



The **S&P 500 (SPX)** closed marginally lower for the week after re-testing the 200-day MA again and rebounding. The short-term trend remains cautious below all the major short-term moving averages. On Tuesday we ticked just slightly above last week's range and the 50% retracement of the drop off the July highs but unable to hold up and faded again. The key areas of this recent range are 2,940 and 2,820 below. The larger rising wedge remains in focus and a move lower targeting the 200-day MA around 2,800 and then the June lows around 2,740. It would then target a more prolonged move back to weekly cloud support at 2,700. Weekly MACD crossed over bearish last week and a lot of downside potential while RSI broke an uptrend this week. Above that earlier range targets the breakdown level at 2,965 and then the 8/21 EMA crossover level at 3,000. **Bonds (TLT)** continued their parabolic move this week, the most volatile period on the weekly since November 2016. **Gold (GLD)** continued to consolidate in a small bull flag under \$143.75 with the rising 8-EMA just at Friday's lows.



Market Sentiment/Breadth

The latest AAll sentiment survey for the week ending 8/14 showed a modest increase in bulls, +1.5%, and neutral sentiment up 1.8%. Bearish sentiment fell 3.3% but remains far above the historical average. NAAIM Exposure rose very modestly up to 58.08 after the big drop last week. Lipper Fund flows had \$3.1B of inflows to equities and \$5.8B into bonds. For the year, Lipper remains at more than \$120B in outflows. As of Friday's close we had 222 new highs vs 178 new lows, modest breadth with the recent bounce. The percentage of stocks above their 50-day MA was 30.26%, remains near multi-month lows, while those above their 200-day was 52.71%. NYSE Summation fell again this week to 272.23 and remains firmly below the 8-EMA. The 50-day MA for CPCE remains elevated and rising this week to 0.656. VXX:VIX ratio fell again to 0.85 this week before bouncing back to 1.064. TRIN hit two different extremes this week. On Tuesday it closed around 3.62, the highest since Feb. 2018. Then on Thursday it closed at 0.42, the second lowest reading since Feb. 2019.

Market Event Outlook

Monday: E-Commerce Retail Sales at 10:00 AM; **International Data:** RBA Minutes; **Earnings Before the Open:** EL, QIWI, SINA, WB; **Earnings After the Close:** BIDU, FN, IQ

Tuesday: Redbook at 8:55 AM, Randal Quarles Speaks at 6:00; **International Data:** German PPI; **International Earnings:** Pandora A/S; **Earnings Before the Open:** CMCM, HD, KSS, MSG, MDT, PLAB, PINC, SE, SDRL, SFL, TJX; **Earnings After the Close:** AMCR, CREE, JKHY, LZB, NDSN, SCSC, TOL, URBN

Wednesday: Existing Home Sales at 10:00 AM, EIA Petroleum at 10:30, FOMC Minutes at 2:00; **International Data:** Japan PMI Manufacturing; **International Earnings:** Rosneft; **Earnings Before the Open:** ADI, BZUN, KLXE, LOW, MSGN, PDD, RY, TGT, VIOT; **Earnings After the Close:** WUBA, HTHT, KEYS, LB, JWN, PSTG, SPLK, SNPS

Thursday: Jackson Hole Symposium Day 1, Jobless Claims at 8:30 AM, PMI Composite at 9:45, EIA Nat Gas at 10:30; **International Data:** ECB Minutes, EU Consumer Confidence, EU PMI Composite, Japan CPI; **International Earnings:** CRH, Adyen, Antofagasta; **Earnings Before the Open:** FLWS, BJ, CM, DKS, FLY, HRL, TTC; **Earnings After the Close:** ATGE, GPS, HPQ, INTU, ROST, CRM, VMW

Friday: Jackson Hole Symposium Day 2, New Home Sales at 10:00 AM, Jerome Powell Speaks at 10:00; **International Data:** Canadian Retail Sales; **International Earnings:** Maersk Drilling; **Earnings Before the Open:** BKE, FL, HIBB

Weekly Open Interest Radar

Blackstone (BX) shares flagging under 52-week highs and back above the 8- and 21-EMA on Friday reclaiming some short-term momentum. Shares pulled back to the 50-day and cloud support with a move above \$48 targeting \$55. BX has notable short puts in the August 30th (W) \$47 and \$46.50 strikes, supportive of recent lows, while the December \$50 calls bought on 7-24.

