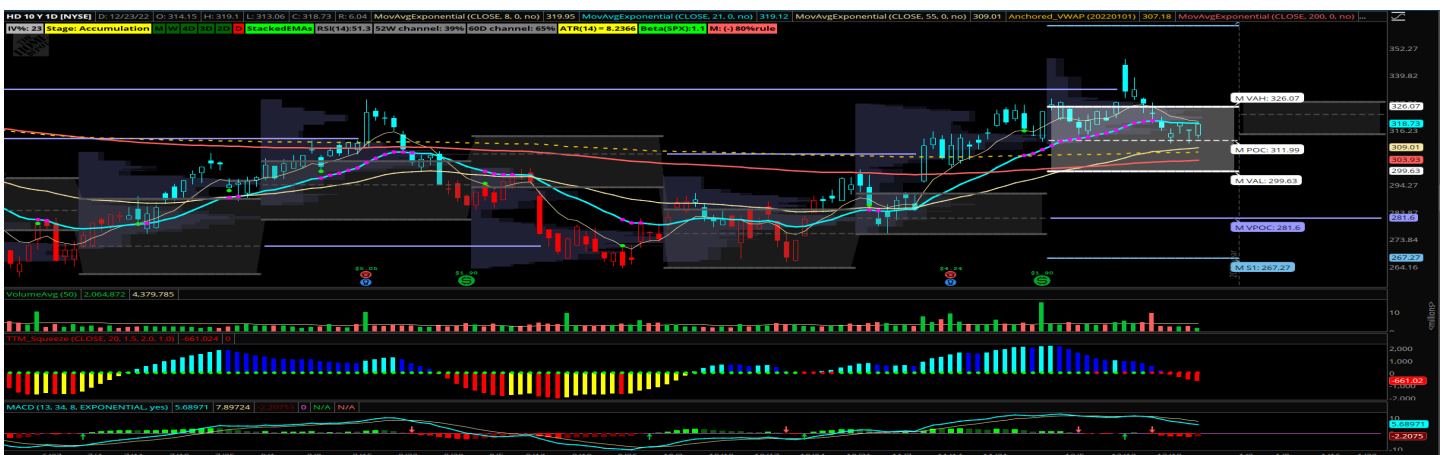


Credit Spread of the Week

Bull Put Spreads in Home Improvement Leader Seeing Relative Strength

Home Depot (HD) has pulled back to the monthly POC support at 312 and has a confluence of large supports just below here into the 300 level with both the 55 EMA and 200 EMA as well as the YTD VWAP at 307 while lower edge of monthly value is 299.63 so after a quick 10% pullback from its highs it made this month near 345 it's an ideal time to sell a bull put spread inside of this ongoing relative strength trend. Options flows have seen some large opening put sales recently with over 14,000 February \$290 puts sold to open on 12/15 for \$4.40 and 1450 June \$240 puts sold to open for \$4.00.

Trade to consider: Sell HD February \$310/\$300 bull put spreads at \$3.00 credit or better. Targeting 50% profit of the credit.






Insider Trade of the Week

Lovesac (LOVE) had a notable insider buy on 12/21 from Chief Strategy Officer Jack Krause buying 10,000 shares at \$19.17 for \$192K and increasing his stake by +9%. This follows a director making a purchase on 10/13 for 2000 shares at \$20.60 for over \$41K and increasing his stake by +20%. This same director was also active buying shares back in April. These are the first insider purchases since early 2020 and late 2019. Shares are trading near 20 after recently making new lows post earnings this month with a low near 17.70. The stock is seeing a bounce back above 8 EMA and MACD is crossing bullish. LOVE is down about 70% in 2022 and a consumer discretionary name that has struggled due to higher inflation but now seeing insiders buy at these lower levels. Resistance is seen above at 25 and the 200 day EMA is up at 32 currently so a potential upside target after the recent washout lows look to be capitulation.

The \$304.2M small cap company trades at 8.3x earnings, 0.4x sales, 10.7% FCF yield and is expected to see revenues grow by +27% in FY23 and +10% growth in FY24. Lovesac Company is a technology-driven company that designs, manufactures, and sells quality furniture. The Company's product offering consists of modular couches called Sactionals, foam beanbag chairs called Sacs, and their associated home decor accessories. Last quarter LOVE reported inline revenues but beat EPS by \$0.21 and had Q3 sales growth of 8.9%. Average analyst price target is at \$52. DA Davidson lowered its target to \$64 and keeps a Buy rating citing the company's Q3 operating results exceeded expectations, but the management lowered its outlook for Q4 sales to high-single-digits to mid-teens growth from its prior one of 20% on an increasingly challenging macroeconomic environment. The analyst still sees a lot of wiggle room for the company's opportunities to ramp promotions, increase marketing spending to take advantage of lower media rates, and make further investments to position the company for long-term growth. Canaccord lowered its target to \$50 and keeps a Buy rating saying the company's unique product platform and omnichannel strategy will help it weather near-term retail headwinds. Short interest is at 13.7% and hedge fund ownership fell 3.7% last quarter.

