

## SPOTLIGHT OPTION TRADE



### Bull Put Spreads in Tech Leader at Major Support and Reasonable Valuation

#### TRADE SNAPSHOT

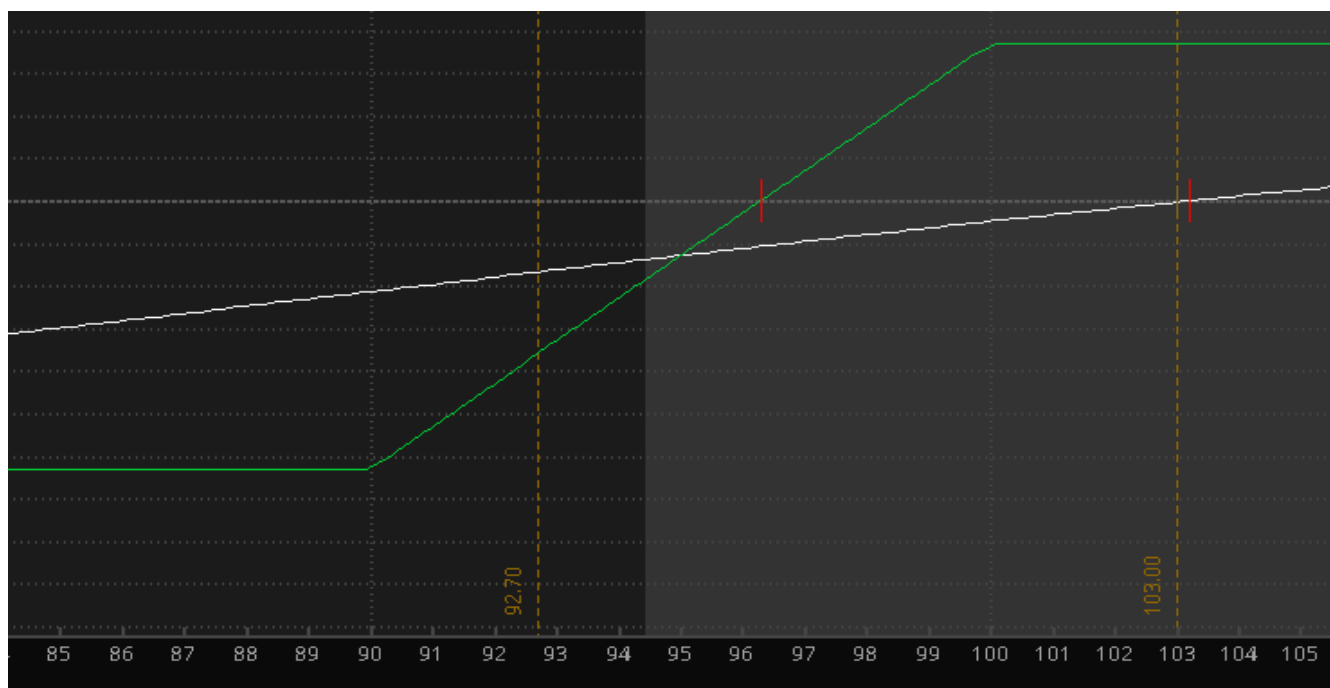
TICKER	AMD
SECURITY	Advanced Micro Devices
SECTOR	Tech – Semiconductors
CURRENT PRICE	\$103.67
LONG/SHORT	Long Bias
TARGET	> \$100
STOP	None – Risk Defined
TIMEFRAME	2 Months

**Trading Strategy:** Sell the AMD June \$100/\$90 Put Spreads for \$3.70 Credit

**Net Debit/Credit:** Credit \$3.70

**Profitability Zone:** AMD Above \$93.70 on June OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** AMD is looking to hold major support at VWAP from the July 2020 breakout that has now held several occasions and also lines up with the two-year trend line. A move below opens a bit of a pocket to \$95 where I expect support to kick in as a retest of the major 2021 range breakout.



**Fundamental Analysis:** AMD remains a top semi with strong design win momentum in server CPU. Its market cap currently sits at \$170.5B and trades 22X Earnings, 6.5X EV/Sales and 53X FCF which is reasonable for a name seen growing revenues another 54.5% in 2022 and EBITDA seen rising 80% before 2023 faces tough comps but still expects double-digit growth off the 2022 numbers. AMD recently announced a \$1.9B deal for Pensando which furthers its expertise in data centers and augments its large deal for Xilinx. Analysts have an average target of \$150 and short interest is 3.8% of the float. Rosenblatt defended shares this week seeing AMD set to further gain market share. Barclays out cautious seeing cyclical risks looming in 2023 in end-markets like PC and Gaming. Goldman has a \$127 target seeing further SAM growth and the ability to further expand margins.

