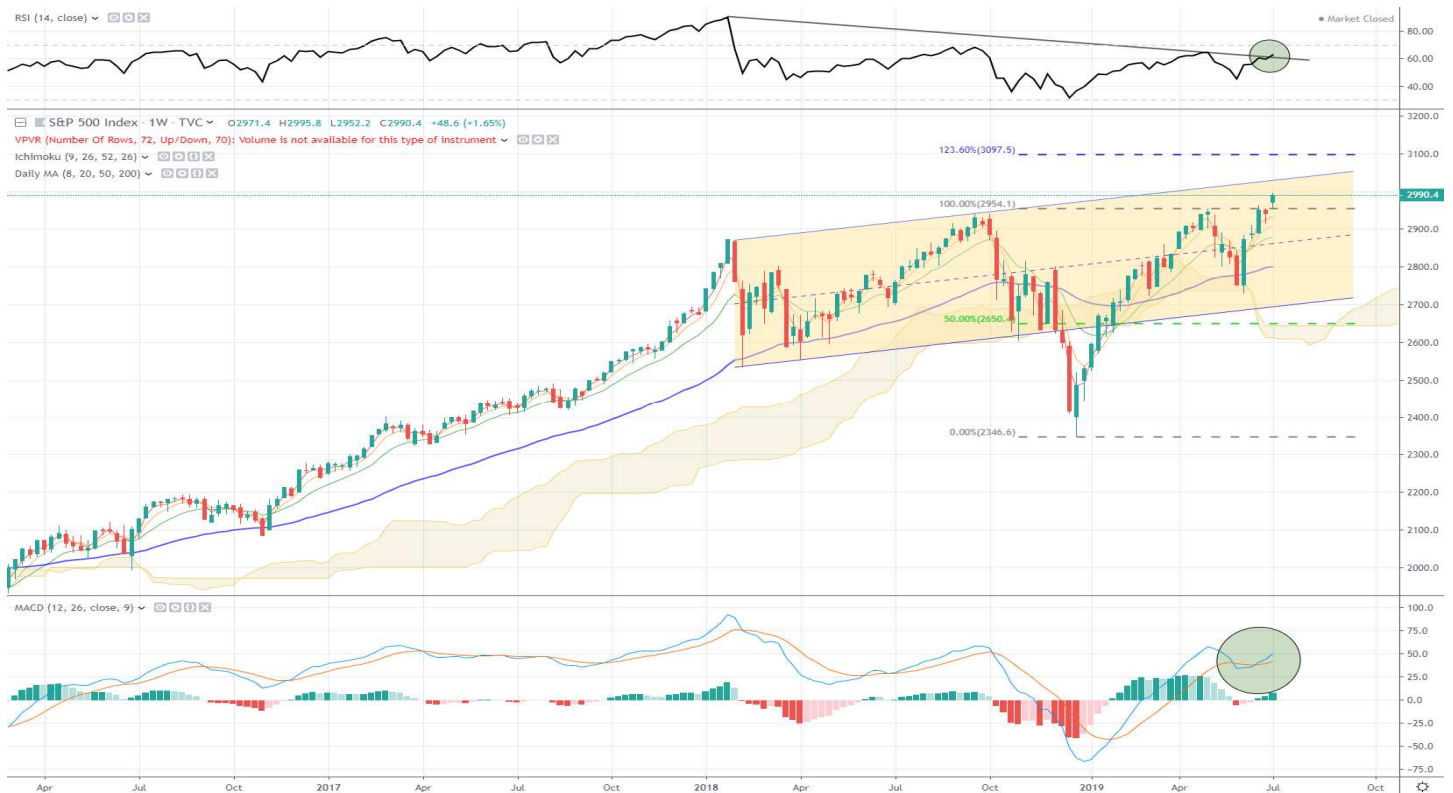




The **S&P 500 (SPX)** rose to new highs this week despite some weakness on Friday after the strong jobs report. Despite the better-than-expected print, CME Fed Watch is still pricing in a 95% chance of a cut this month. Early on Friday we dipped back to 2975 and the 5-day VWAP but buyers were strong and managed to close just shy of the psychologically key 3,000 level. The short-term trend remains strong with the 8-, 13-, and 20-EMA all sloping upwards and support holding on the recent pullback. The longer-term measured move out of this range targets 3,100 and then 3,175. Support below is at the 20-day around 2928 and then the 50-day MA which aligns with cloud support at 2,890. RSI and MACD are both extended on the daily timeframe but room to expand more on the weekly. **Gold (GLD)** pulled back to its rising 13-EMA this week and held as it continues to flag after the recent run. **Bonds (TLT)** held their 20-day MA on Friday.