Weekly Small Cap Write-Up

IBEX Limited (IBEX) delivers solutions to help the world's preeminent brands more effectively engage with their customers as a leading global customer experience. The race to transform Customer Experience (CX) business models in a rapidly evolving digital world is a critical driver of success for many companies. CX is a key factor in today's hyper-competitive economy and often the top priority for a company's executive leadership. The use of digital channels increased, while the ability to leverage digital and traditional channels in an integrated fashion in order to meet ever-evolving, fluid customer needs which we refer to as "integrated omni-channel" has become critical. This brings about a need for a new type of partner, one with expertise and capabilities that can help a company analyze its CX and then deliver on creating great experiences. IBEX's world-class CX operations delivery with best-in-class services and solutions that span omnichannel customer engagement and support, digital marketing and customer experience management helps clients measure customer sentiment and deliver a superior CX to their end-customers.

Digital Marketing ⁽¹⁾	Contact Center Services ⁽²⁾	CX & Customer Feedback ⁽³⁾
 <p>\$28B 10% CAGR</p> <p>+</p> <p>ibex. Digital Customer Acquisition</p>	 <p>\$77B 4% CAGR</p> <p>▶</p> <p>ibex. Connect Customer Engagement</p>	 <p>\$8B 13% CAGR</p> <p>○</p> <p>ibex. CX Customer Experience</p>
Lead Generation	Customer Service	Analytics & Business Intelligence
Digital Marketing	Tech Support	Multi-Channel Digital Survey

IBEX has a market cap of \$472.9M and trades 14.3X Earnings, 6.5X EBITDA and 16.4X FCF with 13.5% EBITDA margins and 6.8% FCF margins. IBEX forecasts revenues growing 10-12% annually the next three years with 15-25% annual EPS growth. IBEX is winning market share and set to deliver margin expansions and is structurally positioned well for digital-first customer interactions. Healthcare and Fintech now represent more than 30% of business and have grown sharply in recent quarters. IBEX also has outstanding Net Promoter scores and client retention numbers. IBEX believes it is on track to double revenues to over \$1B. Bloomberg reported in November that CVC Capital has been considering a PE bid for IBEX.

IBEX is priced extremely attractively for the strong growth it is delivering and whether the upside comes via a PE acquisition or just further strong execution, a top small cap.

