



WEEKLY RADAR REPORT 7-3-2022



Technical Market View

The SPX closed the week lower by back above the 3800 key level short term. With Fridays move higher back to the 8 EMA a potential higher low is trying to form but will need to confirm with a close above the 21 EMA next week and preferably a higher high above 3950. The SPX continues to see a staircase lower from each test of the 21 EMA sloping lower although the bull MACD cross signal recently still in place so a short covering rally higher is not out of the question. Most rebounds should be short term and likely sold into as long as price maintains under the 4000 level which is near the 55-day EMA. This week's low near 3740 becomes a key level to hold on the downside to avoid a move to new lows in July. RSI staying closer to the 50 level and showed some bull divergence on the recent June lows with price.



Market Sentiment/Breadth

AAll sentiment for the week ending 6/29 showed bullish responses rise to 22.8% from 18.2% prior while bearish responses fell to 46.7% from 59.3%. Neutral sentiment rose to 30.5% from 22.5%. Pessimism among individual investors plunged this week but remains at an unusually high level in the latest survey. Additionally, both bullish and neutral sentiment rose. NAAIM Exposure rose slightly to 30.66 but is still in bearish sentiment. Lipper fund flows for the week ending 6/29 had \$8.0B of outflows of equities. The third straight week of outflows of at least -\$5B. Friday's close saw NYSE new highs at 12 while new lows of 205, bearish breadth continues. The percentage of SPX stocks above their 50-MA is 24.2% while those above their 200-MA was 25.8%. NYSI and NASI Summation index both above the 8-MA but starting to weaken and roll over. NYMO fell to -7 to end the week neutral. Cumulative AD remaining in a downtrend below the 40 EMA short term and 89 EMA long term. CBOE Equity P/C 50-day MA at 0.69 and at very high levels showing extreme pessimism. CNN Fear and Greed in Extreme Fear zone at 24 from 28 last week.

Seasonality Outlook

Per the Trader's Almanac,

- Markets have been subject to more elevated volatility after the July 4th holiday.
- Nasdaq has been weaker in July during midterm election years, avg -1.9%.
- When July has a large gain, it usually provides a better buying opportunity the next 4 months.
- July options expiration week has been bullish, S&P up 24 years, down 17 since 1980.

Below shows the daily odds the market has been up each day since the year 2000. The week after the 4th starts off with weakness but ends stronger historically as early July tends to see new retirement money inflows. With it being a bear market some of this may not apply as strongly but the stats show a clear upside bias into the middle part of July. July options expiration week is quite bullish especially the Wednesday and Thursday prior to expiration with the Nasdaq slightly stronger overall.

	Seasonality Percentages					% up since year 2000
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg
	7/4/2022	7/5/2022	7/6/2022	7/7/2022	7/8/2022	
Dow	4th of July	33.3	57.1	57.1	61.9	52.4
S&P	Market Closed	38.1	66.7	57.1	57.1	54.8
Nasdaq		38.1	61.9	61.9	57.1	54.8
Average		36.5	61.9	58.7	58.7	54.0
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg
	7/11/2022	7/12/2022	7/13/2022	7/14/2022	7/15/2022	
Dow	57.1	52.4	81	76.2	52.4	63.8
S&P	57.1	57.1	81	71.4	38.1	60.9
Nasdaq	66.7	61.9	66.7	76.2	52.4	64.8
Average	60.3	57.1	76.2	74.6	47.6	63.2

Market Event Outlook

Monday: 4th of July, US Markets Closed. **International Data:** Australia Retail Sales, RBA Rate Statement, China PMI, Japan Services PMI; **Earnings After the Close:** None.

