

SPOTLIGHT OPTION TRADE



Fed-Ex Offers Value and Growth, Orderly Chart in Market Full of Sloppy Charts

TRADE SNAPSHOT

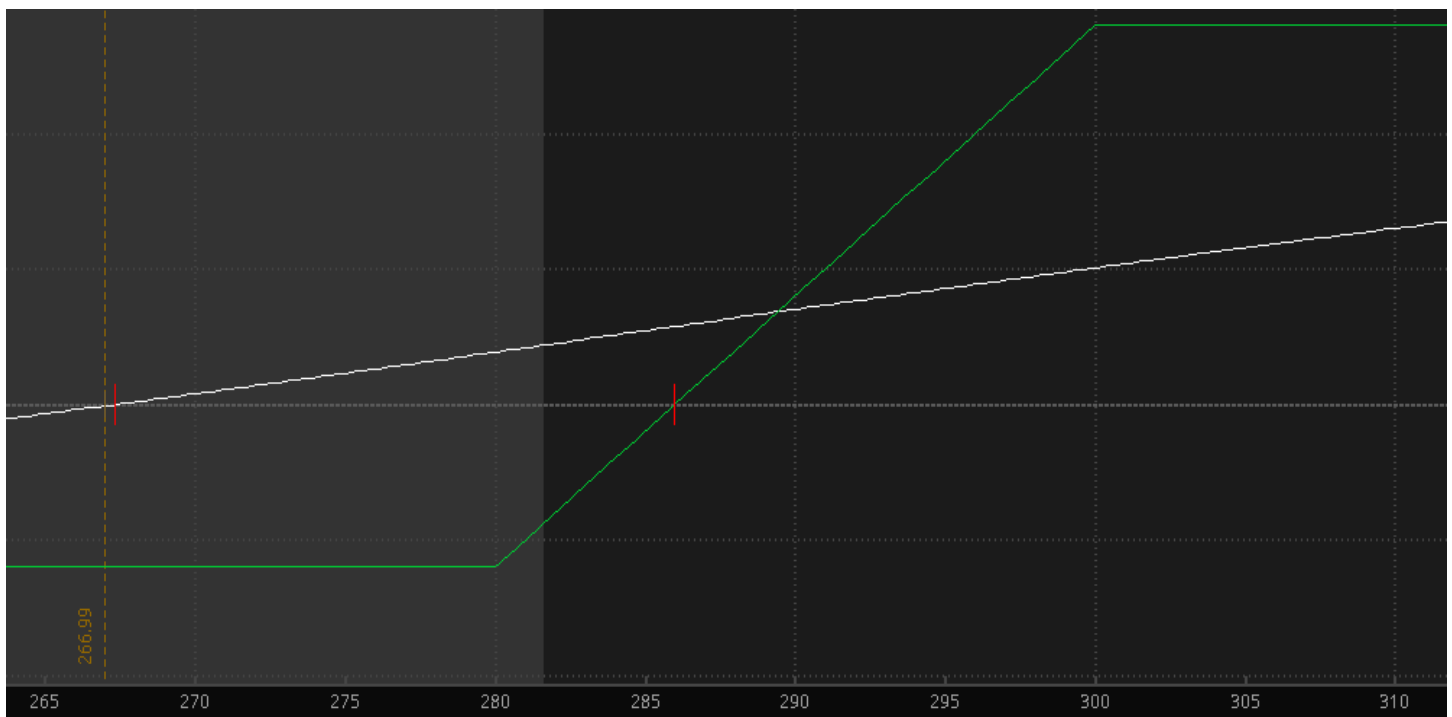
TICKER	FDX
SECURITY	FedEx
SECTOR	Industrials – Transports – Shipping
CURRENT PRICE	\$267.25
LONG/SHORT	Long
TARGET	\$300
STOP	\$245
TIMEFRAME	2 Months

Trading Strategy: Long FDX January \$280/\$300 Call Spreads at \$6

Net Debit/Credit: Debit of \$6

Profitability Zone: FDX Above \$286 on January OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: FDX has quietly been a top performer in 2020 with shares +76.75% and dipping back to 55-day MA support this week retesting a prior flag breakout. FDX sets up for continuation higher out of the weekly consolidation pattern.

Fedex Corp, Weekly, Nasdaq + Cboe BZX O 274.22 H 274.50 L 256.35 C 267.27 Change -2.53% Market closed

Expand indicator list



Fundamental Analysis: The \$70B shipper trades 15.45X Earnings, 1X Sales and 9.4X FY21 EBITDA with a 0.97% dividend yield. FDX sets up well with ecommerce continuing to accelerate while global Macro is improving, and it continues to raise prices and expand margins. FDX estimates see 10.7% revenue growth and 36% EBITDA growth for 2021. FDX long-term goals continue to be increase ROIC, target 10% operating margins, improve cash flows and grow EPS 10-15% per year. The U.S. Domestic parcel market is expected to reach 100 million packages per day by CY23, three years earlier than the pre-pandemic forecast. FedEx Express and FedEx Ground are increasing shipping rates an average of 4.9% in January 2021. Analysts have an average target of \$285 and short interest low at 1.5% of the float and down 32.5% Q/Q. UBS at Buy with a \$320 target on 10/2 noting the long margin runway and improving free cash flows, a positive company-specific and overall package delivery market story. Deutsche Bank upgraded to Buy 9/28 citing pricing power and has a \$318 target. Stifel raised to Buy 9/24 with a \$281 target noting the discount to UPS shares. Hedge Fund ownership was fairly flat in Q2 filings.

