

## SPOTLIGHT OPTION TRADE



### Potential Major Bottoming Pattern in Top Growth Stock with Ramping Profitability

#### TRADE SNAPSHOT

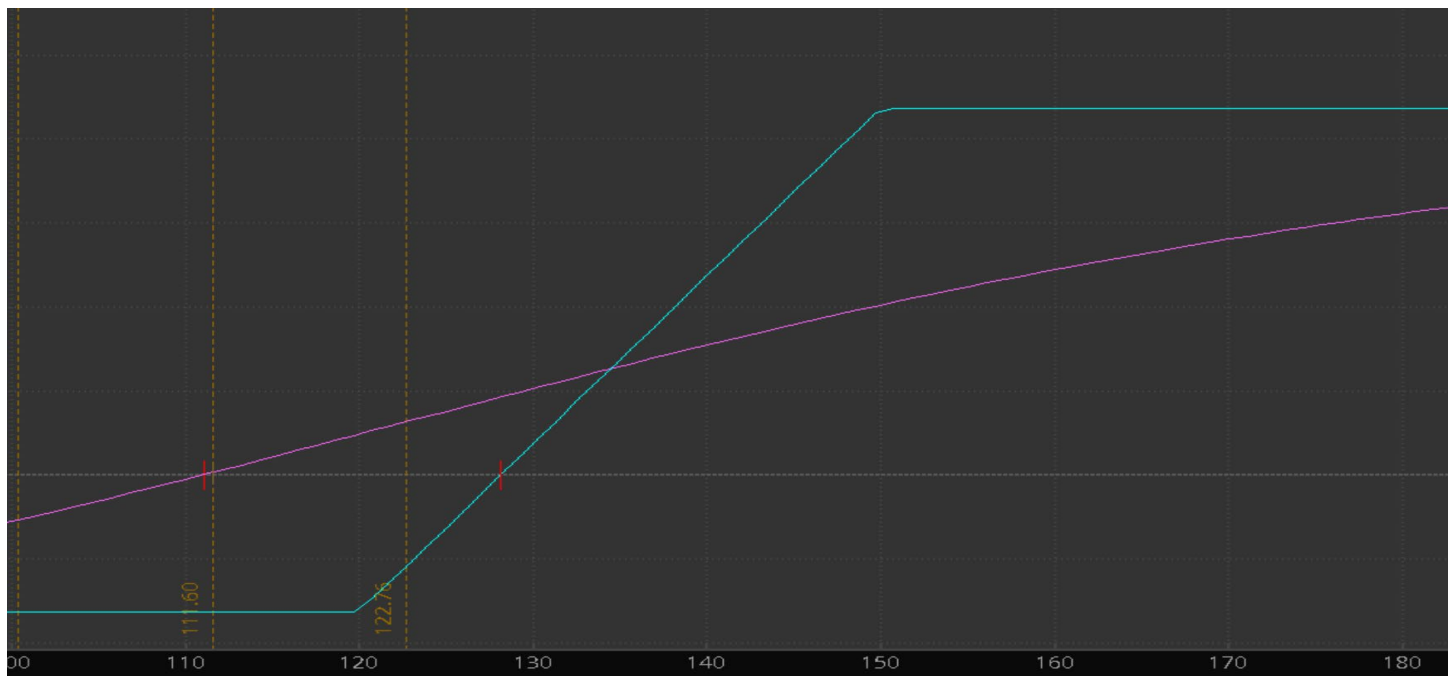
TICKER	ABNB
SECURITY	Airbnb
SECTOR	Consumer Cyclical – Travel Services
CURRENT PRICE	\$111.60
LONG/SHORT	Long
TARGET	\$150
STOP	\$102
TIMEFRAME	4 Months

**Trading Strategy:** Long the **ABNB** January \$120/\$150 Call Spreads at \$8.20 Debit

**Net Debit/Credit:** Debit of \$8.20

**Profitability Zone:** ABNB Above \$128.20 on January Opex

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** ABNB lost momentum the past week and closing below some key moving averages but still above its 55-day and eyeing this potential right shoulder that aligns with VWAP off the lows for a major inverse head and shoulders pattern that would measure to an upside target of \$160 while the volume pocket above 123.5 targets a run to 150 or at least the 200-MA.