Trade to Consider: Long the **BX** September \$47 Calls for \$1.85 or Better

Date	Description	Volume	Open.Int	Price	Delt	Impl Vol	Prob.ITM	Premium Paic
7/31/2019	BX 100 (Weeklys) 30 AUG 19 46.5 PUT	3,349	21	\$0.61	-0.27	23.11%	29.64%	\$200,940
7/30/2019	BX 100 (Weeklys) 30 AUG 19 47 PUT	2,000	7	\$0.70	-0.33	22.31%	35.05%	\$146,000
7/24/2019	BX 100 20 DEC 19 50 CALL	1,048	1,710	\$2.18	0.45	22.24%	40.04%	\$238,944
7/17/2019	BX 100 17 JAN 20 42 PUT	1,900	401	\$1.85	-0.32	26.45%	39.05%	\$351,500
7/17/2019	BX 100 16 AUG 19 43 PUT	2,037	231	\$0.61	-0.258	27.90%	28.53%	\$124,257
7/15/2019	BX 100 15 JAN 21 47 CALL	1,002	443	\$4.10	0.51	27.33%	38.79%	\$646,290
7/10/2019	BX 100 17 JAN 20 46 PUT	1,784	336	\$3.10	-0.45	24.75%	52.78%	\$579,800
7/10/2019	BX 100 17 JAN 20 48 CALL	1,035	1,427	\$2.33	0.44	23.02%	37.89%	\$246,330
7/3/2019	BX 100 16 AUG 19 45 PUT	2,023	252	\$0.79	-0.27	26.70%	30.36%	\$200,277
7/2/2019	BX 100 20 DEC 19 42 PUT	6,020	6,091	\$1.23	-0.24	25.48%	29.90%	\$782,600
7/1/2019	BX 100 17 JAN 20 38 CALL	350	139	\$8.23	0.84	27.17%	78.10%	\$288,050
6/28/2019	BX 100 17 JAN 20 45 PUT	2,000	504	\$3.50	-0.46	27.26%	53.74%	\$700,000

Weekly Options Technical Trade Set-Up

Ticker	TWTR
Trigger Level	\$41.25
Call/Put	Calls
Strike	\$41
Target	\$43
Stop	\$40.50



Insider Trade of the Week

Kontoor Brands (KTB) with two different buys this week from directors with Richard Carucci buying 9,000 shares at \$31.06, a nearly \$280,000 buy, while Juliana Chugg bought 8,400 shares at \$29.96, a more than \$250,000 buy. KTB is the recent spin-off from VF Corp which contains their denim brands Lee and Wrangler. Shares are down 25% since the debut in early June and forming a multi-week base under \$34. The \$1.69B company trades 8.13X earnings, 0.62X sales, and 16.4X cash with a hefty 7.44% yield. They expect to earn around \$3/share in 2020 with 2.3% and 2.1% sales growth the next two years. KTB has laid out a multi-pronged strategy to grow the brands and unlock value. They have two 'high value' brand names, established relationships with retailers, and experienced management. KTB has more than \$300M in operating cash flows and investing in a more efficient supply chain with more than \$50M in cost reductions identified which will help improve margins. The company expects to add new product, channel, and geographies over the next couple years. They note that a number of headwinds over the last couple years are episodic and not likely to recur in 2019 (de-stocking, India demonetization, and exiting the Argentina business). Analysts have an average target for shares \$30.25 with 3 buy ratings, 4 hold, and 1 sell. Piper starting at Neutral with a \$29 PT, intrigued by the story, but in a period of lower-visibility given its infancy as a public entity. Susquehanna positive on 6-13 with a \$36 PT. They think KTB offers an attractive dividend yield, superior management team, and a sales and margin turnaround story with limited downside. Analyst Sam Posner tells investors to have patience to wait for the turnaround to come and sees little risk to Kontoor's initial FY19 sales and EBITDA guidance, which completes the rollout of a global ERP platform, headwinds from Sear's bankruptcy, and Walmart de-stocking. BAML starting a Sell, \$24 PT. They see multiple contraction as the company's growth plan may miss expectations due to a tough retail environment and underinvestment in its Lee and Wrangler brands. Short interest is 4.7%. Notable hedge funds involved in the first quarter include Samlyn Capital (1.3M shares), CNH Partners, Paloma Partners, and Ancora Advisors.

