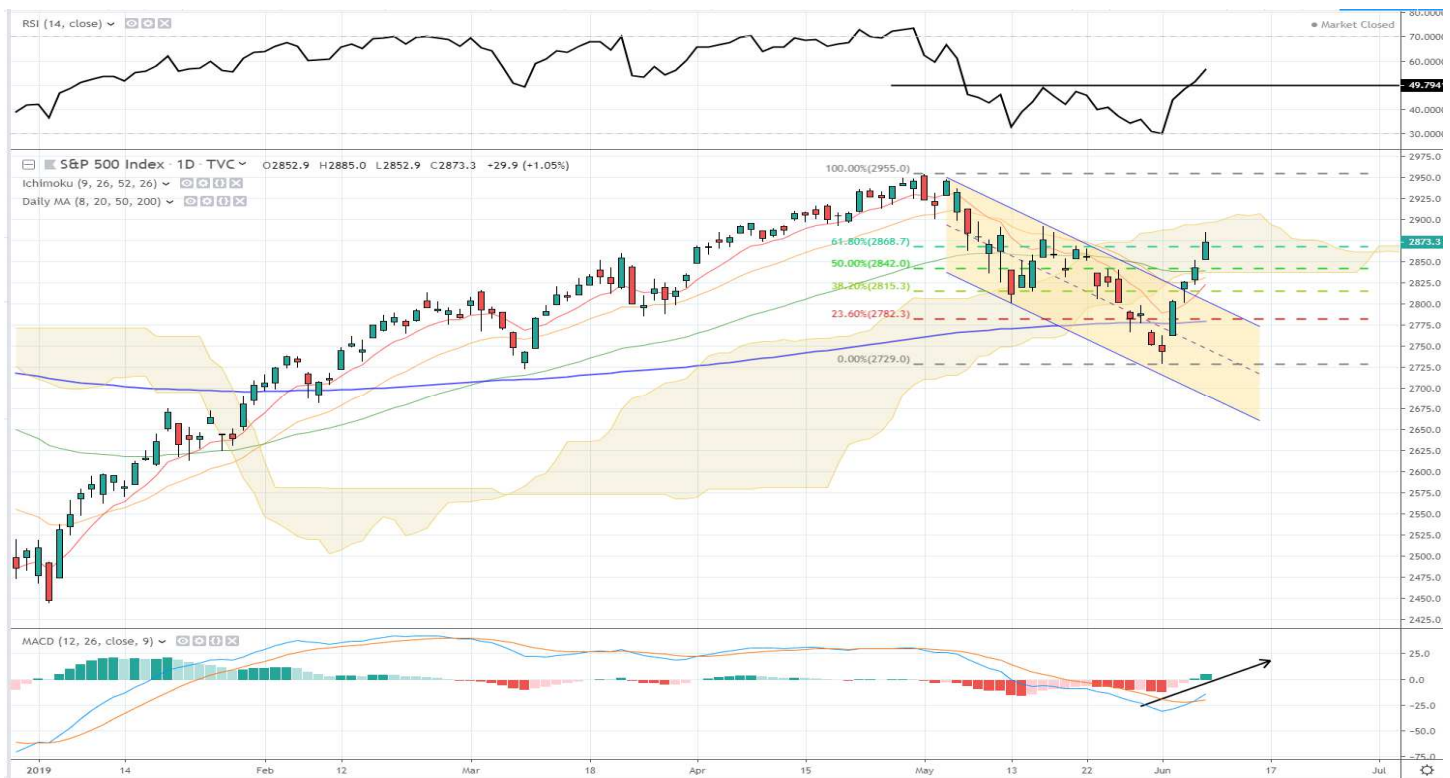




The **S&P 500 (SPX)** posted its best week since November snapping a month-long losing streak while odds of a rate cut in 2019 rose. Mid-week comments from Jerome Powell also helped support the rally while the White House has been touting a win in trade talks with Mexico over the weekend. The **VIX** remains subdued while **10-Year Treasury** yields fell to 21-month lows. We moved back above the 50-day MA on Friday and tested a big area of overhead supply at April VPOC around 2,885. The SPX also closed around the 61.8% retracement of the move from April's highs to June's lows as well as the high-end of cloud resistance. MACD crossed over bullish late last week while RSI is back above 55 in a show of strength and neither over-extended, so room to run a bit. We're near-term extended right into a lot of resistance where a consolidation – or at least slowdown – makes some sense.



