



WEEKLY RADAR REPORT 10-3-2021



Technical Market View

The **S&P 500 (SPX)** suffered its worst week since late-February as we broke down under the key short-term moving averages and made new two-month lows. We closed just below VWAP for the week at 4355.25. Friday's early weakness filled a low-volume gap back to 4,260 before buyers stepped in strong and lifted us back to close on the highs setting up a nice short-term level to trade against. Overall, there remains a lot of supply overhead that we need to clear before getting the 'all-clear' for the bulls. Friday's high is right at the 8-EMA and notable resistance from 4356-4363 before a big cluster of moving averages at 4,405. There is also an untested VPOC from 9/27 at 4437.50. A pullback would have support at Friday's VPOC and VWAP from the week's lows at 4316 and then the low-end of a declining channel. Significant longer-term support is at 4245-4230.



Market Sentiment/Breadth

AAll sentiment for the week ending 9/29 showed a slight dip in bullish responses to 28.1% vs 29.9%. Neutral sentiment rose to 31.1% vs 30.9% while the bearish responses rose to 40.7% vs 39.2%. Bearish sentiment reached a new one-year high. NAAIM Exposure fell sharply back to 55.02, the lowest level since mid-May. Lipper Fund flows had \$9.3B of outflows from equities, the second straight week of big money leaving stocks. As of Friday's close there were 167 new highs vs 202 new lows, weakening breadth. The percentage of stocks above their 50-day MA was 42.84% while those above their 200-day was 59.66% and both modestly higher W/W. NYSI fell again for the week and remains below its 8-EMA, although narrowing and could see a bull cross soon. CBOE Equity P/C ratio 50-MA was 0.505 and flat for the week. CNN Fear and Greed was 27, down from 33 the prior week, and remains in 'fear.'

Seasonality Outlook

Per the Trader's Almanac,

- October is known as the jinx month because of crashes in 1929 and 1987, October 1997 selloff, Friday the 13th in 1989, and the meltdown in 2008.
- Yet October is a “bear killer” and turned the tide in 12 post-WWII bear markets.
- Seasonally the worst 6 months of the year ends with October.
- Post-presidential election year Octobers since 1950, S&P is up 1% and the 5th best month of the year.
- October is a great time to buy ahead of the seasonal strength into November-December.

The first week of October shows a bullish bias overall especially in the Nasdaq with about 56% of years since 2000 being up. Early week strength with Tuesday and Wednesday of this week being more dominated by upside action about 70 percent of years historically. Then a slight bearish tone to end the first week of October as it is also the week prior to monthly Options expiration week. Looking forward to the following week, which will be monthly options expiration, the seasonality shows a bullish bias more persistent in the Nasdaq with the Thursday before expiration Friday most bullish.

Seasonality Percentages							since year 2000
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg	
	10/4/2021	10/5/2021	10/6/2021	10/7/2021	10/8/2021		
Dow	47.6	66.7	61.9	28.6	47.6	50.5	
S&P	47.6	66.7	61.9	28.6	42.9	49.5	
Nasdaq	52.4	76.2	57.1	42.9	52.4	56.2	
Average	49.2	69.9	60.3	33.4	47.6	52.1	
	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Avg	
	10/11/2021	10/12/2021	10/13/2021	10/14/2021	10/15/2021		
Dow	52.4	47.6	38.1	66.7	52.4	51.4	
S&P	52.4	47.6	42.9	61.9	52.4	51.4	
Nasdaq	57.1	52.4	52.4	71.4	47.6	56.2	
Average	54.0	49.2	44.5	66.7	50.8	53.0	

Market Event Outlook

Monday: OPEC Meeting, Factory Orders, Durable Goods; **International Data:** Nothing Notable; **Earnings After the Close:** CMTL, PEP; **Analyst Days:** APPN, IBM

Tuesday: Imports/Exports, Redbook, Composite PMI, Services PMI, ISM Non-Manufacturing PMI, API Inventories; **International Data:** South Korean CPI, Japan CPI, Australia Imports/Exports, RBA Decision, EU Services PMI, EU PPI; **Analyst Days:** BCOV, Infineon, ITRI

Wednesday: MBA Mortgage Applications, ADP Nonfarm Employment, Fed's Bostic Speaks, EIA Inventories;
International Data: New Zealand Rate Decision, German Factory Orders, EU retail sales; **International Earnings:** Tesco;
Earnings Before the Open: AYI, STZ, RPM; **Earnings After the Close:** LEVI, RGP; **Analyst Days:** DOW, MRVL