Earnings Preview

Home Depot (HD) will report earnings on Tuesday before the Open with the Street looking for \$3.09 on \$31.05B in sales, a 2% increase Y/Y. Next quarter is guided to \$2.55 on \$27.67B while the FY is \$10.13/\$111.36B. Shares have closed lower five of the last six but rising last quarter by 0.3%. 30-day IV is in the 86th percentile of its yearly range. Skew is bearish with 25-delta P/C at 14.6% vs the 52-week average 10.7%. The \$225.7B company trades 18.5X earnings, 2.06X sales, and 37.3X FCF with a 2.7% yield. HD is seeing strong bottom-line growth, up 8.8% and 9%, while topline growth also accelerating up 4.5% to 4.8%. HD is coming off a mixed quarter with comps of 3% and margins slightly lower. Inventories expanded 15.5%. A better weather backdrop will be in focus while housing challenges in focus. Analysts have an average target for shares of \$211.50. Wells Fargo with a \$230 PT on 8-14. The firm views Q2 challenges as well documented and largely transitory. While tariffs are a wildcard, an analysis of the lists sees limited 2019 exposure to List 4, and higher prospects for 2H of the year trend improvement. Stifel raising their PT to \$230 on 8-12. The analyst lowered his comp and EPS estimates slightly ahead of its report citing adverse weather, delayed recovery in housing activity, commodity lumber deflation and weak home improvement spending. Loop Capital with a \$195 PT and Hold rating. The analyst's recent discussions suggest that the demand outlook for home improvement remains mixed, with downside risks to the company's top-line guidance from lumber deflation in FY19 and some upside in remodeling activity in the second half and beyond from lower interest rates. CSFB out previewing earnings on 8-12. They expect weaker comps due to Canada but long-term guidance without change as tariffs are being offset by buybacks. The firm observed the weakest trends in May, then an improvement in June, and further in July, with two year stacks improving. Short interest is 0.9% and the highest its been since July 2018. Hedge Fund ownership fell 0.5% in Q2. Laurion Capital, Two Sigma, and Paloma Partners notable holders. HD saw some notable insider buying in November with one director buying \$2M in stock at \$174.27.

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic
8/16/2019	HD 100 (Weeklys) 23 AUG 19 207.5 PUT	10,552	518	\$7.10	-0.65	35.32%	66.83%	\$3,491,160
8/15/2019	HD 100 20 SEP 19 200 PUT	4,590	2,368	\$7.40	-0.47	29.69%	51.24%	\$3,442,500
8/15/2019	HD 100 18 OCT 19 210 CALL	751	576	\$4.90	0.35	24.64%	31.69%	\$360,480
8/12/2019	HD 100 21 FEB 20 205 CALL	489	27	\$13.89	0.54	22.84%	47.50%	\$684,600
8/9/2019	HD 100 20 SEP 19 210 PUT	1,925	1,638	\$6.85	-0.45	26.20%	48.93%	\$1,337,875
8/7/2019	HD 100 (Weeklys) 30 AUG 19 220 CALL	2,466	138	\$1.53	0.21	28.06%	19.05%	\$438,948
8/7/2019	HD 100 (Weeklys) 30 AUG 19 187.5 PUT	2,339	2	\$1.33	-0.13	36.25%	15.30%	\$355,528
8/7/2019	HD 100 (Weeklys) 30 AUG 19 175 PUT	2,342	8	\$0.50	-0.05	40.98%	6.05%	\$117,100
8/6/2019	HD 100 17 JAN 20 195 PUT	1,250	1,346	\$8.29	-0.33	24.32%	39.88%	\$1,031,250
8/5/2019	HD 100 20 SEP 19 205 PUT	2,263	2,287	\$7.46	-0.45	27.50%	49.47%	\$1,820,950
8/1/2019	HD 100 18 OCT 19 220 CALL	765	448	\$4.33	0.379	19.36%	34.69%	\$331,245
7/31/2019	HD 100 16 AUG 19 207.5 PUT	3,037	223	\$0.68	-0.16	18.95%	16.72%	\$242,960
7/29/2019	HD 100 (Weeklys) 23 AUG 19 220 PUT	2,904	25	\$6.10	-0.57	20.36%	59.34%	\$1,771,440
7/18/2019	HD 100 (Weeklys) 23 AUG 19 217.5 PUT	3,985	57	\$6.95	-0.59	18.08%	61.77%	\$2,769,575