Market Sentiment/Breadth

The latest AAll sentiment survey for the week ending 6/5 showed a modest 2.3% drop in bullish responses to 22.5%, the lowest since late December. This remains significantly below the long-term average of 38.5%. NAAIM Exposure fell to 54.99%, the lowest since the first week in January. Lipper Fund Flows for the week saw another big outflow of \$12.2B from equities. DSI Bullish sentiment for the S&P closed at 60% on Friday after dipping down to 12% one week ago. There were 204 new highs on the NYSE on Friday, the highest level since 1/29/18. The 50-day MA of the CBOE equity P/C ratio closed at 0.646, down slightly for the week but remains in a strong trend higher in a cautious signal. NYSE Cumulative A/D moving out of a small downtrend this week and not far from new highs. It also moved back above the 40-EMA in a positive sign. Cumulative TICK continues to print new highs. NYMO moved strong this week up to 27.40 and near its highest levels since early April. NYSE Summation remains in a sell signal but recovered slightly this week to 235.40 and would see a bullish crossover this week with more strength.

Market Event Outlook

Monday: JOLTs at 10:00 AM; **Earnings Before the Open:** LOVE, THO, UXIN; **Earnings After the Close:** ASNA, CASY; **Analyst Days:** TXMD; **Business Update:** DD; **Conferences:** E3 Electronics Conf.

Tuesday: NFIB Small Business at 6:00 AM, PPI-FD at 8:30; **International Data:** China CPI/PPI, Japanese Machine Orders; **Earnings Before the Open:** CHS, HRB, HDS, JW.A; **Earnings After the Close:** PLAY; **Analyst Days:** CARG, PAA, AYG; **Conferences:** E3 Electronics Conf., Morgan Stanley Financials Conf., Deutsche Bank Consumer Conf.

Wednesday: CPI at 8:30 AM, Atlanta Fed at 10:00, EIA Petroleum at 10:30; **International Data:** Australian Labor Survey; **Earnings After the Close:** LULU, OXM, RH, TLRD; **Analyst Days:** CTXS; **Conferences:** E3 Electronics Conf., Morgan Stanley Financials Conf., Deutsche Bank Consumer Conf.

Thursday: Jobless Claims at 8:30 AM, Import/Export Prices at 8:30, EIA Nat Gas at 10:30; **International Data:** China New Loans, German CPI, Swiss SNB Policy Assessment, EU Industrial Production; **Earnings Before the Open:** DLTH, SECO, TUFN; **Earnings After the Close:** AVGO; **Analyst Days:** CPB, ESPR, WCC; **Conferences:** E3 Electronics Conf., EHA Congress 2019, Maxim Industrial Conf., Deutsche Bank Consumer Conf.

Friday: Retail Sales at 8:30 AM, Industrial Production at 9:15, Business Inventories at 10:00, Consumer Sentiment at 10:00; **International Data:** China Industrial Production, China Retail Sales, EU Merchandise Trade; **Earnings Before the Open:** CMCM; **Analyst Days:** GLW, CNC; **Conferences:** EHA Congress 2019 (BLUE, GBT updates)

Weekly Open Interest Radar

Xilinx (XLNX) shares nearing a move back above the 20-day MA after basing above the 200-EMA and notable volume support from January. XLNX has seen recent put sales into weakness as well as buyers in the July calls. Shares can move out of this range up to the 50-EMA at \$112.50 and then VPOC from May around \$117.50.

Trade to Consider: Long the **XLNX** July \$110 Calls for \$4 or Better



Weekly Options Technical Trade Set-Up

Ticker	NSC
Trigger Level	\$205
Call/Put	Calls
Strike	\$205
Target	\$210
Stop	\$200