Options Activity:

Date	Description	Volume	Open_In	Price	Delt	Impl Vo	Prob.ITM	Premium Pai	Symbol	Current Price	Current OI
11/10/2020	FDX 100 18 DEC 20 280 CALL	852	692	\$8.60	0.36	45.04%	30.64%	\$732,720	.FDX201218C280		
11/10/2020	FDX 100 18 DEC 20 270 CALL	903	423	\$12.43	0.46	45.81%	39.85%	\$1,122,429	.FDX201218C270		
11/9/2020	FDX 100 18 DEC 20 260 CALL	610	83	\$18.04	0.58	45.67%	51.64%	\$1,100,440	.FDX201218C260	\$18.40	83
11/9/2020	FDX 100 (Weeklys) 27 NOV 20 275 CALL	1,545	71	\$2.75	0.23	35.71%	20.59%	\$424,875	.FDX201127C275	\$4.20	926
11/9/2020	FDX 100 (Weeklys) 27 NOV 20 270 CALL	1,385	74	\$4.09	0.31	37.30%	28.54%	\$566,465	.FDX201127C270	\$5.90	1201
11/6/2020	FDX 100 (Weeklys) 27 NOV 20 280 CALL	970	728	\$9.75	0.511	34.74%	47.74%	\$945,750	.FDX201127C280	\$2.70	563
11/4/2020	FDX 100 (Weeklys) 27 NOV 20 280 CALL	557	150	\$8.10	0.46	34.77%	42.14%	\$451,170	.FDX201127C280	\$2.70	563
11/3/2020	FDX 100 16 APR 21 310 CALL	325	161	\$17.00	0.38	40.65%	27.96%	\$552,500	.FDX210416C310	\$10.90	411
10/27/2020	FDX 100 15 JAN 21 260 PUT	602	390	\$14.50	-0.33	44.46%	41.27%	\$872,900	.FDX210115P260	\$17.00	1087
10/19/2020	FDX 100 16 APR 21 330 CALL	370	148	\$17.30	0.36	39.64%	26.70%	\$640,100	.FDX210416C330	\$7.35	556
10/19/2020	FDX 100 16 APR 21 260 PUT	345	42	\$19.75	-0.31	41.72%	41.73%	\$681,375	.FDX210416P260	\$24.45	209
10/16/2020	FDX 100 20 NOV 20 290 CALL	1,303	886	\$10.00	0.44	36.93%	39.30%	\$1,303,000	.FDX201120C290	\$0.75	1853
10/16/2020	FDX 100 18 DEC 20 240 PUT	1,382	26	\$5.70	-0.17	47.90%	22.68%	\$787,740	.FDX201218P240	\$6.25	2087
10/16/2020	FDX 100 16 APR 21 280 PUT	390	49	\$29.50	-0.42	40.07%	53.26%	\$1,158,300	.FDX210416P280	\$35.59	226
10/15/2020	FDX 100 21 JAN 22 230 CALL	488	100	\$72.55	0.73	42.37%	55.88%	\$3,540,440	.FDX220121C230	\$58.10	562
10/12/2020	FDX 100 21 JAN 22 390 CALL	109	3	\$13.05	0.24	36.16%	13.43%	\$148,240	.FDX220121C390	\$11.98	245
10/7/2020	FDX 100 20 NOV 20 310 CALL	2,436	167	\$2.55	0.15	37.31%	12.27%	\$621,180	.FDX201120C310	\$0.15	1802
10/7/2020	FDX 100 20 NOV 20 270 CALL	2,516	2,082	\$14.22	0.51	39.83%	45.69%	\$3,577,752	.FDX201120C270	\$4.95	3261
10/5/2020	FDX 100 20 NOV 20 250 PUT	460	159	\$10.94	-0.38	41.79%	43.74%	\$503,240	.FDX201120P250	\$1.87	821
10/1/2020	FDX 100 15 JAN 21 340 CALL	1,313	319	\$2.55	0.11	39.87%	7.29%	\$351,884	.FDX210115C340	\$1.66	2265
10/1/2020	FDX 100 15 JAN 21 330 CALL	1,369	466	\$3.17	0.13	39.92%	9.15%	\$433,973	.FDX210115C330	\$2.34	1956
10/1/2020	FDX 100 15 JAN 21 270 CALL	1,416	775	\$15.70	0.43	41.77%	34.64%	\$2,223,120	.FDX210115C270	\$16.53	2876
10/1/2020	FDX 100 15 JAN 21 230 PUT	1,408	1,008	\$12.90	-0.3	45.85%	39.54%	\$1,816,320	.FDX210115P230	\$6.50	2881
9/28/2020	FDX 100 20 NOV 20 270 PUT	1,101	20	\$23.35	-0.61	38.37%	66.24%	\$2,570,835	.FDX201120P270	\$9.15	2326
9/28/2020	FDX 100 20 NOV 20 270 CALL	1,215	728	\$10.00	0.4	39.37%	34.01%	\$1,215,000	.FDX201120C270	\$4.95	3261
9/24/2020	FDX 100 21 JAN 22 270 PUT	250	14	\$60.00	-0.5	37.96%	67.79%	\$1,500,000	.FDX220121P270	\$45.40	282
9/15/2020	FDX 100 16 APR 21 350 CALL	777	0	\$4.70	0.15	43.98%	8.23%	\$365,190	.FDX210416C350	\$4.67	1205
9/15/2020	FDX 100 16 APR 21 300 CALL	1,114	99	\$12.26	0.29	43.80%	18.68%	\$1,365,764	.FDX210416C300	\$13.50	1476

Potential Catalysts: Earnings 12/17/2020

Disclaimer:

Not Investment Advice or Recommendation

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