August 23rd (W) OpEx Notable OI

Date	Description	Volume	Price	Premium Paid	Date	Description	Volume	Price	Premium Paid
7/24/2019	JD 100 (Weeklys) 23 AUG 19 31 CALL	18,526	\$2.18	\$4,094,246	7/31/2019	TWTR 100 (Weeklys) 23 AUG 19 41 CALL	2,331	\$2.70	\$629,370
8/2/2019	CRM 100 (Weeklys) 23 AUG 19 150 CALL	6,610	\$4.70	\$3,106,700	8/15/2019	MDT 100 (Weeklys) 23 AUG 19 101 CALL	2,420	\$2.43	\$595,320
7/25/2019	JD 100 (Weeklys) 23 AUG 19 30 CALL	10,000	\$2.83	\$2,960,000	8/14/2019	SRPT 100 (Weeklys) 23 AUG 19 135 PUT	400	\$13.10	\$542,000
7/18/2019	HD 100 (Weeklys) 23 AUG 19 217.5 PUT	3,985	\$6.95	\$2,769,575	7/31/2019	SWK 100 (Weeklys) 23 AUG 19 145 PUT	1,990	\$2.00	\$517,400
8/5/2019	CRM 100 (Weeklys) 23 AUG 19 145 CALL	4,830	\$4.80	\$2,351,040	7/19/2019	JD 100 (Weeklys) 23 AUG 19 32 CALL	4,438	\$1.14	\$514,808
7/31/2019	JD 100 (Weeklys) 23 AUG 19 29 CALL	10,511	\$2.16	\$2,291,398	7/30/2019	NTES 100 (Weeklys) 23 AUG 19 230 PUT	559	\$9.10	\$508,690
8/5/2019	AAPL 100 (Weeklys) 23 AUG 19 190 PUT	4,074	\$4.05	\$2,276,100	8/8/2019	JD 100 (Weeklys) 23 AUG 19 27.5 CALL	3,582	\$1.24	\$487,152
7/23/2019	JD 100 (Weeklys) 23 AUG 19 30 CALL	10,000	\$2.19	\$2,230,000	8/12/2019	NFLX 100 (Weeklys) 23 AUG 19 320 CALL	1,049	\$4.50	\$472,050
8/13/2019	NEM 100 (Weeklys) 23 AUG 19 37 PUT	36,918	\$0.60	\$2,211,180	8/13/2019	UBER 100 (Weeklys) 23 AUG 19 36.5 PUT	4,090	\$1.11	\$453,990
7/24/2019	JD 100 (Weeklys) 23 AUG 19 33 CALL	18,535	\$1.13	\$2,205,665	8/12/2019	FSLR 100 (Weeklys) 23 AUG 19 61.5 PUT	3,003	\$1.36	\$441,441
7/24/2019	JWN 100 (Weeklys) 23 AUG 19 31 PUT	7,000	\$2.40	\$2,072,000	8/5/2019	JD 100 (Weeklys) 23 AUG 19 27 CALL	3,686	\$1.10	\$438,634
7/17/2019	TSLA 100 (Weeklys) 23 AUG 19 220 PUT	3,951	\$4.95	\$1,955,745	7/10/2019	NEM 100 (Weeklys) 23 AUG 19 36 CALL	1,250	\$3.50	\$431,250
7/16/2019	AAPL 100 (Weeklys) 23 AUG 19 210 CALL	4,655	\$4.05	\$1,885,275	7/17/2019	LB 100 (Weeklys) 23 AUG 19 29 CALL	6,408	\$0.65	\$416,520
7/17/2019	AMD 100 (Weeklys) 23 AUG 19 34 CALL	7,101	\$2.52	\$1,789,452	7/17/2019	MDT 100 (Weeklys) 23 AUG 19 102 CALL	2,021	\$2.06	\$416,326
8/9/2019	TGT 100 (Weeklys) 23 AUG 19 85 CALL	7,529	\$1.82	\$1,370,278	8/7/2019	PCG 100 (Weeklys) 23 AUG 19 19 PUT	2,000	\$1.90	\$416,000
8/14/2019	URBN 100 (Weeklys) 23 AUG 19 22 PUT	5,083	\$1.95	\$1,042,015	7/15/2019	M 100 (Weeklys) 23 AUG 19 22 CALL	3,171	\$1.30	\$412,230