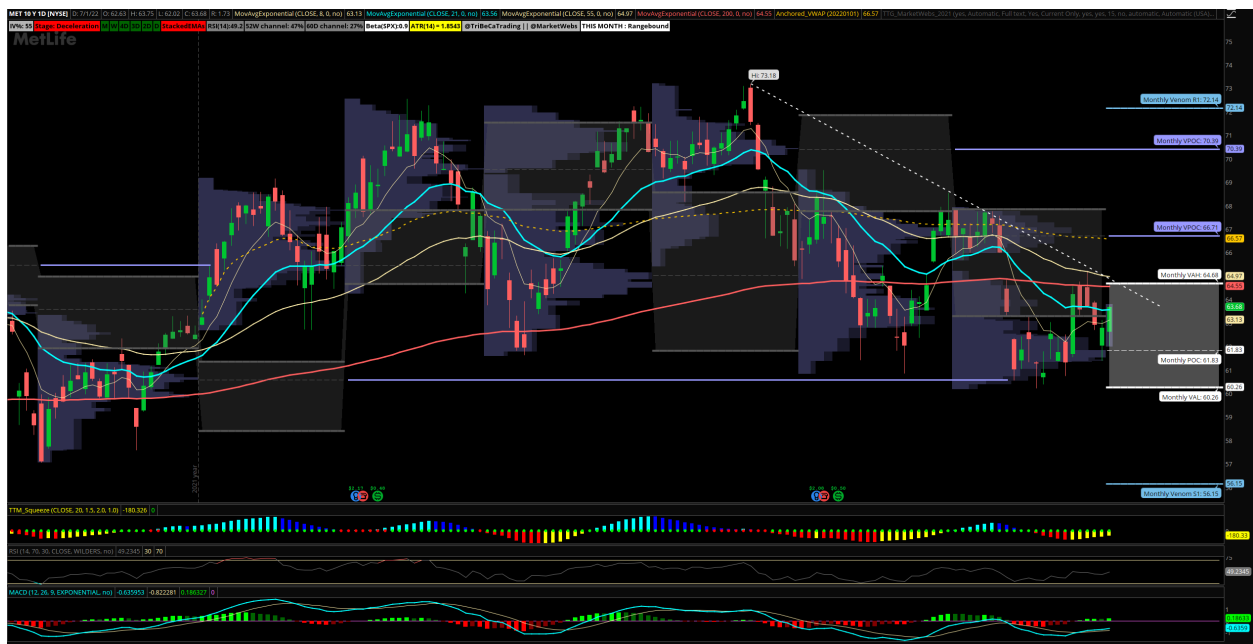
Tuesday: Factory Orders; **International Data:** German Services PMI, Euro PMI, UK PMI, BOE Gov Bailey Speaks; **Earnings After the Close:** None; **Analyst Days:** SNY; **Conferences:** International Congress on Neuromuscular Diseases (7/5-7/9) RPHM, SRRK, SLDB.

Wednesday: FOMC Member Williams Speaks, Final Services PMI, JOLTs Job Openings, ISM Services PMI, FOMC Minutes; **International Data:** German Factory Orders, UK Construction PMI, Euro Retail Sales, Eurozone Economic Forecasts; **Earnings Before the Open:** None; **Earnings After the Close:** None; **Conferences:** LoRaWAN World Expo 2022 (7/6-7/7) CBRE, CSCO, MSFT, AMT, STMC.

Friday: Jobs Report, Unemployment Rate, Final Wholesale Inventories, FOMC Member Williams Speaks, Consumer Credit; **International Data:** ECB President Lagarde Speaks, China CPI/PPI.