Insider Trade of the Week

Discovery (DISCA) with a notable insider buy on 5/28 from Peter Faricy of 35,900 shares at \$27.91. The \$1M investment is the largest open market buy since mid-2018. Faricy came to DISCA in late 2018 from Amazon and is the CEO of their DTC business where he oversees their GO TV Everywhere products as well as their strategy. The company greatly expanded their content portfolio last year with their \$12B deal for Scripps which added Food Network, HGTV, and Travel Channel. Their legacy channels include Animal Planet and TLC and a big move into golf after a deal with the PGA Tour in June. Revenues rose 17% last quarter although International remains a laggard while the sale of their education business made numbers messy. They've done a good job cutting their long-term debt load as well which has fallen from \$19.2B to \$15.2B over the last year. The average target by analysts is \$34.50 with 10 buy ratings and 4 hold ratings. CSFB has a \$40 PT and Outperform rating. They think US affiliate is on track for MSD growth despite a higher cord-cutting environment while US advertising is sustaining at 4%, well above the sector. International advertising is also turning positive, especially in the Nordics which has been their weakest region. Short interest is 3.3% and the lowest since June of 2016.

Date	Description	Volume	Open.Int	Price	%Change	Delta	Impl Vol	Prob.ITM	Premium Paid
5/15/2019	DISCA 100 21 JUN 19 27.5 PUT	1,052	633	\$1.10	6.80%	-0.45	34.21%	49.13%	\$120,980
5/2/2019	DISCA 100 21 JUN 19 30 CALL	1,097	98	\$1.15	-44.98%	0.45	31.86%	40.29%	\$126,155
4/11/2019	DISCA 100 19 JUL 19 32.5 CALL	878	572	\$1.40	2.19%	0.43	32.18%	36.96%	\$140,480
2/14/2019	DISCA 100 19 JUL 19 30 CALL	1,377	554	\$2.24	14.87%	0.49	36.10%	39.95%	\$330,480
12/3/2018	DISCA 100 17 JAN 20 30 CALL	1,146	408	\$4.40	-21.43%	0.54	37.58%	38.35%	\$492,780
11/2/2018	DISCA 100 17 JAN 20 30 PUT	1,010	501	\$3.50	-2.78%	-1	--	100.00%	\$353,500

Earnings Preview

HD Supply (HDS) will report earnings on Tuesday morning before the open with the Street looking for \$0.81 on \$1.49B in sales, a 7.3% increase Y/Y. Next quarter is guided to \$1.19 and \$1.7B while the FY is at \$3.71 and \$6.36B. Shares have closed lower each of the last three reports but higher the prior three with an average closing move of 3.36%. The max move was 6.3%. 30-day IV is elevated at 31.9% with skew slightly bullish. The \$7.26B company trades 11.99X earnings, 1.2X sales, and 15.5X FCF. HDS expects mid-double digit EPS growth and sales growth of 4.9% and 6.2% through 2021. The company has been building a leading position in the fragmented Living Space MRO market which has tailwinds from an aging apartment market, growth in rental demand, and expansion of assisted living facilities. Their product scope includes appliances, HVAC, plumbing/kitchen, as well as janitorial. HDS sees a \$55B TAM where they're just 5% penetrated and HDS has focused 2019 on building out sales channels as well as adding new products and new locations to gain share. Multi-family facilities are currently their largest segment of sales with room to grow in hospitality (19% of sales) and healthcare (8% of sales). Their specialty construction business is a potential \$30B market opportunity where they have scale to their advantage with over 450K SKUs and a solid 200K customer base. Last quarter, FM revenues were higher by 14.6% while margins improved nearly 100 bps. C&I was up over 31%. Analysts have an average target for shares of \$47 with 9 buy ratings and 2 hold. Longbow upgraded shares to Buy on 6/3 with a \$53 PT. The firm thinks the company's valuation does not reflect the expected outperformance of its defensive Facilities Maintenance business. Further, their recent investments should drive additional sales growth and operating leverage. HD's "normalized" debt and lower cyclicality relative to peers supports higher a valuation with cash deployment an upside earnings kicker. Short interest is 1.6% and near multi-year lows. Institutional ownership fell 10.6%. Jana Partners a notable seller of 2.66M shares while Interval Partners and OZ Management buyers. On the chart, shares have pulled back from recent highs near \$47 to the 50-day MA at \$42. Shares are forming a big monthly bull flag with key support below at \$38.