Market Sentiment/Breadth

The latest AAI Sentiment survey for the week ending 7/3 showed a 3.6% increase in bulls, a 3.9% decrease in neutral, and 0.3% rise in bearish responses. Bullish sentiment remains below the long-term average by 5%. NAAIM Exposure rose nearly 10% to 79.36. Lipper Fund Flows had \$19.8B of outflows from equities. In 2019, the cumulative flows are -\$98B. BAML flows showed a surge of inflows to investment grade bonds which brought in \$12.3B. Equity funds had \$10.3B of outflows. DSI Bullish sentiment for the S&P rose to 90% this week, above the highs in June, and the most bullish since April 12th. As of Friday there were 243 new highs vs 66 new lows, strong breadth. The percentage of stocks above their 50-day MA was 82.2% , still below February and April's highest levels, while those above their 200-day was 75% and the highest since January 2018. NYSE Summation is at 725.81 and remains steady above its 8-EMA. Cumulative AD and cumulative TICK both hit new highs.

Market Event Outlook

Monday: Consumer Credit at 3:00 PM; **International Data:** German Industrial Production; **Earnings Before the Open:** AZZ; **Conferences:** ISTH 2019 (ALXN, BMRN, CAH, HAE, NVO, PFE, PTLA, SNY, ONCE, TAK, QURE)

Tuesday: NFIB Small Business at 6:00 AM, Jerome Powell Speaks at 8:45, Redbook at 8:55, James Bullard Speaks at 10:00, JOLTS at 10:00, Raphael Bostic Speaks at 1:00, Randal Quarles Speaks at 2:00; **International Data:** China CPI/PPI; **Earnings Before the Open:** LNN, PEP; **Earnings After the Close:** HELE, KSHB, WDFC; **Analyst Days:** GIS; **Conferences:** ISTH 2019 Congress, SEMICON West 2019 (KLAC, AMAT, IBM, AMD, LRCX, CDNS, ON, INTC, AVGO, ASML, MU, QCOM, NVDA, SAP, NXPI, XLNX)

Wednesday: MBA Mortgage Applications at 7:00 AM, Atlanta Fed at 10:00, Jerome Powell Speaks at 10:00, EIA Petroleum at 10:30, James Bullard Speaks at 1:30, FOMC Minutes at 2:00; **International Data:** UK GDP, French and Italian Industrial Production; **Earnings Before the Open:** ANGO, MSM; **Earnings After the Close:** AIR, BBBY, PSMT, YRD; **Analyst Days:** WYNN, PCYO; **Conferences:** ISTH 2019 Congress, SEMICON West 2019

Thursday: CPI at 8:30 AM, Jobless Claims at 8:30, Jerome Powell Speaks at 10:00, EIA Nat Gas at 10:30, John Williams Speaks at 11:00, Randal Quarles Speaks at 1:30, John Williams Speaks at 1:30; **International Data:** German CPI, ECB Minutes; **Earnings Before the Open:** DAL, FAST; **Conferences:** SEMICON West 2019

Friday: PPI-FD at 8:30 AM; **International Data:** EU Industrial Productions, China GDP (Sunday), China Industrial Production (Sunday), China Retail Sales (Sunday); **International Earnings:** Steinhoff; **Earnings Before the Open:** INFY

Weekly Open Interest Radar

Cree (CREE) shares are setting up well in a multi-week range under \$60 with a breakout targeting a run back at recent highs around \$65/\$70. CREE has seen notable bullish flow in the September \$50 and \$55 calls, December \$55 calls, and July \$60 calls.

