

SPOTLIGHT OPTION TRADE



Activision Weakness an Opportunity as Calls Accumulate

TRADE SNAPSHOT

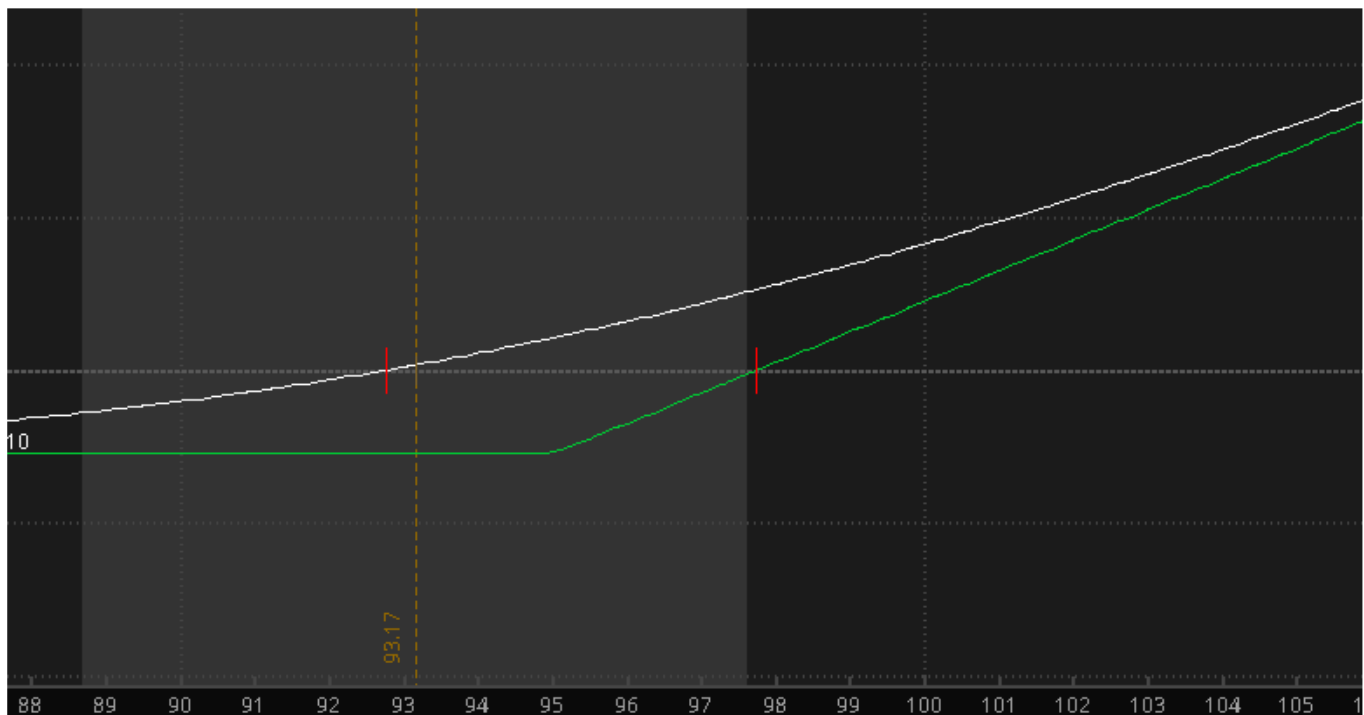
TICKER	ATVI
SECURITY	Activision Blizzard
SECTOR	Consumer Services – Media - Videogames
CURRENT PRICE	\$93.20
LONG/SHORT	Long
TARGET	\$105
STOP	\$89.50
TIMEFRAME	1 Month

Trading Strategy: Long the ATVI May \$95 Calls at \$2.75 or Better

Net Debit/Credit: Debit \$2.75

Profitability Zone: ATVI Above \$97.75 on May OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: ATVI has pulled back to key support convergence of the 21-week moving average, 38.2% retracement and just above VWAP off the November lows while also keeping above trend support. A move above \$98 should measure to \$105.