Thursday: Weekly Claims, Fed's Williams Speaks, Consumer Credit; **International Data:** German Industrial Production;
Earnings Before the Open: CAG, HELE, LW; **Earnings After the Close:** ACCD; **Analyst Days:** CYTK, LDOS, VMW

Friday: Nonfarm Payrolls, Wholesale Inventories; **International Data:** RBI Decision, German Imports/Exports, Taiwan Imports/Exports; **International Earnings:** Tata Consultancy

Weekly Open Interest Radar

Bill.com (BILL) shares pulling back to the top of monthly value and forming a narrow bull wedge with a run above \$270 setting up for a run to \$289.50 VPOC and then \$300. The post-earnings consolidation can make a bigger move to \$350. MACD and RSI have reset back and starting to turn a bit, so potential to see momentum shift higher and expand. BILL has seen some size accumulate in the November calls recently including the \$270, \$280, and \$290 strikes.

Trade to Consider: Long the **BILL** November \$280 Calls for \$25 Debit

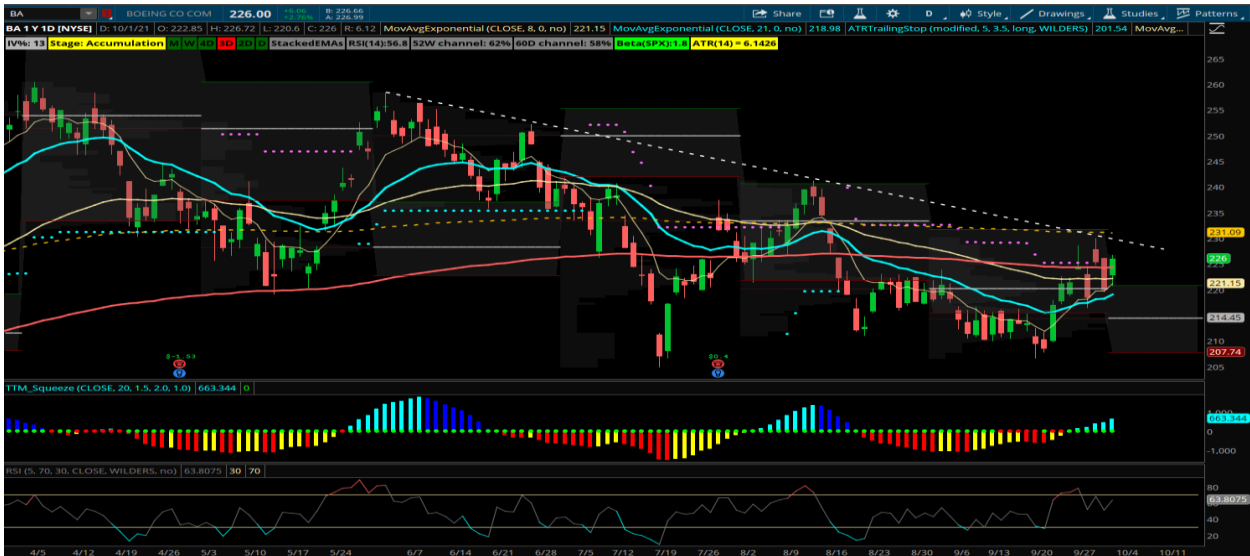
Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob. ITM	Premium Paid
10/1/2021	BILL 100 15 OCT 21 300 CALL	2,716	755	\$3.04	0.215	48.52%	18.83%	\$825,664
9/29/2021	BILL 100 19 NOV 21 290 CALL	562	174	\$14.75	0.368	64.56%	28.11%	\$828,950
9/28/2021	BILL 100 18 FEB 22 230 PUT	350	5	\$26.50	-0.31	65.18%	46.61%	\$927,500
9/28/2021	BILL 100 18 FEB 22 185 PUT	265	17	\$12.40	-0.17	71.17%	29.91%	\$344,500
9/27/2021	BILL 100 19 NOV 21 280 CALL	6,283	86	\$21.39	0.48	65.14%	38.11%	\$13,948,260
9/27/2021	BILL 100 19 JAN 24 430 CALL	200	143	\$42.55	0.42	51.30%	16.08%	\$904,000
9/23/2021	BILL 100 19 NOV 21 270 CALL	605	38	\$26.50	0.561	61.15%	46.49%	\$1,603,250



