

SPOTLIGHT OPTION TRADE



Apple Oversold and Valuation Attractive, Downside Limited

TRADE SNAPSHOT

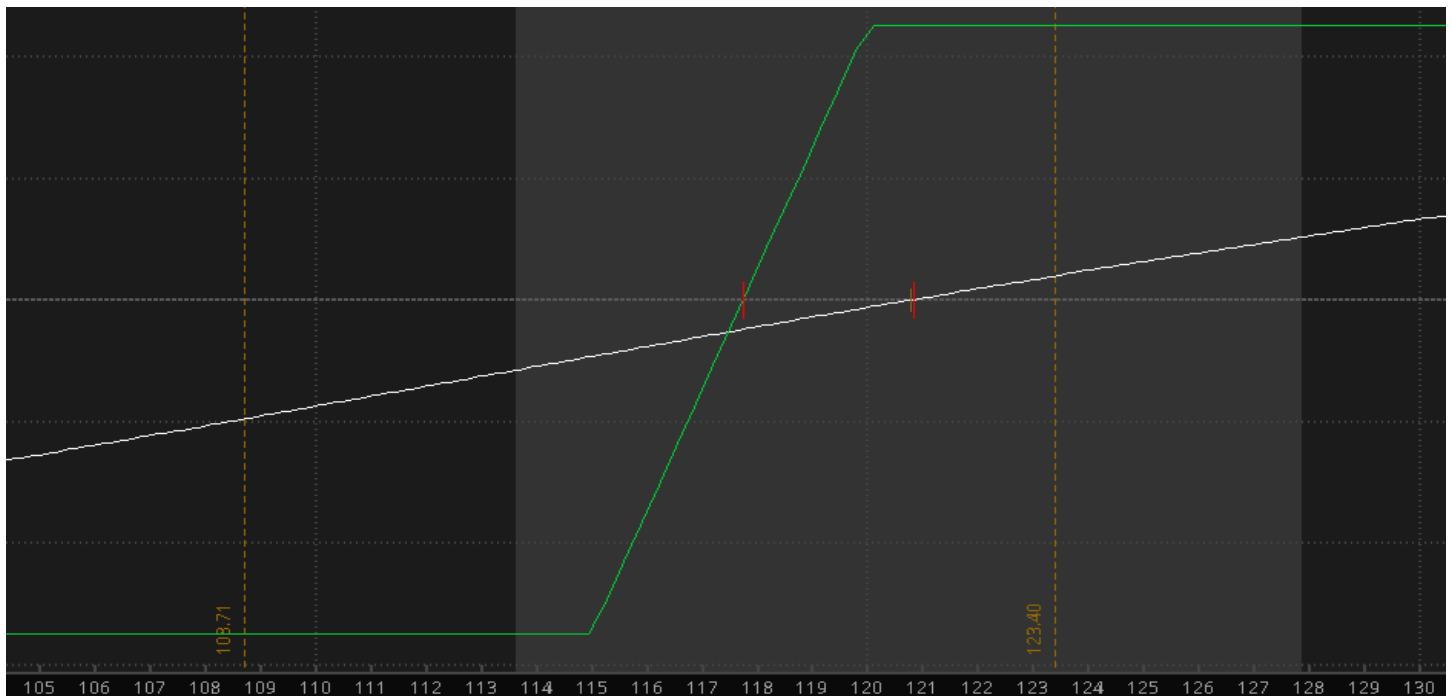
TICKER	AAPL
SECURITY	Apple
SECTOR	Tech – Consumer Electronics
CURRENT PRICE	\$120.80
LONG/SHORT	Long Bias
TARGET	Above \$120
STOP	None – Defined Risk
TIMEFRAME	4 Months

Trading Strategy: Sell the AAPL June \$120/\$115 Put Spreads for \$2.25 Credit (Bull Put Spread)

Net Debit/Credit: Credit of \$2.25

Profitability Zone: AAPL Shares Above \$117.75 on June OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: AAPL shares at the lower end of a rising channel and above a retest of a key volume node from its breakout move, an area to expect a base. Even if shares break a bit lower there is plenty of support and this strategy allows time to rebound.