Trade to Consider: Long the **CREE** August \$60 Calls for \$2.65 Debit



Weekly Options Technical Trade Set-Up

Ticker	TEAM
Trigger Level	\$136
Call/Put	Calls
Strike	\$135
Target	\$142.50
Stop	\$130.50



Insider Trade of the Week

Perspecta (PRSP) has seen a number of insider buys since March including one director – Philip Nolan – who bought stock in April, May, June and July for over \$400K between \$21.49 and \$22.93. CEO John Curtis bought nearly \$200K in stock on 3-25 at \$20.76. Shares are up over 35% YTD and consolidating in a bull flag under \$24 after earnings with a measured target to \$27. The \$3.8B company was spun out of DXC Tech last year and merged with Vencore and KeyPoint Government Solutions. Shares trade 11X earnings, 0.94X sales, and 9.25X FCF. They offer enterprise IT services to government customers in the US with reach across defense, intelligence, healthcare and state/local markets. PRSP is the partner of choice for the US government as they undergo a massive digital transformation and strong positions in cloud, workplace, and mobility. The company also has longer-term tailwinds from an improved budget outlook and mandate for IT. They have over \$4B in sales with a \$10B contract backlog. PRSP competes with names like CACI, SAIC, BAH, and LDOS. PRSP has a notable catalyst upcoming with the NGEN-R re-compete award to be chosen. Analysts have an average target for shares of \$25 with limited coverage. Cowen downgraded shares to Neutral on 6-10 with a \$26 PT. They think PRSP has fewer "levers" to drive earnings growth while its margins are unlikely to expand much from the current levels and its balance sheet is levered. MSCO started at Underweight on 6-3 seeing shares challenged in the near- to mid-term given its significant contract re-compete risk. Hedge Fund ownership rose 1.25%.

Earnings Preview

Pepsi (PEP) will report earnings on 7-9 before the open with the Street looking for \$1.50 on \$16.42B in sales, a 2% increase Y/Y. The next quarter is guided to \$1.56/\$16.97B while the FY is \$5.53 and \$66.51B. Shares have closed higher five of the last six quarters with an average closing move of 2.6%. 30-day IV is 16.2% and in the 57th percentile of its year-long range. Skew is 10.7% vs 10.9% historically. The \$187.27B company trades 22.2X earnings, 2.88X sales, and 35X cash with a 2.87% yield. PEP is guiding to 7.5% and 8% EPS growth and 3.9% to 4.1% sales growth through 2021. Margins have been improving in recent quarters, inflecting positively in last 2018 and a lot of room for improvement on costs. PEP is coming off a strong quarter with growth across nearly all of their segments. Analysts have an average target for shares of \$124. Goldman upgraded shares to Neutral in April citing 5% organic revenue growth and better gross margins. They also see ample cushion towards raising their outlook while the snack business continues to improve. Deutsche Bank with a \$131 PT but cautious noting that comps are getting tougher. Credit Suisse out on 7-3 cautious into earnings. They expect a strong quarter but the 2H outlook may be weak due to softening trends, tougher comps, and increased spend levels. They think beverages could be soft with Mountain Dew and Gatorade declining, offsetting improvements in Pepsi. BAML lowered their outlook for the quarter on 7-2. The firm thinks FY19 is an investment year as PEP seeks to support sales growth through capability enhancement, manufacturing and go-to market capacity additions and advertising/marketing investments. Short interest is 0.7%. Hedge Fund ownership fell 4%. Yacktman Asset Management and Two Sigma top holders.

Date	Description	Volume	Open.Int	Price	%Change	Deltz	Impl Vol	Prob.ITM	Premium Paic
7/2/2019	PEP 100 16 AUG 19 130 CALL	1,470	102	\$4.47	7.97%	0.62	17.72%	59.88%	\$657,090
7/2/2019	PEP 100 16 AUG 19 130 PUT	1,510	375	\$1.87	-13.02%	-0.36	15.05%	38.02%	\$270,290
6/26/2019	PEP 100 19 JUL 19 133 CALL	1,116	21	\$2.47	-13.03%	0.51	18.67%	48.96%	\$284,580
6/26/2019	PEP 100 19 JUL 19 133 PUT	1,090	97	\$2.26	25.56%	-0.49	16.69%	50.46%	\$246,340
6/18/2019	PEP 100 20 SEP 19 140 CALL	10,024	11,466	\$1.45	0.00%	0.25	14.89%	22.83%	\$1,493,576
6/14/2019	PEP 100 20 SEP 19 140 CALL	10,023	1,441	\$1.64	9.33%	0.26	15.25%	24.09%	\$1,643,772
6/12/2019	PEP 100 19 JUL 19 140 CALL	15,198	1,421	\$0.66	6.45%	0.178	16.46%	16.51%	\$1,003,068
6/4/2019	PEP 100 17 JAN 20 120 CALL	7,500	3,000	\$11.63	-3.88%	0.69	18.35%	64.16%	\$8,850,000
5/24/2019	PEP 100 19 JUN 20 120 PUT	523	27	\$5.75	-9.45%	-0.31	18.66%	39.24%	\$300,725
4/30/2019	PEP 100 20 SEP 19 130 PUT	501	30	\$5.85	-15.83%	-0.56	14.31%	59.88%	\$293,085
4/17/2019	PEP 100 19 JUL 19 135 CALL	1,602	637	\$0.66	288.24%	0.16	12.74%	14.84%	\$113,742