Credit Spread of the Week

Boeing (BA) has been in a downtrend most of the summer as industrials have underperformed but on a longer-term timeframe came back down to year-to-date value low and held support near \$210. The stock is back above its 55 and 200 EMA as the 8/21 EMA had a recent bull cross. RSI has pushed back over the 50 level and now at 56 leading the move up. It appears BA is on track to work back above its trendline from the May highs and a bull put spread is a good way to play the move off lows once a name regains its key moving averages. \$220 is a solid support with the cluster of EMA's and monthly value area down under that. Looking for some more of the value sectors to possibly see money flows into Q4 should give BA a chance to stay above these current levels. BA has recently seen a few large opening put sales in long term expirations. The Jan 2023 \$175 puts were sold for \$2.4M, and the Jan 2024 \$205 puts sold for \$2.3M.

Trade to consider: Sell **BA** November \$220/\$210 put spread for \$3.25 credit or better



Weekly Options Technical Trade Set-Up

Ticker	GE
Trigger Level	\$106.75
Call/Put	Calls
Strike	\$106
Target	\$109
Stop	\$103



Insider Trade of the Week

Black Knight (BKI) large open market buy on 9/28 from CEO Anthony Jabbour of 14,000 shares at \$68.84, a more than \$960K investment. Jabbour has bought more than \$1M in stock already in 2021 including recently at \$71.77. BKI has traded back to a big volume node from 2020 and early 2021 and down around 18% for the year. The \$11.34B company trades 28X earnings, 8.3X sales, and 27.85X FCF. BKI provides integrated technology, data and analytics software that lenders and servicers utilize throughout the home ownership cycle. BKI has a lot of capabilities around defaults too and seriously delinquent loans which will become more relevant as the moratorium has been lifted on evictions. BKI has been expanding their originations business, Empower, including a \$1.8B deal for Optimal Blue last year. Optimal Blue's online marketplace connects originators and providers in the mortgage industry with each other. They did over \$2T in transactions last year. Analysts have an average target for shares of \$96.50 with a Street High \$110. Raymond James upgrading to Outperform on 9/30 citing their 2022 earnings potential. They see the company well positioned to return to double-digit growth in 2022 due to the end of the federal foreclosure moratorium as well as cross-selling momentum. The analyst also believes the downside from lower mortgage origination activity is relatively modest. Hedge fund ownership rose 17% last quarter. Short interest is 1.66%.

Earnings Preview

Lamb Weston (LW) reporting earnings on Thursday before the open with the Street looking for \$0.38 on \$1B in sales. Next quarter is guided to \$0.59 on \$1.01B while the FY is \$2.52 and \$4.13B. Shares have closed lower the last three reports and seven of the last nine with an average closing move of 4.7%. The current implied move is 5.8%. LW has seen a lot of bullish flows lately including 2,000 November \$65/\$50 bull risk reversals, 1750X October \$55 short puts, 1750X October \$60 short puts, and 2,850 January \$70 calls. Shares are back at the low-end of a big volume node from 2020 and trying to base with room up to \$65 and then a big low-volume gap back to \$75. The \$9.05B company trades 16.4X earnings, 2.47X sales, and 11.5X cash with a 1.5% yield. LW has seen a surge in their branded portfolio of brands over the last 18 months as at-home consumption rises and their market share, especially around frozen, has grown to be best-in-class among peers. They continue to focus on capacity additions and productivity savings as they scale up into new channels and regions. LW like sees strength from demand in foodservice, especially QSR. Margins are expected to be pressured in the 1H but guidance should remain confident that its transitory and they can return to pre-pandemic levels of demand soon. Analysts have an average target for shares of \$92 with a Street High \$100. JP Morgan positive on 7/28 noting that while they appreciate that an unfavorable cost environment is likely to pressure the company's near-term results by more than expected. However, higher costs are not exclusive to Lamb, and the extent of the drop is surprising given the company's rebound in volumes, confident tone on pricing, and expectations that gross margin will return to pre-Covid levels in the second half of 2022. Jefferies upgrading to Buy citing still-tight industry capacity and high edible oil costs which bode well for a return to pricing power across all segments at Lamb that consensus has yet to price in. Hedge fund ownership rose 13.5%. Shares are back near a spot where insiders were active in 2020 including a \$150K buy from a director at \$59.70. Short interest is 1.62%.

