

SPOTLIGHT OPTION TRADE



Nice Reward/Risk in Call Spread in Financial Seeing Upside Call Action

TRADE SNAPSHOT

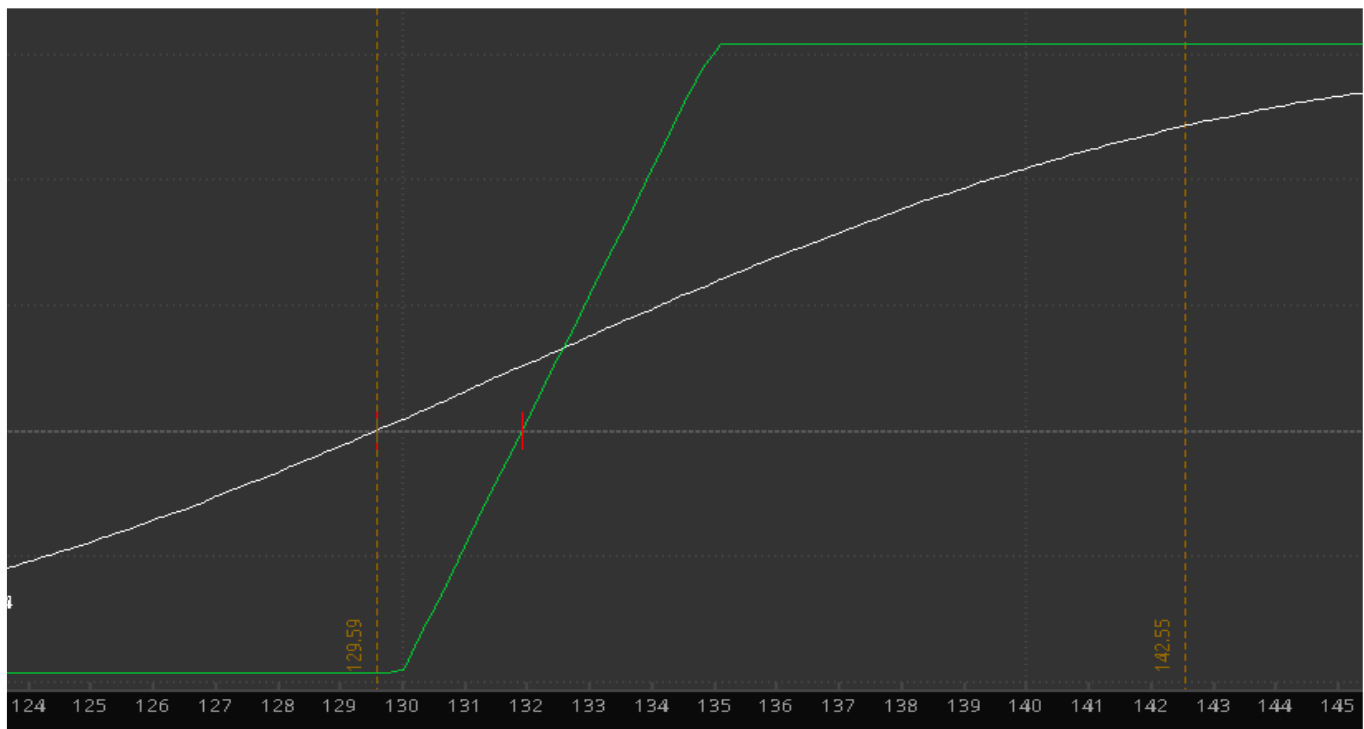
| | |
|---------------|-----------------------|
| TICKER | ALL |
| SECURITY | Allstate |
| SECTOR | Financial – Insurance |
| CURRENT PRICE | \$129.60 |
| LONG/SHORT | Long |
| TARGET | \$140 |
| STOP | \$124.50 |
| TIMEFRAME | 1 Month |

Trading Strategy: Long the ALL October \$130/\$135 Call Spreads for \$2 or Better

Net Debit/Credit: Debit \$2

Profitability Zone: ALL Above \$132 on October OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: ALL has pulled back to a nice reward/risk spot with multiple supports converging near \$125 as a retest of the 2020 high, VWAP off the October 2020 low, a 38.2% retracement and the 34-week moving average. ALL still has a healthy looking weekly pattern testing lower range support.



Fundamental Analysis: Allstate is primarily engaged in the property and casualty insurance business in the United States and Canada. Additionally, Allstate provides customers other protection solutions such as life, accident and health insurance and protection plans that cover electronic devices and personal identities. Allstate also has strong market positions in other protection solutions. Allstate Benefits provides accident, health and life insurance through employers and is one of the top voluntary benefits carriers in the market based on a 2019 voluntary/worksite industry survey. Allstate Protection Plans provides protection plans on a wide variety of consumer goods such as cell phones, tablets, computers, furniture and appliances, and has a leading position in distribution through major retailers. Allstate Identity Protection, which provides identity protection, has a leading position in worksite distribution. ALL has a market cap of \$38.5B and trades 10X Earnings and 1.5X Book with a 2.5% dividend yield. Forecasts call for EPS growth of 8.6% in FY21. Allstate spoke at the Barclays Conference last week discussing its transformative growth strategy including its aggressive investments in Telematics. ALL's Milewise has also been very successful, its pay per mile product, which grew 6X Q1 2020 levels last quarter. Allstate is also completing its deal for National General which has shown early promise. Analysts have an average target of \$145 with short interest low at 1.8% of the float. UBS raised its target to \$139 in July on a favorable pricing and macro environment.