July 12th (W) OpEx Notable Open Interest

1	Date	Description	Volume	Price	Premium Paid	Date	Description	Volume	Price	Premium Paid
2	6/28/2019	OLED 100 (Weeklys) 12 JUL 19 167.5 CALL	750	\$21.68	\$1,626,000	6/28/2019	SNAP 100 (Weeklys) 12 JUL 19 15 CALL	13,550	\$0.29	\$392,950
3	6/6/2019	NUE 100 (Weeklys) 12 JUL 19 54.5 PUT	3,000	\$4.60	\$1,380,000	7/2/2019	MS 100 (Weeklys) 12 JUL 19 42 CALL	1,873	\$1.74	\$376,473
4	6/18/2019	BABA 100 (Weeklys) 12 JUL 19 175 CALL	5,225	\$2.49	\$1,327,150	6/20/2019	QCOM 100 (Weeklys) 12 JUL 19 70 PUT	3,002	\$1.19	\$366,244
5	6/24/2019	TWTR 100 (Weeklys) 12 JUL 19 33 CALL	5,000	\$2.59	\$1,240,000	6/4/2019	SNAP 100 (Weeklys) 12 JUL 19 13.5 CALL	9,349	\$0.35	\$364,611
6	6/27/2019	MO 100 (Weeklys) 12 JUL 19 49 PUT	5,900	\$1.63	\$961,700	6/3/2019	MA 100 (Weeklys) 12 JUL 19 265 CALL	2,009	\$1.67	\$341,530
7	6/25/2019	PM 100 (Weeklys) 12 JUL 19 80 CALL	11,489	\$0.77	\$895,362	6/7/2019	PANW 100 (Weeklys) 12 JUL 19 185 PUT	1,057	\$3.10	\$332,955
8	6/3/2019	MA 100 (Weeklys) 12 JUL 19 255 CALL	1,888	\$4.51	\$868,480	6/18/2019	W 100 (Weeklys) 12 JUL 19 162.5 CALL	868	\$4.20	\$329,840
9	6/12/2019	YY 100 (Weeklys) 12 JUL 19 70 CALL	1,133	\$7.50	\$849,750	7/5/2019	F 100 (Weeklys) 12 JUL 19 9.5 CALL	4,221	\$0.74	\$325,017
10	7/5/2019	AMD 100 (Weeklys) 12 JUL 19 31 PUT	11,259	\$0.78	\$844,425	7/5/2019	INTC 100 (Weeklys) 12 JUL 19 48 PUT	4,134	\$0.75	\$318,318
11	6/19/2019	NFLX 100 (Weeklys) 12 JUL 19 350 CALL	436	\$18.70	\$815,320	6/21/2019	MA 100 (Weeklys) 12 JUL 19 272.5 CALL	1,184	\$2.63	\$311,392
12	6/25/2019	NFLX 100 (Weeklys) 12 JUL 19 375 CALL	1,800	\$4.41	\$793,800	7/2/2019	BP 100 (Weeklys) 12 JUL 19 42 PUT	6,264	\$0.49	\$306,936
13	6/24/2019	LVS 100 (Weeklys) 12 JUL 19 60 CALL	5,444	\$1.38	\$762,160	7/5/2019	NTES 100 (Weeklys) 12 JUL 19 265 CALL	1,022	\$2.80	\$306,600
14	6/14/2019	FB 100 (Weeklys) 12 JUL 19 185 CALL	1,715	\$3.98	\$703,150	6/20/2019	TLRY 100 (Weeklys) 12 JUL 19 50 CALL	1,034	\$2.60	\$305,030
15	6/10/2019	MSFT 100 (Weeklys) 12 JUL 19 132 CALL	1,517	\$4.05	\$690,235	6/20/2019	SPOT 100 (Weeklys) 12 JUL 19 160 CALL	1,354	\$2.10	\$291,110
16	6/17/2019	WYNN 100 (Weeklys) 12 JUL 19 120 CALL	2,000	\$3.27	\$680,000	6/6/2019	SPOT 100 (Weeklys) 12 JUL 19 140 CALL	873	\$3.30	\$288,090