Date	Description	Volume	Open.In	Price	Delt	Impl Vo	Prob.ITN	Premium Pai
9/28/2021	LW 100 19 NOV 21 65 CALL	2,004	217	\$2.80	0.33	32.15%	28.57%	\$561,120
9/28/2021	LW 100 19 NOV 21 50 PUT	2,000	8	\$1.45	-0.13	52.29%	17.89%	\$290,000
9/7/2021	LW 100 15 OCT 21 55 PUT	1,755	81	\$0.60	-1	--	100.00%	\$122,850
8/30/2021	LW 100 15 OCT 21 60 PUT	1,750	85	\$1.10	-0.24	34.04%	28.26%	\$227,500
8/12/2021	LW 100 21 JAN 22 70 CALL	500	49	\$3.44	0	#ERROR!	0.00%	\$180,000

Oct. 8th (W) OpEx Notable Open Interest

Date	Description	Volume	Current Price	Current OI	Price Change	Current Value	OI Differential
8/27/2021	SEAS 100 (Weeklys) 8 OCT 21 51 CALL	7,058	\$7.80	6041	119.10%	\$4,711,980	-14.41%
9/17/2021	AAPL 100 (Weeklys) 8 OCT 21 147 PUT	6,237	\$5.00	7666	51.52%	\$3,833,000	-17.21%
9/8/2021	FB 100 (Weeklys) 8 OCT 21 380 PUT	1,501	\$36.19	773	260.82%	\$2,797,487	-51.29%
9/15/2021	AMZN 100 (Weeklys) 8 OCT 21 3300 CALL	500	\$35.00	780	-77.38%	\$2,730,000	54.76%
8/31/2021	TJX 100 (Weeklys) 8 OCT 21 69 PUT	7,700	\$2.90	8061	237.21%	\$2,337,690	4.69%
9/20/2021	GM 100 (Weeklys) 8 OCT 21 45 CALL	2,000	\$8.40	2508	90.91%	\$2,106,720	20.98%
9/10/2021	GM 100 (Weeklys) 8 OCT 21 52 CALL	5,077	\$2.03	9418	93.33%	\$1,911,854	71.74%
9/8/2021	FB 100 (Weeklys) 8 OCT 21 350 PUT	1,536	\$9.63	1625	297.93%	\$1,564,875	-6.39%
9/29/2021	IBM 100 (Weeklys) 8 OCT 21 138 CALL	1,688	\$5.90	2341	195.00%	\$1,381,190	-1.56%
9/20/2021	TSLA 100 (Weeklys) 8 OCT 21 600 PUT	2,495	\$1.78	7048	-69.04%	\$1,254,544	119.77%
9/17/2021	PTON 100 (Weeklys) 8 OCT 21 90 PUT	2,216	\$4.95	2438	390.10%	\$1,206,810	-1.93%
9/24/2021	CCL 100 (Weeklys) 8 OCT 21 24 CALL	3,477	\$2.16	4967	18.68%	\$1,072,872	3.72%
9/28/2021	MSFT 100 (Weeklys) 8 OCT 21 292.5 CALL	4,337	\$2.05	4507	-8.89%	\$923,935	-10.75%
9/10/2021	GM 100 (Weeklys) 8 OCT 21 51 CALL	1,933	\$2.83	3189	116.03%	\$902,487	30.75%
9/10/2021	SO 100 (Weeklys) 8 OCT 21 65 PUT	2,521	\$3.23	2635	438.33%	\$851,105	4.27%
9/20/2021	LOW 100 (Weeklys) 8 OCT 21 205 PUT	3,363	\$2.94	2460	-30.82%	\$723,240	-36.78%
9/28/2021	MU 100 (Weeklys) 8 OCT 21 75 PUT	1,581	\$4.00	1709	15.27%	\$683,600	-9.38%
9/24/2021	AMD 100 (Weeklys) 8 OCT 21 105 CALL	1,946	\$1.11	5958	-63.96%	\$661,338	83.32%
9/24/2021	EXPE 100 (Weeklys) 8 OCT 21 175 CALL	4,833	\$1.35	4808	-52.80%	\$649,080	-1.17%
9/3/2021	PANW 100 (Weeklys) 8 OCT 21 475 CALL	451	\$12.72	481	27.84%	\$611,832	4.34%
9/7/2021	DFS 100 (Weeklys) 8 OCT 21 120 CALL	549	\$8.67	695	54.82%	\$602,565	26.36%
8/27/2021	BAC 100 (Weeklys) 8 OCT 21 42 CALL	3,071	\$1.36	3993	-10.53%	\$543,048	29.60%