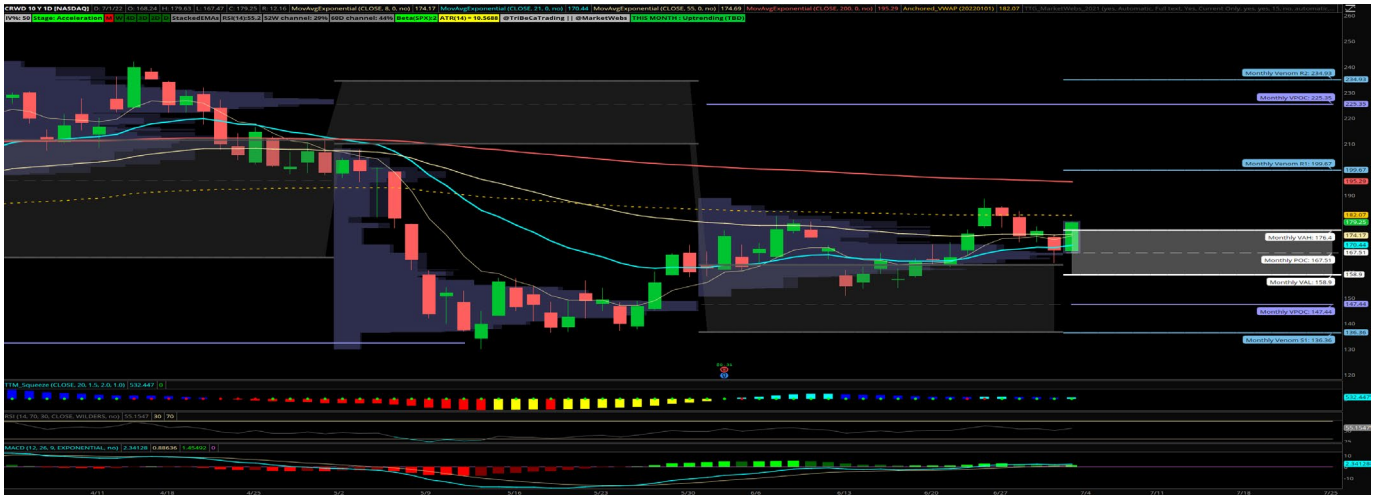
MetLife (MET) shares have been pulling back to the yearly VPOC support at 61 recently but have bounced back and now trying to regain value area high resistance for the year at 64.80. The stock is positive year to date slightly still as insurance names have held up well. A move back above 65 can likely see a rebound to 67 then 70 where there are untested VPOC levels of prior high volume. Options open interest has continued to stay bullish with several longer-term opening put sales still holding in November \$70 puts sold to open at \$9.10 as well as June 2023 \$60 puts sold in size back in April. MET also had a recent June 2023 \$60 call buyer at \$8.21 for \$804k.

Date ▾	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium
06-23-2022	MET	MET 100 16 JUN 23 50 PUT	1,500	1,053	\$3.47	-0.23	35.24%	\$555,000
06-16-2022	MET	MET 100 19 JAN 24 50 PUT	1,000	27	\$4.7	-0.26	30.37%	\$510,000
06-16-2022	MET	MET 100 16 JUN 23 60 CALL	838	308	\$8.21	0.56	38.72%	\$804,480
06-10-2022	MET	MET 100 15 JUL 22 60 PUT	5,024	799	\$1.1	-0.28	34%	\$552,640
06-09-2022	MET	MET 100 16 DEC 22 75 CALL	2,000	283	\$2.4	0.28	28.06%	\$480,000
06-08-2022	MET	MET 100 16 JUN 23 72.5 CALL	1,478	861	\$5.8	0.44	31.96%	\$857,240
06-07-2022	MET	MET 100 16 JUN 23 75 CALL	2,803	719	\$5.31	0.41	31.95%	\$1,541,650
05-11-2022	MET	MET 100 19 JAN 24 57.5 PUT	3,500	9	\$7.02	-0.34	29.28%	\$2,457,000
04-25-2022	MET	MET 100 16 JUN 23 60 PUT	2,000	0	\$5.7	-0.31	32.65%	\$1,140,000
04-14-2022	MET	MET 100 19 JAN 24 72.5 CALL	497	5	\$9.7	0.51	31.59%	\$482,090
03-16-2022	MET	MET 100 18 NOV 22 70 PUT	3,000	20	\$9.1	-0.52	32.04%	\$2,865,000



Weekly Options Technical Trade Set-Up

Ticker	CRWD
Trigger Level	180
Call/Put	Calls
Strike	182.50
Target	195
Stop	175



Credit Spread of the Week

Energy Name Looking to Bounce off Long Term Support

Phillips 66 (PSX) is a \$39.4B oil and gas company that operates through four segments: Midstream, Chemicals, Refining, and Marketing and Specialties (M&S). The stock has pulled back sharply to the top of the yearly 2021 value area and a longer-term uptrend line from the lows. The 80-82 level shows a strong zone of support and even with the pullback in oil it should provide a rebound to play with a trade. Potential to see the stock recover back to the 21 EMA at 92 currently on a bounce as the move down has retested the late April lows. Selling a bull put spread into support looking for the stock to stay above 80. PSX is a lower beta name but the drop in Energy stocks has increased its 30-day IV rank to over 80% so options premiums are rich. Options flows have stayed bullish with recent opening put sellers in November \$77.50 puts at \$6.50 and August \$82.50 puts sold to open and still in OI. PSX also saw a large ITM call buy on 4/14 for January \$72.50 calls at \$15.13 that remains in OI.