**Fundamental Analysis:** ABNB is coming off an impressive quarter where its margin expansion really shined while seeing strong demand and steady price appreciation with strong ADR growth. ABNB management is targeting long-term 30%+ Adjusted EBITDA margins in improved variable costs, marketing efficiency & managing fixed expenses. ABNB has not even tapped into a massive potential market of Experiences and it is also quietly expanding into Hotels with its deal for HotelTonight. ABNB even announced a \$2B buyback and for a rapidly growing company it trades 44X Earnings and 20X FY23 EBITDA with revenues growing 38% in 2022 and 15%+ annually the next three years. A lack of supply remains the bear case and potential for slower booking trends as tougher comps are faced next year but its profitability improvements, ability to deliver on growth objectives and long-term potential remains a strong positive as alternative travel secular growth drivers remain in place. Travel demand remains robust and cross-border travel should continue to see further improvements in coming quarters with high-end consumers mostly driving travel demand. ABNB has seen a lot of success with long-duration stays and continues to flex innovative products for its customers. Analysts have an average target of \$140 with short interest at 11.6% of the float.

### Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI
04-22-2021	ABNB	ABNB 100 20 JAN 23 120 PUT	750	\$14.1	457	-0.18	45.63%	\$1,106,250	\$19.05	9,547
06-03-2022	ABNB	ABNB 100 20 JAN 23 120 PUT	3,010	\$20.15	4,442	-0.41	54.01%	\$6,095,250	\$19.05	9,547
02-14-2022	ABNB	ABNB 100 20 JAN 23 75 PUT	2,443	\$2.03	318	-0.04	58.72%	\$503,258	\$2.47	9,122
08-10-2022	ABNB	ABNB 100 20 JAN 23 75 PUT	5,185	\$2.24	5,537	-0.09	58.78%	\$1,171,810	\$2.47	9,122
05-06-2021	ABNB	ABNB 100 20 JAN 23 100 PUT	1,396	\$9.5	1,243	-0.15	45.09%	\$1,326,200	\$8.85	8,285
05-03-2022	ABNB	ABNB 100 16 SEP 22 100 PUT	1,016	\$4.88	159	-0.14	67.19%	\$513,080	\$1.81	8,260
04-20-2021	ABNB	ABNB 100 20 JAN 23 70 PUT	1,001	\$2.81	174	-0.05	48.41%	\$310,310	\$1.81	7,184
04-07-2021	ABNB	ABNB 100 20 JAN 23 135 PUT	501	\$24.5	288	-0.22	52.13%	\$1,227,450	\$23.05	6,860
07-30-2021	ABNB	ABNB 100 20 JAN 23 80 PUT	933	\$5.57	473	-0.10	49.59%	\$519,681	\$3.42	6,821
06-03-2022	ABNB	ABNB 100 20 JAN 23 120 CALL	3,006	\$21.07	950	0.59	57.21%	\$6,568,110	\$12.85	6,444
05-26-2021	ABNB	ABNB 100 20 JAN 23 65 PUT	2,006	\$3.8	515	-0.07	49.19%	\$762,280	\$1.36	6,329
03-30-2021	ABNB	ABNB 100 20 JAN 23 150 PUT	332	\$35.05	144	-0.26	57.66%	\$1,201,840	\$40.65	5,763
06-25-2021	ABNB	ABNB 100 20 JAN 23 170 PUT	2,638	\$48.05	1,292	-0.46	47.68%	\$12,675,590	\$53.7	5,563
07-30-2021	ABNB	ABNB 100 20 JAN 23 170 PUT	5,466	\$49.35	2,170	-0.49	46.89%	\$26,974,710	\$53.7	5,563
09-10-2021	ABNB	ABNB 100 20 JAN 23 165 PUT	3,094	\$32	3,410	-0.39	43.37%	\$9,931,740	\$42.66	5,454
08-12-2021	ABNB	ABNB 100 20 JAN 23 140 PUT	2,562	\$26.85	3,799	-0.34	46.56%	\$6,917,400	\$32.95	5,043
05-03-2021	ABNB	ABNB 100 20 JAN 23 105 PUT	2,000	\$9.64	89	-0.14	46.38%	\$1,928,000	\$11.13	5,004

### Potential Catalysts: Early November Earnings

## **Disclaimer:**

### **Not Investment Advice or Recommendation**

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