17	6/12/2019	BABA 100 (Weeklys) 12 JUL 19 162.5 CALL	1,294	\$5.25	\$679,350	6/11/2019	SYF 100 (Weeklys) 12 JUL 19 34 PUT	3,000	\$0.85	\$285,000
18	6/21/2019	TLRY 100 (Weeklys) 12 JUL 19 49 CALL	1,443	\$4.63	\$668,109	6/19/2019	CTRP 100 (Weeklys) 12 JUL 19 37.5 CALL	2,672	\$1.00	\$280,560
19	6/5/2019	Z 100 (Weeklys) 12 JUL 19 48 CALL	3,439	\$1.80	\$619,020	6/18/2019	OKTA 100 (Weeklys) 12 JUL 19 120 PUT	1,084	\$2.45	\$276,420
20	6/13/2019	HLF 100 (Weeklys) 12 JUL 19 43 PUT	4,500	\$1.36	\$612,000	7/3/2019	AMAT 100 (Weeklys) 12 JUL 19 44.5 PUT	3,891	\$0.69	\$272,370
21	6/13/2019	WYNN 100 (Weeklys) 12 JUL 19 124 CALL	2,229	\$2.55	\$568,395	7/5/2019	DISH 100 (Weeklys) 12 JUL 19 38 CALL	1,005	\$2.55	\$271,350
22	6/21/2019	NFLX 100 (Weeklys) 12 JUL 19 380 CALL	951	\$5.95	\$565,845	6/25/2019	X 100 (Weeklys) 12 JUL 19 15 CALL	5,803	\$0.47	\$266,938
23	6/18/2019	MDB 100 (Weeklys) 12 JUL 19 160 PUT	818	\$6.10	\$498,980	6/28/2019	WDC 100 (Weeklys) 12 JUL 19 48 CALL	2,202	\$1.20	\$266,442
24	6/17/2019	SQ 100 (Weeklys) 12 JUL 19 75 CALL	2,526	\$1.89	\$482,466	7/1/2019	ZS 100 (Weeklys) 12 JUL 19 75 PUT	1,347	\$2.15	\$262,665
25	6/25/2019	PM 100 (Weeklys) 12 JUL 19 77 PUT	3,951	\$1.21	\$478,071	7/5/2019	JD 100 (Weeklys) 12 JUL 19 31 CALL	4,448	\$0.57	\$262,432
26	6/26/2019	JD 100 (Weeklys) 12 JUL 19 30.5 CALL	5,048	\$0.89	\$464,416	6/24/2019	SHOP 100 (Weeklys) 12 JUL 19 285 PUT	606	\$3.80	\$254,520
27	6/7/2019	PANW 100 (Weeklys) 12 JUL 19 190 PUT	1,061	\$4.37	\$463,657	6/25/2019	NOW 100 (Weeklys) 12 JUL 19 285 CALL	630	\$4.00	\$252,000
28	6/20/2019	SNAP 100 (Weeklys) 12 JUL 19 15.5 CALL	11,491	\$0.39	\$459,640	7/1/2019	ADBE 100 (Weeklys) 12 JUL 19 302.5 CALL	852	\$2.59	\$251,340
29	6/28/2019	WDC 100 (Weeklys) 12 JUL 19 50 CALL	5,194	\$0.87	\$451,878	6/24/2019	CBOE 100 (Weeklys) 12 JUL 19 107 PUT	1,218	\$1.98	\$241,164
30	6/18/2019	HON 100 (Weeklys) 12 JUL 19 170 CALL	612	\$7.30	\$431,460	6/24/2019	EA 100 (Weeklys) 12 JUL 19 96.5 CALL	617	\$3.80	\$240,630
31	7/2/2019	INTC 100 (Weeklys) 12 JUL 19 48 PUT	7,279	\$0.58	\$429,461	6/5/2019	VZ 100 (Weeklys) 12 JUL 19 58 PUT	1,002	\$2.39	\$235,470
32	7/2/2019	AMD 100 (Weeklys) 12 JUL 19 31 PUT	4,965	\$0.85	\$426,990	7/2/2019	CAT 100 (Weeklys) 12 JUL 19 136 PUT	1,058	\$2.00	\$225,354
33	6/14/2019	NFLX 100 (Weeklys) 12 JUL 19 360 CALL	828	\$4.80	\$397,440	6/17/2019	LK 100 (Weeklys) 12 JUL 19 23 CALL	1,470	\$1.45	\$213,150

