

SPOTLIGHT OPTION TRADE



Boeing Key Weekly Base Break as Aerospace Recovery Strengthens

TRADE SNAPSHOT

TICKER	BA
SECURITY	Boeing Co.
SECTOR	Industrials – Aero & Defense
CURRENT PRICE	\$247
LONG/SHORT	Long
TARGET	\$280
STOP	\$230
TIMEFRAME	2.5 Months

Trading Strategy: Long the BA August \$260/\$275 Call Spreads at \$4.50 Debit or Better

Net Debit/Credit: Debit of \$4.50 or Better

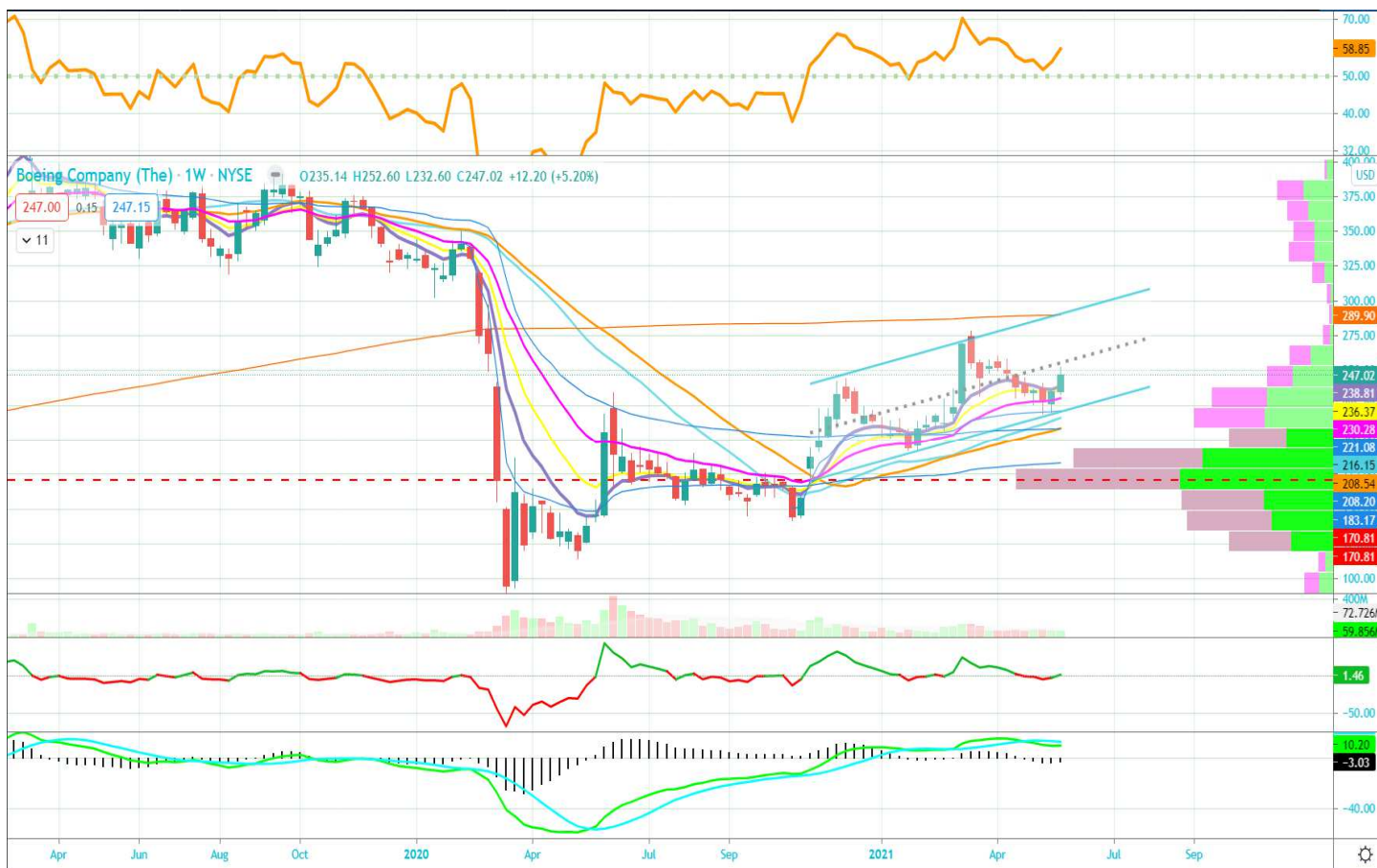
Profitability Zone: BA Above \$264.50 on August OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: BA shares recently based right at VWAP off October lows and developing a nice weekly rising channel, breaking out of the base and pullback trend last week and looks poised to challenge a higher high.