7/23/2019	SRPT 100 (Weeklys) 23 AUG 19 165 PUT	450	\$23.00	\$1,035,000	7/19/2019	ZS 100 (Weeklys) 23 AUG 19 83 CALL	733	\$5.10	\$410,480
7/8/2019	ADBE 100 (Weeklys) 23 AUG 19 300 PUT	1,183	\$9.20	\$1,029,210	8/5/2019	FLR 100 (Weeklys) 23 AUG 19 25 PUT	1,096	\$3.65	\$405,890
7/26/2019	FB 100 (Weeklys) 23 AUG 19 200 CALL	1,819	\$5.45	\$991,355	8/14/2019	FSLR 100 (Weeklys) 23 AUG 19 58 PUT	3,263	\$1.20	\$391,560
8/1/2019	COF 100 (Weeklys) 23 AUG 19 90 PUT	4,809	\$1.94	\$932,946	7/15/2019	WFC 100 (Weeklys) 23 AUG 19 46.5 CALL	3,127	\$1.24	\$387,748
8/5/2019	URBN 100 (Weeklys) 23 AUG 19 22 PUT	5,091	\$1.75	\$865,640	8/15/2019	KSS 100 (Weeklys) 23 AUG 19 47 CALL	2,501	\$1.55	\$387,655
8/1/2019	TGT 100 (Weeklys) 23 AUG 19 82.5 CALL	2,868	\$2.93	\$840,324	8/15/2019	CSX 100 (Weeklys) 23 AUG 19 65 PUT	2,527	\$1.30	\$381,577
7/25/2019	JD 100 (Weeklys) 23 AUG 19 34 CALL	10,007	\$0.77	\$830,581	8/13/2019	KSS 100 (Weeklys) 23 AUG 19 53 CALL	2,578	\$1.35	\$373,810
8/14/2019	CRM 100 (Weeklys) 23 AUG 19 146 CALL	3,537	\$2.31	\$817,047	7/26/2019	TGT 100 (Weeklys) 23 AUG 19 85 CALL	931	\$4.00	\$372,400
8/15/2019	KSS 100 (Weeklys) 23 AUG 19 45 CALL	3,836	\$1.94	\$767,200	8/15/2019	TTWO 100 (Weeklys) 23 AUG 19 130 CALL	2,528	\$1.30	\$353,920
7/29/2019	CRM 100 (Weeklys) 23 AUG 19 155 PUT	1,718	\$4.25	\$721,560	8/15/2019	KSS 100 (Weeklys) 23 AUG 19 42 PUT	2,688	\$1.20	\$349,440
7/23/2019	JD 100 (Weeklys) 23 AUG 19 34 CALL	13,049	\$0.50	\$691,597	8/13/2019	DIS 100 (Weeklys) 23 AUG 19 139 CALL	2,640	\$1.29	\$348,480
8/2/2019	MSFT 100 (Weeklys) 23 AUG 19 139 CALL	3,745	\$1.74	\$651,630	8/13/2019	NXPI 100 (Weeklys) 23 AUG 19 104 CALL	1,927	\$1.64	\$341,079
8/15/2019	TTWO 100 (Weeklys) 23 AUG 19 125 PUT	2,605	\$2.42	\$651,250	7/29/2019	TWLO 100 (Weeklys) 23 AUG 19 160 PUT	162	\$20.65	\$340,200
8/14/2019	AMD 100 (Weeklys) 23 AUG 19 31 PUT	3,332	\$1.94	\$649,740	8/9/2019	VRTX 100 (Weeklys) 23 AUG 19 175 CALL	370	\$9.11	\$337,070
8/5/2019	OLED 100 (Weeklys) 23 AUG 19 175 CALL	279	\$23.10	\$644,490	8/12/2019	UBER 100 (Weeklys) 23 AUG 19 39 PUT	1,324	\$2.25	\$331,000
7/17/2019	CRM 100 (Weeklys) 23 AUG 19 155 PUT	1,952	\$3.30	\$644,160	8/9/2019	AMD 100 (Weeklys) 23 AUG 19 35 CALL	2,220	\$1.49	\$330,780

Disclaimer:

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