Trade to consider: Sell **PSX** August 80/75 bull put spread at \$1.60 credit or better. Targeting 50% profit of the credit



Insider Trade of the Week

Rocket Companies (RKT) - with several insider buys this past month from its CEO and a director. During the month of June, the CEO increased his stake from 2.6M shares to near 2.2M shares buying between prices of \$6.50 and \$8.71 in that timeframe. More than \$4.2M of stock purchases for the month. This continued the trend of buying since April as the stock has corrected lower with market weakness. Since early April the CEO has nearly doubled his shares owned. The stock is under \$10 so it does not see a lot of options action but has seen mixed flows with recent buys in August \$12 puts for \$2.3M as well as opening put sales in January \$6 puts still in OI. The stock has corrected sharply this year after being a popular meme stock in 2021 while housing and mortgage related stocks prospered. The stock hit a low of \$6.27 in June and has since rebounded back to near 8 as interest rates seem to have peaked for the short term. The stock has potential to snapback towards its YTD VWAP near 10.20 on a recovery in the mortgage sector if yields continue to move lower this summer. The \$15B company trades at 9.5x earnings, 2.1x sales, and 1.6x book value with FY23 expected to grow revenues +1% after a rough 2022 and FY24 estimates at +17.2%. RKT is a financial tech company consisting of tech-driven real estate, mortgage, and financial service businesses. Its segments include Direct to Consumer and Partner Network. Its Direct-to-Consumer segment consists of performance marketing and direct engagement through its Rocket Mortgage application. Its Partner Network segment includes partnerships with premier consumer-focused organizations, brokers and mortgage professionals who leverage its platform and scale to provide mortgage solutions to their clients. Many estimates have come down for RKT due to surging interest rates but a lot of that possibly priced in at this point. Average analyst target is at \$11 with a Street high at \$18. May, Keefe Bruyette upgraded the stock to Market Perform but lowered their target to \$7 citing valuation but also saying while operating trends remain challenging, large originators, including Rocket, are moderating growth expectations. This should provide some support for gain-on-sale margins but adds it will require that companies make hard decisions in terms of cutting capacity. Short interest is high at 27.4%. Hedge fund ownership rose 6% last quarter.

