



# Market Top or Buy on Dip?

Thursday September 3, 2020

# S&P500 Futures



# FANG+ Index Future



# Tesla





### Exhibit 3: Volumes for single stock options with less than 2 weeks to maturity now comprise 75% of total option volume

Single stock options volumes for Top 100 S&P500 stocks by market cap; options with less than 2 weeks to maturity as a percentage of the total; weekly data



Source: Goldman Sachs Global Investment Research, OptionMetrics, Data as of 21-July

### Exhibit 4: Investors have been positioning for near-term upside even more than near-term downside

Growth in short dated call and put options volumes for Top 100 S&P500 stocks by market cap; weekly data



Source: Goldman Sachs Global Investment Research, OptionMetrics, Data as of 21-July

Over the past few weeks, there has been a massive buyer in the market of Technology upside calls and call spreads across a basket of names including **ADBE, AMZN, FB, CRM, MSFT, GOOGL, and NFLX**. Over \$1 billion of premium was spent and upwards of \$20 billion in notional through strike – this is arguably some of the largest single stock-flow we've seen in years. "The average daily options contracts traded in NDX stocks to rise from ~4mm/day average in April to ~5.5mm/day average in August (a 38% jump in volume).

Citadel

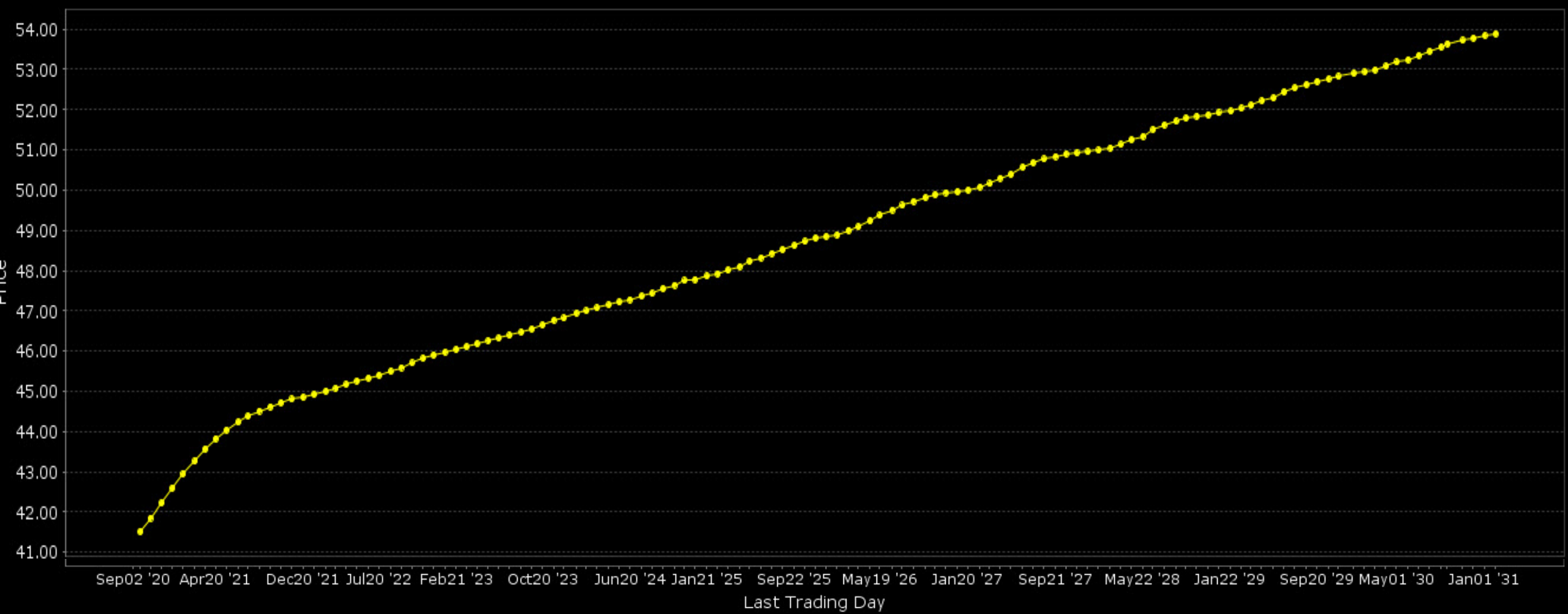
"CRM had its freakish +26% post-EPS single-day move last week and dragged-up a number of other high-profile big name Tech which have also been part of the upside buying program (AMZN, ADBE, NFLX, FB, MSFT) all enormously "over-shooting" thereafter, as generically, the Street was short 1m 20d Calls which turned 25d real quick, forcing Dealers to grab Delta to stay hedged, **in classic "tail wags the dog" feedback loop.**"

