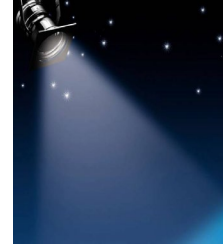


SPOTLIGHT OPTION TRADE



High Valuation Travel Name Faces Multiple Headwinds TRADE SNAPSHOT

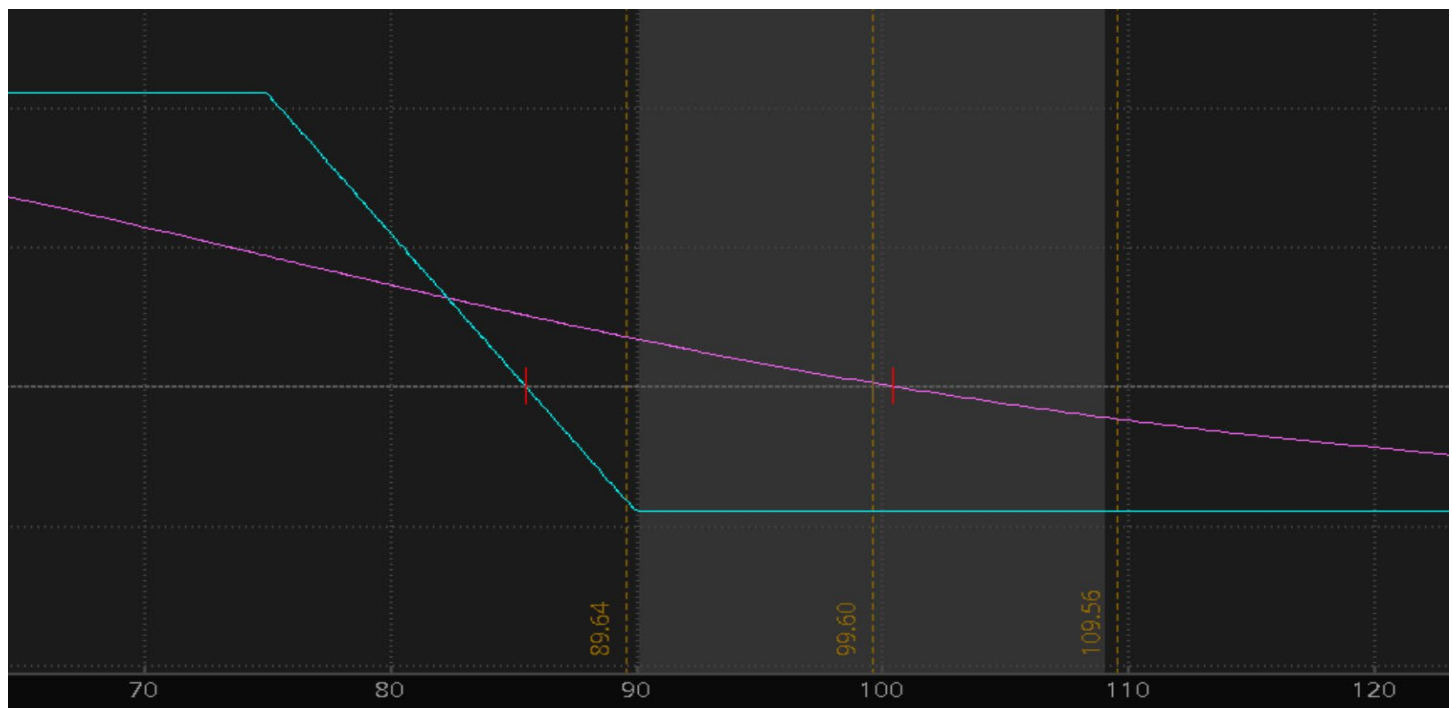
TICKER	ABNB
SECURITY	Airbnb, Inc.
SECTOR	Consumer Cyclical – Travel Services
CURRENT PRICE	\$99.50
LONG/SHORT	Short
TARGET	\$75
STOP	\$120
TIMEFRAME	3 Months

Trading Strategy: Long the ABNB September \$90/\$75 Put Spreads at \$4.50 Debit

Net Debit/Credit: Debit \$4.50

Profitability Zone: ABNB Below \$85.50 on September OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: ABNB is already oversold and could have some volatile snapback moves but a critical breakdown at the \$135 level needs to resolve and measures to a target of \$70. The trend is down and as long as shares close below the 8-week EMA, bounces should be sold into.