Options Activity:

| Date | Description | Volume | Open Int | Price | Delta | Impl Vo | Prob ITM | Premium Paid | Symbol | Current Price | Current OI | Price Change |
|-----------|----------------------------|--------|----------|---------|-------|---------|----------|--------------|----------------|---------------|------------|--------------|
| 9/13/2021 | ALL 100 15 OCT 21 140 CALL | 1,610 | 584 | \$0.55 | 0.16 | 18.25% | 14.93% | \$104,650 | .ALL211015C140 | \$0.32 | 2074 | -41.82% |
| 9/13/2021 | ALL 100 15 OCT 21 135 CALL | 1,889 | 495 | \$2.00 | 0.39 | 19.32% | 36.51% | \$396,690 | .ALL211015C135 | \$1.25 | 5203 | -37.50% |
| 8/25/2021 | ALL 100 21 JAN 22 155 CALL | 3,083 | 4,911 | \$2.20 | 0.21 | 21.79% | 17.32% | \$755,335 | .ALL220121C155 | \$0.55 | 2415 | -75.00% |
| 8/24/2021 | ALL 100 21 JAN 22 170 CALL | 4,114 | 5,375 | \$0.50 | 0.06 | 21.43% | 4.67% | \$205,700 | .ALL220121C170 | \$0.15 | 857 | -70.00% |
| 7/6/2021 | ALL 100 20 JAN 23 125 CALL | 200 | 56 | \$16.50 | 0.58 | 24.55% | 44.80% | \$330,000 | .ALL230120C125 | \$19.10 | 172 | 15.76% |
| 6/9/2021 | ALL 100 21 JAN 22 155 CALL | 3,501 | 1,879 | \$2.55 | 0.2 | 22.76% | 15.72% | \$945,270 | .ALL220121C155 | \$0.55 | 2415 | -78.43% |
| 6/3/2021 | ALL 100 21 JAN 22 140 CALL | 1,110 | 1,077 | \$8.54 | 0.46 | 24.68% | 38.55% | \$954,600 | .ALL220121C140 | \$2.80 | 1660 | -67.21% |
| 6/2/2021 | ALL 100 21 JAN 22 140 CALL | 830 | 411 | \$8.50 | 0.47 | 23.23% | 39.62% | \$697,200 | .ALL220121C140 | \$2.80 | 1660 | -67.06% |
| 5/24/2021 | ALL 100 21 JAN 22 170 CALL | 5,000 | 361 | \$1.27 | 0.11 | 21.69% | 8.42% | \$675,000 | .ALL220121C170 | \$0.15 | 857 | -88.19% |
| 5/24/2021 | ALL 100 21 JAN 22 150 CALL | 5,001 | 993 | \$4.60 | 0.32 | 22.33% | 25.59% | \$2,400,480 | .ALL220121C150 | \$1.05 | 6049 | -77.17% |
| 5/24/2021 | ALL 100 21 JAN 22 110 PUT | 4,000 | 191 | \$2.96 | -0.16 | 28.94% | 22.37% | \$1,240,000 | .ALL220121P110 | \$1.50 | 4332 | -49.32% |
| 5/4/2021 | ALL 100 21 JAN 22 155 CALL | 1,089 | 524 | \$1.05 | 0.11 | 19.35% | 8.56% | \$114,345 | .ALL220121C155 | \$0.55 | 2415 | -47.62% |
| 4/23/2021 | ALL 100 15 OCT 21 125 CALL | 461 | 285 | \$6.10 | 0.497 | 19.94% | 43.79% | \$281,210 | .ALL211015C125 | \$7.60 | 429 | 24.59% |
| 4/14/2021 | ALL 100 15 OCT 21 130 CALL | 1,022 | 82 | \$2.30 | 0.27 | 18.78% | 22.64% | \$235,060 | .ALL211015C130 | \$3.70 | 1106 | 60.87% |
| 3/10/2021 | ALL 100 20 JAN 23 95 CALL | 200 | 3 | \$26.00 | 0.7 | 31.87% | 52.92% | \$558,000 | .ALL230120C95 | \$33.80 | 204 | 30.00% |
| 1/21/2021 | ALL 100 21 JAN 22 115 CALL | 535 | 288 | \$8.40 | 0.465 | 24.53% | 37.00% | \$449,400 | .ALL220121C115 | \$19.75 | 1685 | 135.12% |

Potential Catalysts: No Events Scheduled

Disclaimer:

Not Investment Advice or Recommendation

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