Fundamental Analysis: The \$73B videogame maker trades 21.8X Earnings, 9X Sales and 33.6%X FCF with revenues seen rising 5.7% in 2021 versus tough comps and 13.4% in 2022. Call of Duty is one of ATVI's key franchises along with Overwatch, World of Warcraft, and Diablo, while its King Digital deal positioned it well in mobile. Blizzard is focused on some major content upgrades for its key franchises in 2021 and also launched the Arcade Collection earlier this year. ATVI expects multiple years of earnings power driven by multiple initiatives in mobile and the addition of new franchises. It also has a two year, \$4B buyback to utilize. King recently launched Crash Bandicoot on mobile and is coming off a strong quarter. ATVI looks set to deliver a strong quarter and should have a positive outlook with several catalysts this year. Analysts have an average target of \$113 and short interest is low at 1.7% of the float. Citi raised its target to \$110 in February expecting strong bookings growth for years to come.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob. ITN	Premium Paid	Symbol	Current Price	Current OI	Price Change
4/21/2021	ATVI 100 21 MAY 21 93 CALL	1,066	3	\$3.50	0.5	34.70%	46.12%	\$373,100	.ATVI210521C93			
4/21/2021	ATVI 100 (Weekly) 7 MAY 21 91 PUT	783	78	\$2.57	-0.42	39.16%	45.11%	\$220,806	.ATVI210507P91			
4/19/2021	ATVI 100 18 JUN 21 100 CALL	5,528	8,151	\$3.00	0.39	29.92%	34.71%	\$1,713,680	.ATVI210618C100	\$2.55	15352	-15.00%
4/15/2021	ATVI 100 20 JAN 23 95 PUT	500	7	\$14.45	-0.4	30.66%	56.38%	\$755,000	.ATVI230120P95	\$15.73	508	8.86%
4/15/2021	ATVI 100 (Weekly) 7 MAY 21 100 CALL	5,378	6,196	\$2.41	0.4	35.79%	36.85%	\$1,317,610	.ATVI210507C100	\$1.27	6498	-47.30%
4/15/2021	ATVI 100 (Weekly) 14 MAY 21 97.5 PUT	1,197	5	\$3.44	-0.49	30.23%	52.76%	\$456,995	.ATVI210514P97.5	\$4.80	1769	39.53%
4/14/2021	ATVI 100 21 JAN 22 97.5 PUT	406	285	\$10.20	-0.46	28.73%	56.23%	\$414,120	.ATVI220121P97.5	\$10.85	696	6.37%
4/13/2021	ATVI 100 21 MAY 21 90 CALL	1,009	559	\$8.15	0.79	29.63%	75.79%	\$822,335	.ATVI210521C90	\$7.04	2036	-13.62%
4/13/2021	ATVI 100 (Weekly) 7 MAY 21 100 CALL	4,526	132	\$2.60	0.42	34.55%	38.92%	\$1,136,556	.ATVI210507C100	\$1.27	6498	-51.15%
4/12/2021	ATVI 100 20 JAN 23 90 PUT	2,000	1,013	\$12.30	-0.36	30.27%	52.36%	\$2,460,000	.ATVI230120P90	\$12.30	3014	0.00%
4/9/2021	ATVI 100 19 NOV 21 95 PUT	400	56	\$8.90	-0.444	29.56%	53.73%	\$356,000	.ATVI211119P95	\$9.02	457	1.35%
4/9/2021	ATVI 100 (Weekly) 14 MAY 21 89 PUT	1,228	322	\$1.46	-0.254	38.66%	29.45%	\$179,288	.ATVI210514P89	\$0.95	2585	-34.93%
4/1/2021	ATVI 100 20 AUG 21 105 CALL	531	190	\$3.65	0.33	30.71%	26.72%	\$193,815	.ATVI210820C105	\$3.00	2294	-17.81%