Fundamental Analysis: ABNB is the leader in alternative travel accommodations but sentiment around the service seems to continually weaken with guests upset about fees and ABNB could run into major issues with supply from a housing crisis as mortgage payments rise and consumer balance sheets weaken. ABNB has a market cap of \$60B and trades 40X Earnings, 23X EBITDA and 7X EV/Sales with a 2.8% FCF yield. Revenues are forecasted to grow 36.7% this year before normalizing to 17-20% annual growth. ABNB is seeing healthier margins and FCF as it improves cost structure and benefits from a travel boom, but likely investors look forward to oncoming tough comps and a weakening Macro environment. Analysts have an average target of \$180 with 5.5% of the float short. Goldman cut its target to \$95 from \$150 recently with a Sell rating on concerns around a combination of potential normalization of consumer travel habits in terms of mix of lodging segments, impact of a consumer recession on 2H22/2023 demand & relatively mature broader online travel end market (& marketing intensity in a normalized growth environment) measured against the stock's current valuation. Citi sees a buying opportunity for a company extending its lead in alternative accommodations and Baird likes the platform changes driving better traffic and conversion rates.

Options Activity:

Date ▾	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium	Last	Current OI	▲ Price
06-17-2022	ABNB	ABNB 100 16 SEP 22 105 CALL	682	106	\$11.02	0.50	66.16%	\$750,200	\$11.02	106	▲ 0%
06-17-2022	ABNB	ABNB 100 16 DEC 22 80 PUT	1,504	693	\$8.75	-0.24	67.47%	\$1,331,040	\$8.75	693	▲ 0%
06-16-2022	ABNB	ABNB 100 15 JUL 22 80 PUT	1,903	774	\$2.78	-0.21	79.17%	\$529,034	\$1.48	2,092	▼ 46.76%
06-16-2022	ABNB	ABNB 100 16 JUN 23 100 CALL	393	162	\$21.75	0.59	63.64%	\$870,495	\$21.75	467	▲ 0%
06-16-2022	ABNB	ABNB 100 16 JUN 23 95 CALL	358	22	\$22.6	0.63	64.87%	\$873,520	\$25.91	371	▼ 14.65%
06-16-2022	ABNB	ABNB 100 15 JUL 22 95 CALL	1,324	165	\$6.55	0.49	71.2%	\$873,840	\$9.89	1,657	▲ 50.99%
06-15-2022	ABNB	ABNB 100 21 OCT 22 65 PUT	1,012	296	\$2.88	-0.11	74.4%	\$295,504	\$2.95	4,663	▼ 2.43%
06-15-2022	ABNB	ABNB 100 (Weekly) 8 JUL 22 100 CALL	1,092	143	\$7.85	0.59	64.67%	\$868,140	\$5.7	830	▼ 27.39%
06-14-2022	ABNB	ABNB 100 (Weekly) 1 JUL 22 75 PUT	1,503	23	\$0.7	-0.07	94.8%	\$117,234	\$0.34	1,569	▲ 51.43%
06-14-2022	ABNB	ABNB 100 (Weekly) 1 JUL 22 90 PUT	1,502	124	\$2.83	-0.25	80.09%	\$425,066	\$1.88	1,648	▼ 33.57%
06-14-2022	ABNB	ABNB 100 16 SEP 22 60 PUT	5,792	288	\$1.84	-0.08	82.94%	\$1,083,104	\$1.6	5,885	▲ 13.04%
06-14-2022	ABNB	ABNB 100 21 OCT 22 95 PUT	1,879	1,205	\$13.3	-0.38	66.77%	\$2,517,860	\$12.39	2,378	▼ 6.84%
06-14-2022	ABNB	ABNB 100 16 SEP 22 75 PUT	8,735	250	\$4.55	-0.18	75.93%	\$4,018,100	\$4.05	7,355	▼ 10.99%
06-13-2022	ABNB	ABNB 100 20 JAN 23 55 PUT	1,781	501	\$3.1	-0.09	72.45%	\$552,110	\$2.71	2,228	▼ 12.58%
06-13-2022	ABNB	ABNB 100 21 OCT 22 115 CALL	1,241	283	\$9.49	0.43	64.83%	\$1,177,709	\$9.11	1,828	▼ 4%
06-09-2022	ABNB	ABNB 100 (Weekly) 1 JUL 22 120 PUT	1,026	67	\$8.93	-0.57	57.85%	\$916,218	\$20.73	356	▲ 132.14%

Potential Catalysts: Earnings Early August

Disclaimer:

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

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