Fundamental Analysis: The \$2 trillion tech leader trades 25.85X Earnings and 30.7X FCF with a 0.68% yield and massive cash holding. AAPL forecasts call for 15.8% revenue growth in 2021 and 22.6% EPS growth, strongest year since 2018. Apple has always been largely an iPhone story but more recently shifted to its opportunity with Services while also expanding and seeing results improve in Wearables and TV. There has been recent talk about it potentially entering the EV market. AAPL hit a new high watermark for the installed base of active devices, with growth accelerating as and passed 1.65 billion devices worldwide during the December quarter. AAPL saw strength across all businesses which is only a good thing for its expanding ecosystem, Wearables, Home and Accessories grew by 30% year-over-year, iPad and Mac grew by 41% and 21%, respectively. Apple delivered an all-time quarterly Services record of \$15.8 billion and it was the first quarter with the Apple One bundle. Apple continues to launch new service offerings, Apple TV+, Apple Arcade, Apple News+, Apple Card, Apple Fitness+. Analysts have an average target of \$150 with short interest around 2% of the float. Wedbush recently noted that iPhone 12 demand is now slowing after reviewing Asia supply checks and sees the supercycle lasting through 2021.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob. ITV	Premium Paid	Symbol	Current Price	Current OI	P/C
2/25/2021	AAPL 100 15 OCT 21 120 PUT	3,571	1,067	\$13.30	-0.43	36.29%	55.18%	\$4,892,270	.AAPL211015P120			
2/25/2021	AAPL 100 15 OCT 21 110 PUT	6,666	3,221	\$8.80	-0.32	37.02%	43.61%	\$6,032,730	.AAPL211015P110			
2/25/2021	AAPL 100 15 OCT 21 105 PUT	1,510	538	\$6.30	-0.24	37.53%	34.72%	\$951,300	.AAPL211015P105			
2/24/2021	AAPL 100 17 MAR 23 90 PUT	1,004	892	\$8.65	-0.19	34.99%	35.38%	\$868,460	.AAPL230317P90	\$8.51	1895	
2/23/2021	AAPL 100 19 MAR 21 122 CALL	2,549	51	\$4.60	0.51	37.85%	46.62%	\$1,183,425	.AAPL210319C122	\$6.29	3010	
2/23/2021	AAPL 100 17 JUN 22 145 CALL	6,974	6,449	\$13.35	0.43	37.34%	27.40%	\$9,380,030	.AAPL220617C145	\$13.45	8494	
2/22/2021	AAPL 100 15 OCT 21 115 PUT	1,591	213	\$8.40	-0.31	35.40%	41.70%	\$1,336,440	.AAPL211015P115	\$9.48	4198	
2/22/2021	AAPL 100 (Weeklys) 1 APR 21 129 PUT	5,010	232	\$5.10	-0.49	30.94%	52.80%	\$2,705,400	.AAPL210401P129	\$7.70	5186	
2/19/2021	AAPL 100 20 JAN 23 175 PUT	1,039	481	\$57.41	-0.66	33.56%	81.54%	\$5,964,899	.AAPL230120P175	\$60.13	1424	
2/19/2021	AAPL 100 15 OCT 21 120 CALL	9,049	6	\$20.05	0.65	36.74%	54.24%	\$18,143,245	.AAPL211015C120	\$16.90	10281	
2/19/2021	AAPL 100 15 OCT 21 110 PUT	1,506	3	\$6.25	-0.24	35.96%	33.58%	\$933,720	.AAPL211015P110	\$7.65	3221	
2/19/2021	AAPL 100 15 OCT 21 100 CALL	10,045	115	\$33.67	0.82	40.29%	73.28%	\$34,002,325	.AAPL211015C100	\$29.30	10238	
2/19/2021	AAPL 100 (Weeklys) 26 MAR 21 142 CALL	10,102	1,300	\$1.19	0.19	30.15%	16.14%	\$1,202,138	.AAPL210326C142	\$0.65	11030	
2/19/2021	AAPL 100 (Weeklys) 26 MAR 21 134 CALL	1,929	793	\$3.15	0.38	30.82%	34.61%	\$617,280	.AAPL210326C134	\$1.79	2431	
2/19/2021	AAPL 100 (Weeklys) 1 APR 21 141 CALL	12,772	871	\$1.63	0.23	30.28%	19.74%	\$2,081,836	.AAPL210401C141	\$0.99	13736	
2/18/2021	AAPL 100 21 MAY 21 135 CALL	13,670	2,881	\$6.79	0.44	35.03%	37.32%	\$9,281,930	.AAPL210521C135	\$5.05	22993	
2/17/2021	AAPL 100 21 MAY 21 130 PUT	3,747	659	\$9.22	-0.46	35.26%	53.23%	\$3,465,975	.AAPL210521P130	\$11.40	17603	
2/17/2021	AAPL 100 21 MAY 21 120 CALL	10,185	69	\$15.30	0.7	37.12%	63.26%	\$15,583,050	.AAPL210521C120	\$11.70	19239	
2/17/2021	AAPL 100 17 MAR 23 115 PUT	2,000	700	\$17.45	-0.31	35.85%	51.64%	\$3,760,000	.AAPL230317P115	\$19.10	1612	
2/17/2021	AAPL 100 16 APR 21 128.75 PUT	3,113	2,744	\$6.14	-0.44	32.27%	49.17%	\$1,883,365	.AAPL210416P128.75	\$8.63	17893	
2/17/2021	AAPL 100 (Weeklys) 5 MAR 21 131 CALL	3,127	796	\$3.85	0.56	29.03%	53.51%	\$1,203,895	.AAPL210305C131	\$0.67	10666	
2/17/2021	AAPL 100 (Weeklys) 26 MAR 21 140 CALL	10,601	2,219	\$1.98	0.26	31.94%	22.61%	\$2,130,801	.AAPL210326C140	\$0.86	24069	
2/17/2021	AAPL 100 (Weeklys) 12 MAR 21 131 CALL	4,084	423	\$4.50	0.54	29.20%	50.73%	\$1,735,700	.AAPL210312C131	\$1.35	5711	
2/17/2021	AAPL 100 (Weeklys) 1 APR 21 140 CALL	15,650	578	\$2.29	0.27	31.80%	23.96%	\$3,627,552	.AAPL210401C140	\$1.10	11103	
2/16/2021	AAPL 100 (Weeklys) 12 MAR 21 133 PUT	2,411	915	\$3.72	-0.47	27.79%	50.32%	\$896,892	.AAPL210312P133	\$8.60	3379	
2/16/2021	AAPL 100 (Weeklys) 1 APR 21 135 PUT	1,008	33	\$5.85	-0.48	30.37%	52.34%	\$594,720	.AAPL210401P135	\$12.34	2043	
2/12/2021	AAPL 100 21 MAY 21 125 CALL	15,058	0	\$14.90	0.684	35.17%	61.74%	\$22,436,420	.AAPL210521C125	\$9.10	22327	

Potential Catalysts: Earnings, Conferences, Product News

Disclaimer:

Not Investment Advice or Recommendation

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