

## SPOTLIGHT OPTION TRADE



### Better Days Ahead in Commercial Aerospace Leader, Bull Put Spreads Attractive

#### TRADE SNAPSHOT

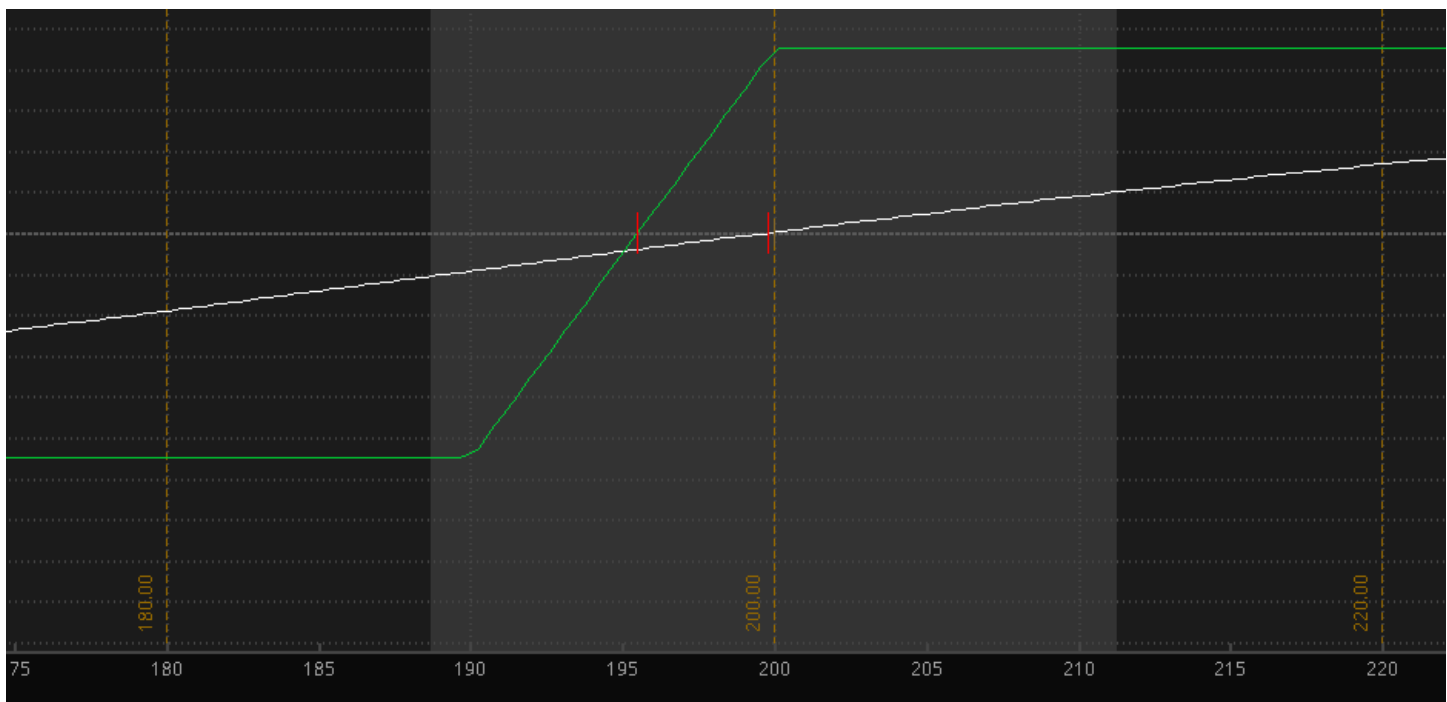
TICKER	BA
SECURITY	Boeing
SECTOR	Industrial – Aero & Defense
CURRENT PRICE	\$200.24
LONG/SHORT	Long Bias
TARGET	➤ \$200
STOP	None – Risk Defined
TIMEFRAME	3-4 Months

**Trading Strategy:** Sell the **BA** May \$200/\$190 Put Spread for a \$4.50 Credit (Bull Pu Spread)

**Net Debit/Credit:** Credit of \$4.50

**Profitability Zone:** BA Shares Above \$195.50 on May OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** BA shares basing above a major volume node zone of support and VWAP off the March 2020 lows continue to show resilience despite the plethora of negative news and the latest “kitchen sink” quarter. I expect BA to start working higher out of this falling wedge pattern and defend this major support.



**Fundamental Analysis:** BA has a market cap of \$117B and trades 15X FY23 EBITDA with an improving outlook for FCF yield. BA withstood a tough pandemic period but remains a leader in a commercial aerospace industry slated for further structural growth. BA is starting to move back to FCF positive and stands to benefit from an uptick in air traffic as economies worldwide reopen this Spring/Summer. BA's 787 deliveries should resume in mid-2022. Analysts have an average target of \$260 with short interest low at 1.8% of the float. MSCO raised its target to \$288 after the earnings report noting more positives than negatives with fundamentals improving and 737 MAX in China might start up any day now and FAA approval of 787 fixes may come by April.

### Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITN	Premium Paid	Symbol	Current Price	Current OI	Price Change
1/31/2022	BA 100 19 JAN 24 160 CALL	568	132	\$64.99	0.75	43.39%	52.22%	\$3,691,432	.BA240119C160			
1/31/2022	BA 100 (Weeklys) 4 MAR 22 210 CALL	2,167	1,079	\$5.10	0.35	38.54%	31.09%	\$1,148,510	.BA220304C210			
1/31/2022	BA 100 19 AUG 22 200 CALL	303	106	\$22.05	0.53	40.16%	40.76%	\$660,540	.BA220819C200			
1/31/2022	BA 100 19 AUG 22 220 CALL	410	179	\$12.75	0.38	38.54%	28.17%	\$522,750	.BA220819C220			
1/28/2022	BA 100 18 FEB 22 190 CALL	1,634	840	\$8.30	0.532	44.13%	49.04%	\$1,356,220	.BA220218C190	\$8.30	1,554	0.00%
1/28/2022	BA 100 19 AUG 22 165 PUT	485	204	\$12.60	-0.27	42.55%	38.36%	\$611,100	.BA220819P165	\$12.60	676	0.00%
1/28/2022	BA 100 (Weeklys) 4 MAR 22 200 CALL	1,120	180	\$5.27	0.375	41.03%	32.83%	\$590,240	.BA220304C200	\$5.27	1,193	0.00%
1/28/2022	BA 100 (Weeklys) 4 MAR 22 210 CALL	1,220	210	\$2.82	0.231	39.47%	19.54%	\$344,040	.BA220304C210	\$2.82	1,079	0.00%
1/27/2022	BA 100 (Weeklys) 4 FEB 22 195 CALL	1,319	710	\$7.35	0.61	47.14%	58.24%	\$1,022,225	.BA220204C195	\$2.75	1,868	-62.59%
1/27/2022	BA 100 19 AUG 22 175 PUT	501	244	\$15.40	-0.34	42.14%	46.08%	\$771,540	.BA220819P175	\$16.15	661	-4.87%
1/26/2022	BA 100 18 FEB 22 207.5 CALL	1,046	164	\$3.47	0.29	43.80%	25.64%	\$413,170	.BA220218C207.5	\$1.95	1,399	-43.80%
1/25/2022	BA 100 20 JAN 23 340 CALL	3,083	2,204	\$3.60	0.11	37.71%	5.69%	\$1,202,370	.BA230120C340	\$2.25	4,731	37.50%
1/24/2022	BA 100 19 AUG 22 215 PUT	547	26	\$31.95	-0.51	40.23%	62.61%	\$1,794,160	.BA220819P215	\$37.67	534	-17.90%
1/24/2022	BA 100 18 FEB 22 215 CALL	3,008	3,000	\$4.70	0.31	48.31%	26.46%	\$1,443,840	.BA220218C215	\$1.00	3,998	-78.72%
1/24/2022	BA 100 17 JUN 22 140 PUT	2,863	1,317	\$3.05	-0.09	50.55%	15.13%	\$873,215	.BA220617P140	\$3.15	3,292	-3.28%
1/24/2022	BA 100 17 JUN 22 265 CALL	1,759	1,759	\$3.55	0.15	40.93%	9.99%	\$624,445	.BA220617C265	\$1.80	3,186	49.30%
1/24/2022	BA 100 19 JAN 24 125 PUT	502	32	\$10.30	-0.14	41.22%	31.22%	\$517,060	.BA240119P125	\$11.65	502	13.11%
1/21/2022	BA 100 16 SEP 22 170 CALL	4,105	97	\$49.50	0.78	41.70%	66.60%	\$20,258,175	.BA220916C170	\$33.39	3,128	-32.55%
1/21/2022	BA 100 17 JUN 22 220 CALL	6,537	8,618	\$15.30	0.46	38.75%	36.03%	\$10,132,350	.BA220617C220	\$7.90	7,206	-48.37%
1/21/2022	BA 100 16 SEP 22 170 PUT	1,046	1,243	\$10.00	-0.21	40.60%	32.00%	\$1,046,000	.BA220916P170	\$15.30	937	53.00%
1/21/2022	BA 100 (Weeklys) 4 MAR 22 250 CALL	5,206	141	\$1.31	0.1	40.69%	7.88%	\$681,986	.BA220304C250	\$0.19	5,256	-85.50%
1/20/2022	BA 100 16 SEP 22 240 PUT	605	93	\$36.85	-0.55	35.90%	66.78%	\$2,229,425	.BA220916P240	\$60.46	700	-64.07%
1/14/2022	BA 100 19 AUG 22 200 PUT	667	93	\$14.00	-0.286	38.09%	39.31%	\$933,800	.BA220819P200	\$29.27	905	-109.07%
1/12/2022	BA 100 17 JUN 22 220 CALL	3,790	3,522	\$21.65	0.55	37.51%	45.35%	\$8,243,250	.BA220617C220	\$7.90	7,206	-63.51%
1/10/2022	BA 100 17 JUN 22 280 CALL	2,408	1,920	\$3.65	0.15	37.97%	9.74%	\$890,960	.BA220617C280	\$1.19	4,051	67.40%
1/5/2022	BA 100 20 MAY 22 200 PUT	1,445	764	\$11.10	-0.31	37.16%	39.05%	\$1,611,175	.BA220520P200	\$24.00	1,965	-116.22%
1/4/2022	BA 100 17 JUN 22 215 CALL	1,966	1,026	\$19.85	0.53	36.85%	43.37%	\$3,902,510	.BA220617C215	\$9.50	2,246	-52.14%
1/3/2022	BA 100 18 MAR 22 230 CALL	1,933	4,178	\$6.10	0.31	34.89%	26.03%	\$1,179,130	.BA220318C230	\$1.30	4,217	-78.69%
12/30/2021	BA 100 19 AUG 22 240 CALL	345	45	\$11.25	0.33	36.76%	23.47%	\$388,125	.BA220819C240	\$7.32	806	-34.93%
12/20/2021	BA 100 17 JUN 22 205 CALL	1,032	651	\$15.80	0.44	41.23%	33.14%	\$1,609,920	.BA220617C205	\$12.50	3,329	-20.89%

**Potential Catalysts:** April Earnings; 737 Max Return to Service; FAA 787 Approvals

## **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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