Technical Scans

BULL SCANS

Notable 8/21 EMA Bull Crossovers: VOD, EQH, UNH, MAT, NRG, STI, DKS, MTCH, GOOGL, BTI, KBH, CIM, PPC, CROX, USFD, IRBT, SAVE, TAP, GOOS, DLR, PB, ALDR, EXR, REG, AINV, KRNY, POST, RYAAY, CECO, PCTY, SCVL, SWI, AMCX, JKHY, LSI

Notable 13/34 EMA Bull Crossovers: VZ, MS, IVZ, LUV, STI, TMUS, PNR, TS, NSC, HR, ARR, ATH, MYGN, WAL, GHDX, BPOP, NXST, DDS, RP, ACC, WTFC, BGNE, SBNY, NS, PRI, LSI, WSFS, LECO, CBSH, VAC

Notable 21/55 EMA Bull Crossovers: SGMO, I, BERY, ALXN, MCHP, USFD, STZ, REZI, WLK, PTC, AMBA, VECO, IPGP, RYN, TGI, CNCE, FRME, CWT

Emerging Strength (Daily RSI Cross of 50 w/ Accumulation/Distribution Ratio at 12 Week High): ADP, ROL, EXC, EFC

90 Day Highs with Strong Closes: ORCL, USB, SO, ZS, FIS, Z, ENPH, WP, PGR, TGT, ICE, TSN, SMPL, COUP, SNE, MAR, PAGS, DG, DVA, DISH, NOW, SYK, SNPS, PFG, TSS, INTU, SUM, CCK, SABR, LYV, SHAK, EXPE, VOYA, KTOS, FSLR, CDW,

CHTR, ILMN, MSI, LDOS, TEAM, AVY, BAH, ALK, CNI, BR, DOX, VRSN, AAN, A VLR, CSOD, FLT, LH, BRKR, AKAM, HAE, SON, EPAM, PAYC, RPD, RMD, SAIC, CVI, AXS, SEDG, MANH, ANSS, CCOI, GNRC, TTEK, IT, DECK, EME, HXL, SMG

Lower Bollinger Bounce Candidates (Above 100 and 200 MA's, Short Term Oversold): DHI, RDS.B, CRON, FAST, ITW, O, VMW, TOL, IONS, AYI, TTC, GRMN, FCPT, BL, EPR, SNA, PCRX, BXP, AIMC, ESPR, BOLD, DPZ, KEX, FRT, CMP, EVOP

BEAR SCANS

Notable 8/21 Bear EMA Crossovers: BA, LKQ, BP, PPL, FAST, PXD, BMRN, ITW, PII, IFF, ESI, NCR, FLXN, UPWK, RGNX, GMED, RDFN, OIS, EVOP, EXPI, CODA, IMO

Notable 13/34 EMA Bear Crossovers: EOG, CFX, UGI, WTTR, BKE, AXL, RRGB, DCPH

Notable 21/55 EMA Bear Crossovers: NSA, SJM, OFC, ADTN, DSPG

Notable 34/144 EMA Bear Crossovers: CAG, PGRE, HEES

Notable 55/233 EMA Bear Crossovers: UGI

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

20 Day Lows with Weak Closes: APA, WMGI, PII, AERI, USNA, UFS, RCKT, BOLD, AGIO, NUVA, FIXX, PAR RYTM, XENT

OBV 3 Month Low: INFY, APA, NXPI, COMM, WMGI, HTA, ENTG, VKTX, ATHM, FPRX, USNA, NIU, CRGM, SOI, VNDA, EPAY, SA, TUP, GTT, SOHU, XENT, RA, TLND, NEXA, KAMN

Weekly MACD Bear Crossover: ZNGA, KOS, KIM, RTN, AMT, ADP, TEX, PGRE, BXMT, USNA, SERV, WPC, ARI, NMIH, WTTR, EURN, GSKY, RBA, TRI, UPLD, PIR, DEO, EPAY, MMS, LGIH, QTS, NMFC, LOPE

Dark Cloud Cover (Candlestick Pattern): KPTI, TEVA, GRFS, WFC, HBAN, SYF, K, MS, AXP, NYCB, BK, CFG, STT, SU, ZIOP, TD, DFS, QSR, MRNA, ELP, SPGI, YPF, IRBT, RSG, CRSP, ZIXI, CRH, FDS, RYAAAY, SF, HLI

Disclaimer:

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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