Date	Description	Volume	Open.Int	Price	%Change	Delta	Impl Vol	Prob.ITV	Premium Paic	Symbol
6/7/2019	HDS 100 19 JUL 19 42.5 PUT	1,304	8	\$1.70	17.24%	-0.51	27.75%	54.64%	\$241,240	.HDS190719P42.5
5/21/2019	HDS 100 20 SEP 19 47.5 CALL	2,500	955	\$1.05	0.00%	0.31	23.67%	26.58%	\$262,500	.HDS190920C47.5
5/17/2019	HDS 100 20 SEP 19 40 PUT	1,250	26	\$1.00	-23.08%	-0.25	26.02%	29.49%	\$143,750	.HDS190920P40
4/29/2019	HDS 100 20 SEP 19 47.5 CALL	667	135	\$2.15	22.86%	0.44	24.36%	38.42%	\$143,405	.HDS190920C47.5
4/11/2019	HDS 100 17 JAN 20 50 CALL	400	13	\$1.95	2.63%	0.35	23.35%	27.97%	\$82,000	.HDS200117C50
4/8/2019	HDS 100 21 JUN 19 42.5 CALL	502	313	\$3.00	-8.81%	0.67	25.19%	63.27%	\$150,600	.HDS190621C42.5
3/19/2019	HDS 100 21 JUN 19 40 PUT	2,515	11	\$1.20	-4.00%	-0.34	24.50%	38.42%	\$301,800	.HDS190621P40
7/16/2018	HDS 100 17 JAN 20 45 CALL	800	0	\$6.35	N/A	0.57	28.66%	43.24%	\$508,000	.HDS200117C45
5/4/2018	HDS 100 17 JAN 20 42.5 CALL	800	0	\$4.65	N/A	0	#ERROR!	0.00%	\$372,000	.HDS200117C42.5
5/4/2018	HDS 100 17 JAN 20 32.5 PUT	800	5	\$2.50	-16.67%	-1	--	100.00%	\$200,000	.HDS200117P32.5