Charlie McElligott

# Crude Oil (October 2020)



# Crude Oil Term Structure

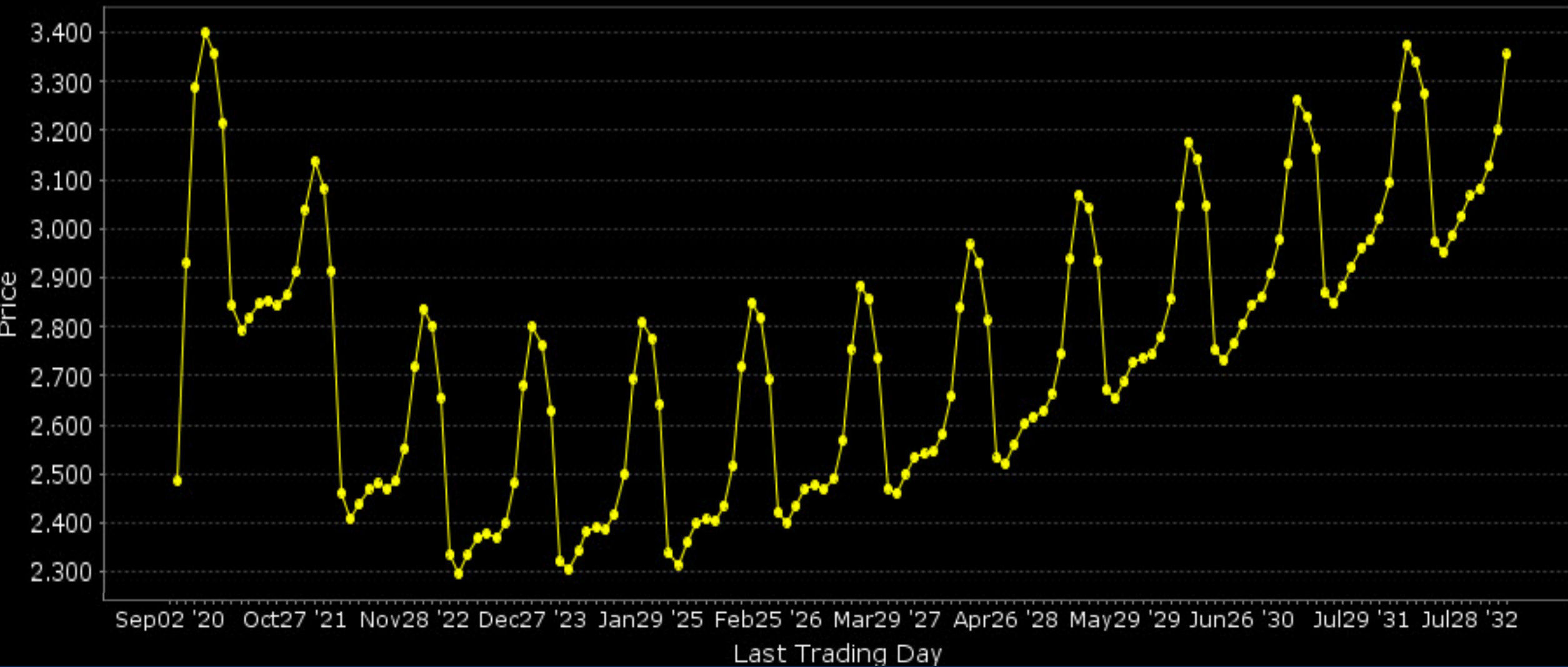




# Natural Gas (Continuous Chart)



# Natural Gas Term Structure



# EURUSD



# Bitcoin



# US 10y Treasury Yield



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