3/30/2021	ATVI 100 21 MAY 21 95 CALL	6,437	21,573	\$3.17	0.41	33.94%	36.27%	\$2,188,580	.ATVI210521C95	\$3.40	22343	7.26%
3/30/2021	ATVI 100 (Weekly) 7 MAY 21 84 PUT	1,100	0	\$1.56	-0.22	37.02%	26.28%	\$171,600	.ATVI210507P84	\$0.35	1101	-77.56%
3/29/2021	ATVI 100 21 MAY 21 95 CALL	6,458	16,394	\$4.32	0.49	32.87%	44.47%	\$2,789,856	.ATVI210521C95	\$3.40	22343	-21.30%
3/29/2021	ATVI 100 20 AUG 21 100 CALL	1,209	899	\$5.35	0.43	32.41%	35.40%	\$689,130	.ATVI210820C100	\$4.50	3102	-15.89%
3/29/2021	ATVI 100 18 JUN 21 100 CALL	4,633	3,644	\$3.20	0.36	31.18%	30.90%	\$1,482,560	.ATVI210618C100	\$2.55	15352	-20.31%
3/23/2021	ATVI 100 21 MAY 21 95 CALL	5,254	11,029	\$3.50	0.43	32.00%	37.69%	\$1,838,900	.ATVI210521C95	\$3.40	22343	-2.86%
3/22/2021	ATVI 100 21 MAY 21 95 CALL	3,623	5,665	\$3.35	0.42	30.80%	37.57%	\$1,249,935	.ATVI210521C95	\$3.40	22343	1.49%
3/17/2021	ATVI 100 21 MAY 21 95 CALL	2,025	3,361	\$3.71	0.42	32.43%	37.08%	\$759,375	.ATVI210521C95	\$3.40	22343	-8.36%
3/17/2021	ATVI 100 21 MAY 21 105 CALL	2,003	2,502	\$1.17	0.19	33.64%	15.33%	\$280,420	.ATVI210521C105	\$0.79	2637	-32.48%
3/16/2021	ATVI 100 20 AUG 21 100 CALL	737	250	\$5.20	0.41	32.22%	32.84%	\$383,240	.ATVI210820C100	\$4.50	3102	-13.46%
3/9/2021	ATVI 100 20 JAN 23 95 CALL	547	139	\$16.90	0.57	34.88%	38.16%	\$924,430	.ATVI230120C95	\$16.21	1198	-4.08%
3/2/2021	ATVI 100 20 AUG 21 90 CALL	500	48	\$13.20	0.67	34.16%	58.35%	\$660,000	.ATVI210820C90	\$10.10	766	-23.48%
2/26/2021	ATVI 100 21 JAN 22 105 CALL	757	631	\$9.00	0.446	34.74%	32.20%	\$681,300	.ATVI220121C105	\$6.36	2158	-29.33%
2/24/2021	ATVI 100 20 JAN 23 90 PUT	500	70	\$14.60	-0.36	34.72%	55.16%	\$730,000	.ATVI230120P90	\$12.30	3014	-15.75%
2/23/2021	ATVI 100 21 MAY 21 95 CALL	2,306	153	\$6.45	0.54	33.37%	47.91%	\$1,498,250	.ATVI210521C95	\$3.40	22343	-47.29%
2/18/2021	ATVI 100 20 JAN 23 105 CALL	1,501	1,910	\$18.55	0.56	36.16%	36.59%	\$2,791,860	.ATVI230120C105	\$12.60	6572	-32.08%
2/17/2021	ATVI 100 21 MAY 21 105 CALL	2,006	365	\$5.56	0.47	32.74%	40.30%	\$1,133,390	.ATVI210521C105	\$0.79	2637	-85.79%
2/17/2021	ATVI 100 20 JAN 23 155 CALL	502	222	\$5.55	0.24	33.39%	12.51%	\$283,630	.ATVI230120C155	\$2.62	1036	-52.79%
2/17/2021	ATVI 100 20 JAN 23 105 CALL	1,504	82	\$18.35	0.56	35.29%	37.63%	\$2,782,400	.ATVI230120C105	\$12.60	6572	-31.34%
2/11/2021	ATVI 100 21 JAN 22 90 PUT	1,202	490	\$7.40	-0.28	33.34%	40.19%	\$889,480	.ATVI220121P90	\$7.15	2283	-3.38%

Potential Catalysts: Earnings 5-4-2021 (Higher 3 of Last 5)

Disclaimer:

Not Investment Advice or Recommendation

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