June 14th (W) OpEx Notable Open Interest

Date	Description	Volume	Price	Premium Paid	Date	Description	Volume	Price	Premium Paid
6/6/2019	RH 100 (Weeklys) 14 JUN 19 80 PUT	8,070	\$3.80	\$3,308,700	5/10/2019	MSFT 100 (Weeklys) 14 JUN 19 127 CALL	1,142	\$2.81	\$320,902
6/6/2019	RH 100 (Weeklys) 14 JUN 19 88 PUT	4,031	\$7.60	\$3,103,870	6/7/2019	HES 100 (Weeklys) 14 JUN 19 56 PUT	2,501	\$1.20	\$320,128
6/3/2019	BA 100 (Weeklys) 14 JUN 19 340 CALL	3,500	\$5.40	\$1,890,000	5/20/2019	ORCL 100 (Weeklys) 14 JUN 19 53 PUT	4,027	\$0.76	\$306,052
6/4/2019	NXPI 100 (Weeklys) 14 JUN 19 90 PUT	8,220	\$1.69	\$1,389,180	5/10/2019	ADBE 100 (Weeklys) 14 JUN 19 287.5 CALL	771	\$3.91	\$301,461
5/31/2019	LRCX 100 (Weeklys) 14 JUN 19 200 PUT	501	\$24.40	\$1,222,440	5/17/2019	UBER 100 (Weeklys) 14 JUN 19 43 CALL	1,381	\$1.95	\$296,915
5/13/2019	TXN 100 (Weeklys) 14 JUN 19 108 PUT	3,048	\$2.98	\$1,005,840	5/30/2019	TNDM 100 (Weeklys) 14 JUN 19 67 CALL	600	\$4.08	\$282,000
6/7/2019	TWLO 100 (Weeklys) 14 JUN 19 144 CALL	2,558	\$3.73	\$882,510	6/5/2019	TSN 100 (Weeklys) 14 JUN 19 80 PUT	2,501	\$0.95	\$275,110
6/4/2019	EA 100 (Weeklys) 14 JUN 19 95 CALL	4,542	\$1.83	\$862,980	6/7/2019	BX 100 (Weeklys) 14 JUN 19 42 CALL	4,674	\$0.55	\$271,092
5/30/2019	AMD 100 (Weeklys) 14 JUN 19 29 CALL	8,488	\$0.94	\$797,872	6/5/2019	SNAP 100 (Weeklys) 14 JUN 19 13 CALL	5,416	\$0.47	\$254,552
5/20/2019	ROKU 100 (Weeklys) 14 JUN 19 75 CALL	708	\$11.25	\$796,500	5/29/2019	JBL 100 (Weeklys) 14 JUN 19 26 CALL	1,685	\$0.67	\$252,750
5/15/2019	AVGO 100 (Weeklys) 14 JUN 19 290 PUT	1,117	\$6.56	\$759,560	6/7/2019	AMTD 100 (Weeklys) 14 JUN 19 52 PUT	3,014	\$0.62	\$241,120
5/6/2019	BRK/B 100 (Weeklys) 14 JUN 19 207.5 CALL	856	\$8.23	\$744,720	5/31/2019	STZ 100 (Weeklys) 14 JUN 19 175 CALL	507	\$4.61	\$233,727
5/22/2019	TWTR 100 (Weeklys) 14 JUN 19 37 CALL	2,407	\$2.64	\$630,634	5/16/2019	PNC 100 (Weeklys) 14 JUN 19 130 PUT	1,000	\$2.25	\$225,000
5/16/2019	ADBE 100 (Weeklys) 14 JUN 19 287.5 CALL	1,006	\$6.23	\$628,750	5/10/2019	WFC 100 (Weeklys) 14 JUN 19 45 CALL	1,031	\$2.13	\$219,603
5/28/2019	AMD 100 (Weeklys) 14 JUN 19 26 CALL	2,265	\$2.72	\$616,080	5/29/2019	COF 100 (Weeklys) 14 JUN 19 87 PUT	1,501	\$1.50	\$219,146
5/6/2019	BRK/B 100 (Weeklys) 14 JUN 19 210 CALL	850	\$6.75	\$590,750	5/17/2019	VZ 100 (Weeklys) 14 JUN 19 60 CALL	5,646	\$0.36	\$208,902
6/7/2019	TWTR 100 (Weeklys) 14 JUN 19 36.5 CALL	3,065	\$1.66	\$530,245	6/3/2019	LLY 100 (Weeklys) 14 JUN 19 118 CALL	1,358	\$1.52	\$198,268
5/23/2019	NKE 100 (Weeklys) 14 JUN 19 83 PUT	2,022	\$2.57	\$527,742	5/10/2019	ADBE 100 (Weeklys) 14 JUN 19 292.5 CALL	772	\$2.56	\$197,632
5/17/2019	JPM 100 (Weeklys) 14 JUN 19 110 PUT	3,026	\$1.70	\$520,472	6/5/2019	MDT 100 (Weeklys) 14 JUN 19 95.5 CALL	1,241	\$1.63	\$196,078
6/3/2019	ROKU 100 (Weeklys) 14 JUN 19 92 CALL	1,216	\$3.75	\$462,080	6/5/2019	TWTR 100 (Weeklys) 14 JUN 19 36.5 PUT	2,082	\$0.92	\$189,462
6/3/2019	TWTR 100 (Weeklys) 14 JUN 19 34 CALL	2,110	\$2.02	\$434,660	5/29/2019	MS 100 (Weeklys) 14 JUN 19 40 PUT	4,801	\$0.37	\$187,239
6/4/2019	FOLD 100 (Weeklys) 14 JUN 19 12 CALL	6,509	\$0.60	\$423,085	6/4/2019	EBAY 100 (Weeklys) 14 JUN 19 36.5 CALL	2,579	\$0.71	\$183,109
5/30/2019	FSLR 100 (Weeklys) 14 JUN 19 56 CALL	1,017	\$4.05	\$422,055	5/29/2019	USB 100 (Weeklys) 14 JUN 19 49.5 PUT	3,000	\$0.55	\$183,000
6/4/2019	WDAY 100 (Weeklys) 14 JUN 19 202.5 CALL	1,658	\$2.20	\$364,760	5/29/2019	C 100 (Weeklys) 14 JUN 19 60 PUT	3,000	\$0.59	\$180,000
6/7/2019	NOW 100 (Weeklys) 14 JUN 19 287.5 CALL	3,607	\$0.76	\$360,700	6/5/2019	DATA 100 (Weeklys) 14 JUN 19 116 CALL	718	\$2.25	\$179,500