Earnings Preview

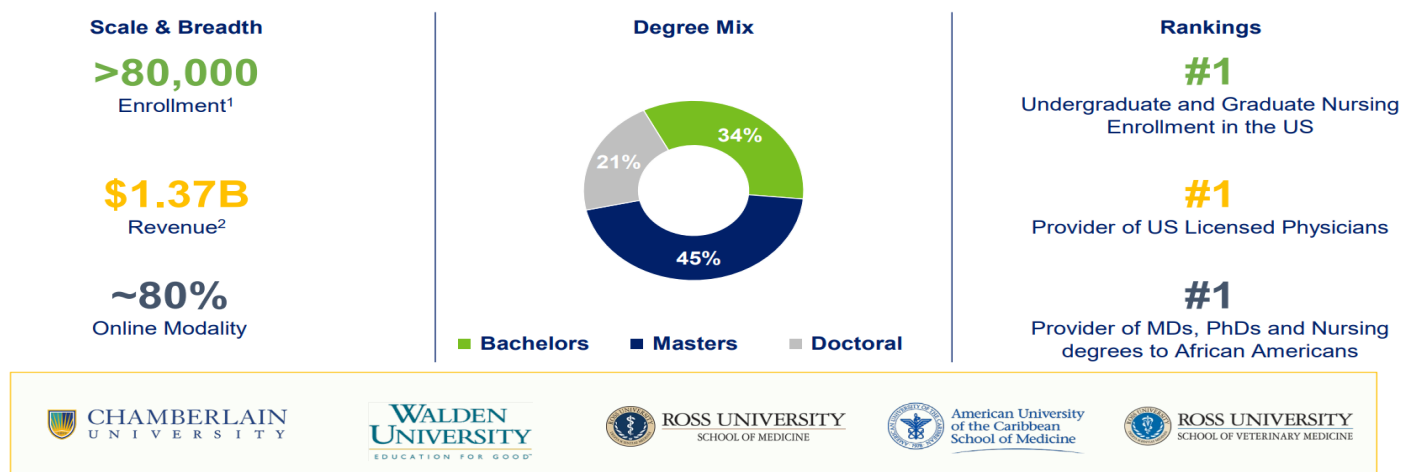
Levi Strauss (LEVI) is reporting earnings on 7/7 after the market close and the Street is looking for \$0.23 EPS/\$1.432B in sales. Shares have closed higher 5 of the last 8 reports with a median closing move of +2% and average max move of 10.6%. Current implied move is 7.5%. The average IV crush for earnings is about -23.7%. Historical put/call OI percentile sits at 64.3%. Short interest at 1.6%. LEVI shares have been weak since breaking below the 20 level in March and have been riding its 55 EMA lower on rebounds to that resistance. The stock is back near late 2020 levels at 16 and if that strong support fails to hold then the next level is at 15 with much larger support at 12.50. On the upside the 19-20 zone is stiff resistance with the YTD VWAP in that area. The \$6.3B company trades 10.2X earnings, 1.2X EV/sales, and has a FCF yield of 5.5% with a 2.5% dividend yield. Earnings are expected to grow 11.3% in FY23 and 13.2% in FY24. In early June at the company Investor Day, LEVI announced they will accelerate investment in stores, online platforms and other digital capabilities, while creating an integrated omni channel shopping experience, which is expected to profitably drive this channel to 55% of annual net revenues by 2027 while tripling the ecommerce business. They estimate 6-8% annual net revenue growth up from prior targets of 4-6% and adjusted EBIT margin improvement to 15%. Also, a commitment to increasing shareholder returns through a new dividend payout target and recently approved share repurchase program of \$750 million. Analysts have an average target for shares of \$30 with a Street High \$40. Stifel recently lowered target to \$26 but kept a Buy rating citing the company's tangible growth vectors and cohesive strategy of growing the core, expanding key opportunities, and driving direct-to-consumer sales suggest the targets could hold upside over time. Options flows have seen some recent bull flows mostly in longer term expirations. The January 2024 \$18 calls bought 2,000x on 3/15 for \$4.50 remain in open interest and Jan 2024 \$18 puts sold to open on 5/4 for \$3.40 still in OI. Also, some January \$22 puts sold to open on 2/11 are underwater and staying in OI looking for a rebound by year end.

Date ▾	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium ▾
05-04-2022	LEVI	LEVI 100 19 JAN 24 18 PUT	1,000	270	\$3.4	-0.37	38.49%	\$360,000
03-15-2022	LEVI	LEVI 100 19 JAN 24 18 CALL	2,000	1	\$4.5	0.61	50.01%	\$980,000
03-01-2022	LEVI	LEVI 100 15 JUL 22 19 PUT	1,265	18	\$1.3	-0.30	45.31%	\$164,450
02-11-2022	LEVI	LEVI 100 20 JAN 23 22 PUT	1,505	112	\$2.82	-0.41	37.17%	\$424,410
01-11-2022	LEVI	LEVI 100 15 JUL 22 22 PUT	1,500	33	\$1.95	-0.38	39.17%	\$292,500

Weekly Small Cap Write-Up

Adtalem Education (ATGE) a small cap that screened well into 2022 and shares outperforming strongly up 20% YTD. ATGE shares rebounded off key \$20 support and now working up towards major resistance at \$40.

Adtalem is a leading workforce solutions provider offering a wide array of programs across medical and healthcare and financial services. ATGE did a key \$1.48B deal in August 2021 for Walden e-Learning. Chamberlain University, American University of the Caribbean School of Medicine, Ross University School of Medicine, Ross University School of Veterinary Medicine, Association of Certified Anti-Money Laundering Specialists, Becker Professional Education, OnCourse Learning, and EduPristine are its notable programs. On August 4, 2021, Adtalem announced it is exploring strategic alternatives for the Financial Services segment which it sold to Wendel and Colibri in January for \$487.5M. ATGE is now a pure-play Healthcare education company.