9/10/2021	VZ 100 (Weeklys) 8 OCT 21 56 PUT	2,009	\$2.17	2389	-7.26%	\$518,413	10.30%
9/24/2021	DAL 100 (Weeklys) 8 OCT 21 44 CALL	4,561	\$1.83	2761	123.17%	\$505,263	-58.92%
9/10/2021	UAL 100 (Weeklys) 8 OCT 21 45 CALL	1,000	\$6.38	729	188.69%	\$465,102	-28.39%
9/3/2021	CCL 100 (Weeklys) 8 OCT 21 22 CALL	1,021	\$4.05	1052	106.63%	\$426,060	1.74%
9/20/2021	LVS 100 (Weeklys) 8 OCT 21 38 CALL	4,533	\$1.00	4247	-27.01%	\$424,700	-8.90%
9/22/2021	CLF 100 (Weeklys) 8 OCT 21 20 CALL	5,504	\$0.56	6880	-54.10%	\$385,280	5.55%
9/23/2021	UPST 100 (Weeklys) 8 OCT 21 340 CALL	2,248	\$1.61	2390	-92.11%	\$384,790	4.41%
9/24/2021	CL 100 (Weeklys) 8 OCT 21 77 PUT	1,609	\$1.46	2329	56.99%	\$340,034	1.79%
8/27/2021	FOXA 100 (Weeklys) 8 OCT 21 38 CALL	2,454	\$2.31	1371	171.76%	\$316,701	-44.13%
9/16/2021	NKLA 100 (Weeklys) 8 OCT 21 12 PUT	1,504	\$1.46	2077	-37.07%	\$303,242	27.58%
9/15/2021	AMZN 100 (Weeklys) 8 OCT 21 3500 CALL	1,006	\$1.54	1922	-95.79%	\$295,988	61.24%
9/16/2021	FSR 100 (Weeklys) 8 OCT 21 13.5 CALL	3,044	\$1.45	2007	208.51%	\$291,015	-50.63%
9/28/2021	SPOT 100 (Weeklys) 8 OCT 21 225 PUT	1,002	\$2.75	1030	-31.25%	\$283,250	.68%
9/17/2021	VXX 100 (Weeklys) 8 OCT 21 30 CALL	3,073	\$0.50	5582	-57.63%	\$279,100	54.54%
9/17/2021	QCOM 100 (Weeklys) 8 OCT 21 127 PUT	2,412	\$1.13	2393	-11.72%	\$270,409	-.79%
9/8/2021	RKT 100 (Weeklys) 8 OCT 21 17.5 PUT	3,025	\$1.62	1650	45.95%	\$267,300	-46.29%
9/24/2021	FCX 100 (Weeklys) 8 OCT 21 32 PUT	2,016	\$0.53	4859	-49.52%	\$257,527	70.25%
9/8/2021	AMD 100 (Weeklys) 8 OCT 21 110 CALL	2,154	\$0.24	10317	-93.77%	\$247,608	308.11%
9/20/2021	MRVL 100 (Weeklys) 8 OCT 21 59 PUT	3,351	\$0.75	3290	-58.79%	\$246,750	-6.24%
9/21/2021	WDC 100 (Weeklys) 8 OCT 21 56 CALL	1,414	\$1.76	1163	-18.14%	\$204,688	-17.87%
9/3/2021	GOOGL 100 (Weeklys) 8 OCT 21 2850 CAL	1,015	\$2.70	709	-96.52%	\$191,430	-30.49%
9/22/2021	SAVA 100 (Weeklys) 8 OCT 21 62 CALL	1,331	\$3.14	588	-1.88%	\$184,632	-56.05%
9/23/2021	ROKU 100 (Weeklys) 8 OCT 21 340 CALL	1,104	\$1.17	1549	-90.23%	\$181,233	21.49%
9/9/2021	AMD 100 (Weeklys) 8 OCT 21 107 CALL	921	\$0.61	2969	-86.44%	\$181,109	172.14%
9/13/2021	AIG 100 (Weeklys) 8 OCT 21 55 PUT	2,056	\$0.76	2196	-52.50%	\$166,896	1.76%
9/14/2021	AMD 100 (Weeklys) 8 OCT 21 109 CALL	8,666	\$0.33	4380	-89.00%	\$144,540	-51.47%
9/16/2021	MAT 100 (Weeklys) 8 OCT 21 21 PUT	1,732	\$0.85	1602	0.00%	\$136,170	-7.51%

Disclaimer:

Not Investment Advice or Recommendation

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