Technical Scans

BULL SCANS

Notable 8/21 EMA Bull Crossovers: MSFT, CSCO, HPQ, PYPL, PG, CRM, JBLU, AMRN, ROST, HD, CAG, JNPR, AMGN, OLN, HON, EA, TERP, PPG, HLT, WDAY, NOW, SPOT, LEN, BWA, MTN, LNG, EXPE, VCYT, HCA, VRTX, GPC, AKAM, SRPT, XYL, PZZA, BAND, TDG, ADTN, ITT, ENV, EPAM, ANSS, SLAB, PCTY

Notable 13/34 EMA Bull Crossovers: ZEN, TWTR, VIAB, KIM, APO, YNDX, DXCM, ILMN, TRU, DFS, INTU, RTN, SHW, ALK, NAV, SYK, MCO, ORLY, EPAM, HII, TYL

Notable 21/55 EMA Bull Crossovers: EBAY, NVS, HD, ROST, CRSP, WPM, BUD, TD, BSX, NEP, KRC

Emerging Strength (Daily RSI Cross of 50 w/ Accumulation/Distribution Ratio at 12 Week High): HGV, BEN, PRSP, ZEN, UNP, ETSY, DATA, DE, SVMK, BZUN, CRI, CE, PII, TIER, BLK, FOXF

60 Day Highs with Strong Closes: WMT, MDT, TWLO, CL, MA, MCD, ARMK, AXP, FIS, DHR, BG, ALL, COST, ZEN, INFO, GPN, WP, ARWR, EXAS, TMO, DG, TSS, CHTR, ABC, SNPS, LMT, EL, QURE, CME, NOC, MRTX, SPGI, BKI, XRAY, VRSK, IR, BR, SAP, LDOS, HEI, CTAS, HAS, WCG, MSI, IEX, DGX, MLM, GNRC, DECK, RMD, LLL, NMIH, TRI, IDXX, ROP, DEO, EQIX, HXL, OSIS, BFAM, TFX, GLOB, POOL, GIB, CHE, CMPR, TECH, RLI

Lower Bollinger Bounce Candidates (Above 100 and 200 MA's, Short Term Oversold): EQH, EPD, BRFS, HEXO, CBAY, VICI, RIO, HDS, ESTC, NUAN, FIVE, DLR, ALTR, APPN, GWRE, RJF, NOMD, FCPT, QTWO, PFPT, NXST, OMER, TGI, WBC, BIO, MSG, IPAR, MGLN, UEIC

Weekly MACD Bull Crossover: PFE, KMI, BSX, SBUX, NEM, MDB, FE, TPR, FTI, AYX, GH, SMAR, DHR, ABB, ERI, TTD, PRU, WSM, MAR, ILMN, YUM, TSCO, SGMS, EL, MRTX, SHW, GD, FNV, JKS, SLG, PEN, COO

BEAR SCANS

Notable 8/21 Bear EMA Crossovers: OLLI, HUM, APPN, NOMD, SHLX, GWPH, SVRA

Notable 13/34 EMA Bear Crossovers: VRRM, FCPT, ALTR, MIDD, GTHX, FMX, BMCH

Notable 21/55 EMA Bear Crossovers: DOCU, ENB, SBAY, FIVE, OII, VMW, TCBI, DLR, CHSP

Notable 34/144 EMA Bear Crossovers: CTRP, ANET, ALXN, FTNT, CNK, PUK, JOBS, VCEL

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

20 Day Lows with Weak Closes: DOCU, PVTI, WDC, MAC, DOMO, ANF, MUR, EVH, OLLI, ICPT, XEC, MRNA, TWOU, TLND, PANW, SBGI, AEL, PLAY, ATRA, QTWO, GLNG, GWPH, TCO, ARVN, BNFT, NXST, FUN, NXGN, CARB, SCWX, TX, VCRA, SRG, HOV, HELE, SHEN, CBPO, MGTA, PHI, TBK

Weekly MACD Bear Crossover: CMCSA, HOME, ECA, CPE, HST, C, PVTI, QEP, VIPS, EQT, GPRO, USFD, CBAY, CFG, DELL, UTX, TPH, CS, I, TLND, DLPH, AME, ALTR, HBT, PXD, SGMO, KSU, APPN, AEL, QTWO, LX, TTM, MIDD, TDOC, BECN, HUBS, MGNX, NTES, GTX, HASI, SSW, WK, TPPE, NS, MRCY

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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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