The healthcare industry is suffering from a high dropout rate and an aging workforce at a time of a faster aging population demands more healthcare professionals, an estimated 1M registered nurses will leave the workforce by 2030 for retirement. Demand for healthcare practice and healthcare support professionals currently exceeds supply by 44% and 9%, respectively. Chamberlain and Walden dominate enrollment in MSN programs with ~3x more enrollment on a combined basis than the next largest provider. Adtalem's medical schools graduate more physicians than any U.S. medical school on an annual basis and Chamberlain is the largest nursing school in the U.S.

ATGE has a market cap of \$1.47B and trades 6X EBITDA with a 4.6% FCF yield, and revenues seen rising 23.6% in 2022 and 6.5% in 2023 with EBITDA growth of 32.9% and 15.3% respectively. ATGE has strengthened its balance sheet repaying debt with proceeds from divestures and also authorized a \$150M accelerated buyback and a \$300M open market buyback over the next three years as it continues to shrink its shares outstanding. ATGE is coming off a strong quarter beating Street estimates and expanding operating margins 320bps. ATGE has seen post-pandemic headwinds, over the last several quarters, many pandemic fatigued healthcare professionals have delayed their educational plans,

resulting in a continued decline in enrollment, particularly in post-licensure nursing programs. Walden remains an instrumental catalyst in the transformation of ATGE. ATGE insiders were active buyers of the stock in February and a Director on 6/15 bought \$316,700 in stock at \$31.67/share.

ATGE is a solid business undergoing a positive transformation and trading at attractive valuation while the clear need for healthcare workers over the next decade should remain a driver of continued success.