December 30th (W) 2022 OpEx Notable Open Interest

Date	Description	Volume	Current C	Current Price	Price Change	Current Value
12/2/2022	TSLA 100 (Weeklys) 30 DEC 22 190 PUT	2,099	996	\$66.60	-534.29%	\$6,633,360
12/12/2022	AAPL 100 (Weeklys) 30 DEC 22 135 PUT	9,531	12,215	\$3.85	-187.31%	\$4,702,775
11/17/2022	NVDA 100 (Weeklys) 30 DEC 22 180 PUT	551	1,536	\$28.72	22.21%	\$4,411,392
11/16/2022	AAPL 100 (Weeklys) 30 DEC 22 145 PUT	1,078	2,260	\$13.50	178.35%	\$3,051,000
11/25/2022	PDD 100 (Weeklys) 30 DEC 22 54 CALL	826	1,100	\$22.60	75.19%	\$2,486,000
12/13/2022	MSFT 100 (Weeklys) 30 DEC 22 255 PUT	1,270	1,230	\$17.00	-407.46%	\$2,091,000
12/6/2022	U 100 (Weeklys) 30 DEC 22 37 PUT	2,000	2,064	\$9.75	176.20%	\$2,012,400
11/28/2022	JD 100 (Weeklys) 30 DEC 22 51 CALL	2,500	2,553	\$7.25	95.95%	\$1,850,925
12/12/2022	BABA 100 (Weeklys) 30 DEC 22 85 PUT	7,697	10,333	\$1.76	-39.52%	\$1,818,608
11/30/2022	CVNA 100 (Weeklys) 30 DEC 22 10 PUT	3,103	2,817	\$6.05	72.86%	\$1,704,285
12/1/2022	AMD 100 (Weeklys) 30 DEC 22 75 PUT	1,007	1,526	\$10.57	298.87%	\$1,612,982
12/9/2022	AMZN 100 (Weeklys) 30 DEC 22 85 CALL	2,129	8,350	\$1.73	73.79%	\$1,444,550
12/2/2022	PYPL 100 (Weeklys) 30 DEC 22 72 PUT	1,747	3,864	\$3.33	-50.00%	\$1,286,712
12/15/2022	U 100 (Weeklys) 30 DEC 22 31 PUT	3,264	3,293	\$3.90	72.57%	\$1,284,270
11/17/2022	SNAP 100 (Weeklys) 30 DEC 22 9.5 PUT	4,115	12,799	\$0.95	82.69%	\$1,215,905
12/5/2022	CZR 100 (Weeklys) 30 DEC 22 47 PUT	1,206	2,988	\$4.05	171.81%	\$1,210,140
11/30/2022	META 100 (Weeklys) 30 DEC 22 115 CALL	1,795	2,745	\$4.27	0.00%	\$1,172,115
11/11/2022	GH 100 (Weeklys) 30 DEC 22 50 PUT	1,200	533	\$21.88	-106.42%	\$1,166,204
11/28/2022	META 100 (Weeklys) 30 DEC 22 117 CALL	2,141	3,976	\$2.93	-8.44%	\$1,164,968
11/30/2022	MPW 100 (Weeklys) 30 DEC 22 12 PUT	27,732	12,017	\$0.90	80.00%	\$1,081,530
11/14/2022	MPW 100 (Weeklys) 30 DEC 22 12 PUT	5,018	12,017	\$0.90	-20.00%	\$1,081,530
12/1/2022	WBD 100 (Weeklys) 30 DEC 22 11 PUT	5,039	5,672	\$1.88	-408.11%	\$1,066,336
12/13/2022	SQ 100 (Weeklys) 30 DEC 22 67 PUT	1,524	1,523	\$6.25	-155.10%	\$951,875
12/23/2022	MU 100 (Weeklys) 30 DEC 22 49 CALL	6,015	6,015	\$1.55	-49.04%	\$932,325
11/28/2022	CRWD 100 (Weeklys) 30 DEC 22 105 PUT	1,675	2,061	\$4.40	-235.88%	\$906,840
12/13/2022	URBN 100 (Weeklys) 30 DEC 22 27 PUT	2,293	2,824	\$2.99	309.59%	\$844,376
12/12/2022	WYNN 100 (Weeklys) 30 DEC 22 85 PUT	1,804	1,471	\$5.03	47.94%	\$739,913
12/15/2022	FCX 100 (Weeklys) 30 DEC 22 40 PUT	3,200	3,347	\$2.15	3.59%	\$719,605
12/12/2022	U 100 (Weeklys) 30 DEC 22 30 PUT	2,123	2,294	\$3.03	-203.00%	\$695,082
12/12/2022	U 100 (Weeklys) 30 DEC 22 27 PUT	4,020	9,026	\$0.76	-72.73%	\$685,976
12/6/2022	UPST 100 (Weeklys) 30 DEC 22 16.5 PUT	1,588	1,862	\$3.58	128.03%	\$666,596
12/2/2022	SQ 100 (Weeklys) 30 DEC 22 65 PUT	1,081	1,490	\$4.45	41.27%	\$663,050
11/15/2022	CZR 100 (Weeklys) 30 DEC 22 50 PUT	1,358	769	\$8.51	-191.44%	\$654,419
12/12/2022	AMD 100 (Weeklys) 30 DEC 22 64 PUT	2,617	5,242	\$1.16	12.12%	\$608,072
11/29/2022	PCG 100 (Weeklys) 30 DEC 22 15.5 CALL	10,333	10,486	\$0.56	-33.33%	\$587,216
11/28/2022	PDD 100 (Weeklys) 30 DEC 22 80 CALL	1,304	1,279	\$4.44	16.84%	\$567,876
11/29/2022	SQ 100 (Weeklys) 30 DEC 22 60 PUT	1,534	4,289	\$1.31	64.11%	\$561,859
11/29/2022	JD 100 (Weeklys) 30 DEC 22 55 CALL	2,274	2,307	\$2.39	-36.60%	\$551,373
12/7/2022	UBER 100 (Weeklys) 30 DEC 22 27 PUT	2,580	2,276	\$2.38	34.46%	\$541,688
11/29/2022	GH 100 (Weeklys) 30 DEC 22 55 PUT	575	425	\$11.25	-16.67%	\$478,125
12/6/2022	SI 100 (Weeklys) 30 DEC 22 17 PUT	3,367	3,824	\$1.25	0.00%	\$478,000
12/13/2022	DISH 100 (Weeklys) 30 DEC 22 16 PUT	2,007	2,005	\$2.15	207.14%	\$431,075

Disclaimer:

Not Investment Advice or Recommendation

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