### Options Activity:

Date	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium	Last	Current OI ▾	▲ Price	▲ OI
03-11-2022	AMD	AMD 100 20 MAY 22 100 PUT	23,785	7,492	\$9.02	-0.39	61.3%	\$21,454,070	\$6.45	34,553	▲ 28.49%	▲ 10.47%
01-21-2022	AMD	AMD 100 20 MAY 22 100 CALL	2,492	149	\$27	0.76	57.55%	\$6,566,420	\$10.27	31,467	▼ 61.96%	▲ 1091.48%
03-11-2022	AMD	AMD 100 20 MAY 22 100 CALL	22,779	8,352	\$13.6	0.61	63.59%	\$30,979,440	\$10.27	31,467	▼ 24.49%	▲ 1.08%
03-01-2022	AMD	AMD 100 20 MAY 22 120 CALL	8,967	4,589	\$9.75	0.47	58.74%	\$8,787,660	\$2.82	29,229	▼ 71.08%	▲ 115.62%
02-10-2022	AMD	AMD 100 20 MAY 22 110 CALL	2,453	1,845	\$25.8	0.76	55.01%	\$6,304,210	\$5.65	27,841	▼ 78.1%	▲ 547.77%
02-11-2022	AMD	AMD 100 20 MAY 22 110 CALL	2,476	4,236	\$15.35	0.59	61.59%	\$3,800,660	\$5.65	27,841	▼ 63.19%	▲ 314.79%
01-05-2022	AMD	AMD 100 20 MAY 22 110 PUT	1,122	3	\$5.89	-0.21	53.25%	\$660,858	\$11.8	26,879	▲ 100.34%	▲ 2289.24%
02-23-2022	AMD	AMD 100 20 MAY 22 125 CALL	3,846	3,444	\$8.05	0.42	55.67%	\$3,134,490	\$1.97	26,474	▼ 75.53%	▲ 263.16%
12-06-2021	AMD	AMD 100 14 APR 22 120 PUT	1,302	531	\$9.6	-0.29	53.64%	\$1,223,880	\$16.3	24,740	▼ 69.79%	▲ 1249.7%
02-02-2022	AMD	AMD 100 17 JUN 22 115 CALL	15,059	5,780	\$20.75	0.66	53.93%	\$31,774,490	\$5.75	22,966	▼ 72.29%	▲ 10.21%
09-01-2021	AMD	AMD 100 20 JAN 23 105 PUT	3,000	946	\$19.05	-0.36	43.94%	\$5,865,000	\$17.65	20,651	▲ 7.35%	▲ 423.34%
09-29-2021	AMD	AMD 100 16 SEP 22 110 PUT	1,507	1,237	\$21.43	-0.51	40.7%	\$3,229,501	\$16.9	20,070	▼ 21.14%	▲ 631.41%
03-01-2022	AMD	AMD 100 20 MAY 22 120 PUT	7,952	3,540	\$15.75	-0.53	57.63%	\$12,762,960	\$18.95	19,685	▼ 20.32%	▲ 71.29%
03-31-2022	AMD	AMD 100 (Weeklys) 8 APR 22 115 CALL	4,241	779	\$3	0.45	53.68%	\$1,272,300	\$0.08	18,875	▼ 97.33%	▲ 276%
09-20-2021	AMD	AMD 100 (Weeklys) 14 APR 22 100 PUT	1,144	222	\$11.35	-0.42	40.27%	\$1,309,880	\$2.05	15,628	▲ 81.94%	▲ 1044.07%
10-05-2021	AMD	AMD 100 20 JAN 23 110 PUT	1,000	1,115	\$23.3	-0.48	39.35%	\$2,330,000	\$21.18	13,030	▲ 9.1%	▲ 516.08%
08-17-2021	AMD	AMD 100 17 JUN 22 110 CALL	4,561	5,419	\$16.9	0.56	46.31%	\$7,708,090	\$7.4	12,338	▼ 56.21%	▲ 23.63%
09-02-2021	AMD	AMD 100 20 JAN 23 200 CALL	1,706	879	\$4.15	0.18	43.37%	\$707,990	\$1.78	12,156	▼ 57.11%	▲ 370.25%
09-27-2021	AMD	AMD 100 17 JUN 22 90 PUT	2,550	5,522	\$6.55	-0.25	40.52%	\$1,695,750	\$4.51	11,975	▲ 31.15%	▲ 48.35%

**Potential Catalysts:** Earnings Late April

## **Disclaimer:**

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

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