July 8th (W) 2022 OpEx Notable Open Interest

Date	Description	Volume	Current	Current Price	Price Change	Current Value
6/16/2022	AAPL 100 (Weeklys) 8 JUL 22 130 CALL	11,045	10,522	\$9.27	-70.72%	\$9,753,894
6/16/2022	AAPL 100 (Weeklys) 8 JUL 22 135 CALL	11,305	11,419	\$4.95	-59.16%	\$5,652,405
6/29/2022	NVDA 100 (Weeklys) 8 JUL 22 150 PUT	9,974	4,075	\$7.15	101.41%	\$2,913,625
6/9/2022	AA 100 (Weeklys) 8 JUL 22 50 PUT	8,609	4,416	\$5.95	209.90%	\$2,627,520
6/14/2022	TSLA 100 (Weeklys) 8 JUL 22 750 CALL	2,293	5,009	\$5.15	-66.77%	\$2,579,635
6/27/2022	DKNG 100 (Weeklys) 8 JUL 22 15 PUT	3,305	7,029	\$3.45	99.42%	\$2,425,005
6/1/2022	AMD 100 (Weeklys) 8 JUL 22 80 PUT	3,297	3,444	\$6.66	420.31%	\$2,293,704
6/3/2022	NFLX 100 (Weeklys) 8 JUL 22 195 PUT	1,105	1,210	\$16.77	-57.46%	\$2,029,170
6/9/2022	MSFT 100 (Weeklys) 8 JUL 22 270 PUT	1,042	1,501	\$11.30	-2.16%	\$1,696,130
6/23/2022	KSS 100 (Weeklys) 8 JUL 22 38 PUT	3,501	1,886	\$8.45	160.00%	\$1,593,670
6/27/2022	DKNG 100 (Weeklys) 8 JUL 22 14.5 PUT	2,005	5,042	\$2.78	146.02%	\$1,401,676
6/29/2022	ABNB 100 (Weeklys) 8 JUL 22 95 PUT	2,276	2,210	\$5.32	26.07%	\$1,175,720
6/8/2022	BABA 100 (Weeklys) 8 JUL 22 120 CALL	4,197	5,766	\$1.92	79.77%	\$1,107,072
5/31/2022	AMRS 100 (Weeklys) 8 JUL 22 2.5 PUT	18,719	20,693	\$0.40	-14.29%	\$827,720
6/28/2022	COIN 100 (Weeklys) 8 JUL 22 52 PUT	1,188	1,485	\$4.81	46.20%	\$714,285
6/27/2022	VERU 100 (Weeklys) 8 JUL 22 15 PUT	2,000	1,564	\$3.87	26.89%	\$605,268
6/22/2022	AMAT 100 (Weeklys) 8 JUL 22 90 PUT	1,103	1,158	\$4.85	120.45%	\$561,630
6/30/2022	TWTR 100 (Weeklys) 8 JUL 22 37.5 PUT	5,055	6,882	\$0.77	-49.01%	\$529,914
7/1/2022	Z 100 (Weeklys) 8 JUL 22 34.5 CALL	6,371	6,371	\$0.75	0.00%	\$477,825
6/16/2022	WBA 100 (Weeklys) 8 JUL 22 40 PUT	1,313	2,740	\$1.65	11.76%	\$452,100
6/27/2022	BABA 100 (Weeklys) 8 JUL 22 117 PUT	1,030	1,147	\$3.78	12.09%	\$433,566
6/30/2022	TWTR 100 (Weeklys) 8 JUL 22 36 PUT	10,748	10,389	\$0.39	56.18%	\$405,171
6/10/2022	SFIX 100 (Weeklys) 8 JUL 22 6 PUT	2,523	3,327	\$1.12	96.49%	\$372,624
6/27/2022	NCLH 100 (Weeklys) 8 JUL 22 12.5 PUT	5,007	2,427	\$1.34	116.13%	\$325,218
6/29/2022	WBD 100 (Weeklys) 8 JUL 22 13 CALL	2,432	2,292	\$1.37	136.21%	\$314,004
6/30/2022	COIN 100 (Weeklys) 8 JUL 22 45 PUT	3,305	2,132	\$1.45	-42.00%	\$309,140
7/1/2022	MDT 100 (Weeklys) 8 JUL 22 91 PUT	3,129	3,129	\$0.91	0.00%	\$284,739
6/30/2022	COIN 100 (Weeklys) 8 JUL 22 40 PUT	5,991	5,891	\$0.47	59.13%	\$276,877
7/1/2022	DISH 100 (Weeklys) 8 JUL 22 18 PUT	5,052	5,052	\$0.54	0.00%	\$272,808
6/27/2022	PDD 100 (Weeklys) 8 JUL 22 64 PUT	1,028	1,272	\$2.10	39.13%	\$267,120
6/21/2022	DKNG 100 (Weeklys) 8 JUL 22 12.5 PUT	3,034	2,607	\$0.99	-5.71%	\$258,093
6/22/2022	META 100 (Weeklys) 8 JUL 22 175 CALL	1,800	7,373	\$0.34	81.82%	\$250,682
6/2/2022	C 100 (Weeklys) 8 JUL 22 46 PUT	2,575	3,091	\$0.52	8.77%	\$160,732
6/28/2022	CVNA 100 (Weeklys) 8 JUL 22 27.5 CALL	5,307	5,174	\$0.31	-78.32%	\$160,394
6/8/2022	OXY 100 (Weeklys) 8 JUL 22 57 PUT	2,144	2,609	\$0.60	20.00%	\$156,540
6/27/2022	BABA 100 (Weeklys) 8 JUL 22 125 CALL	1,284	1,839	\$0.84	-78.18%	\$154,476
6/27/2022	CLR 100 (Weeklys) 8 JUL 22 65 PUT	1,500	1,516	\$1.00	-18.70%	\$151,600
6/22/2022	DISH 100 (Weeklys) 8 JUL 22 16 PUT	6,100	5,913	\$0.21	-70.42%	\$124,173
6/16/2022	WBA 100 (Weeklys) 8 JUL 22 39 PUT	1,012	1,412	\$0.86	37.23%	\$121,432
6/23/2022	GM 100 (Weeklys) 8 JUL 22 33 CALL	3,712	2,391	\$0.45	-62.81%	\$107,595

Disclaimer:

Not Investment Advice or Recommendation

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