Fundamental Analysis: The \$146B commercial aerospace leader trades 46.5X Earnings, 21X FY22 EBITDA and forecasts calling for 36% revenue growth in 2021 and 11.8% growth in 2022. Boeing has faced significant challenges from the pandemic and now with the 737 MAX grounding but the Aerospace cycle looks ready to strengthen and Boeing is the best positioned to benefit. The FAA approved a fix for the electrical grounding issue that has temporarily paused deliveries and grounded approximately 100 in-service aircraft. We are seeing positive datapoints from air travel and better aircraft order & production rates. Analysts have an average target of \$270 with short interest low at 1.9% of the float. MSCO has a \$274 target and called the dip on 5/11 as an attractive buying opportunity seeing recent issues as surmountable. Boeing news-flow should be positive moving forward with pent-up demand resulting in increased orders and estimates are likely too low for cash flows in 2021 and 2022.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Implied Vol	Prob. ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
5/27/2021	BA 100 20 AUG 21 250 CALL	5,594	7,163	\$16.47	0.52	35.46%	45.45%	\$9,286,040	.BA210820C250	\$15.45	11184	-6.19%
5/27/2021	BA 100 (Weeklys) 4 JUN 21 260 CALL	5,378	1,286	\$1.78	0.24	32.78%	22.23%	\$968,040	.BA210604C260	\$0.49	3681	-72.47%
5/27/2021	BA 100 (Weeklys) 4 JUN 21 250 CALL	5,605	3,804	\$4.90	0.52	30.31%	50.06%	\$2,774,475	.BA210604C250	\$2.00	4308	-59.18%
5/27/2021	BA 100 (Weeklys) 25 JUN 21 250 PUT	1,033	99	\$9.86	-0.52	31.45%	55.22%	\$1,043,330	.BA210625P250	\$9.85	1078	-0.10%
5/24/2021	BA 100 20 JAN 23 265 CALL	300	224	\$30.65	0.48	34.21%	30.96%	\$913,500	.BA230120C265	\$37.08	527	20.98%
5/12/2021	BA 100 20 AUG 21 230 PUT	5,042	2,849	\$22.12	-0.53	37.64%	61.00%	\$11,268,870	.BA210820P230	\$9.25	9292	-58.18%
5/12/2021	BA 100 20 AUG 21 230 CALL	5,138	1,719	\$14.59	0.47	38.89%	39.10%	\$7,604,240	.BA210820C230	\$26.85	8410	84.03%
5/6/2021	BA 100 17 JUN 22 240 PUT	2,520	294	\$38.00	-0.478	33.15%	61.74%	\$9,576,000	.BA220617P240	\$29.87	4821	-21.39%
5/6/2021	BA 100 16 JUL 21 275 CALL	2,098	1,440	\$2.51	0.145	35.56%	11.20%	\$526,598	.BA210716C275	\$3.40	2487	35.46%
5/6/2021	BA 100 16 JUL 21 260 CALL	2,158	1,740	\$4.20	0.23	34.18%	18.70%	\$906,360	.BA210716C260	\$6.80	4056	61.90%
5/5/2021	BA 100 16 JUL 21 220 PUT	12,899	767	\$10.50	-0.38	35.26%	44.25%	\$13,672,940	.BA210716P220	\$3.19	21657	-69.62%
5/5/2021	BA 100 16 JUL 21 220 CALL	12,676	157	\$19.53	0.62	35.88%	55.54%	\$23,894,260	.BA210716C220	\$30.10	20572	54.12%
5/3/2021	BA 100 16 JUL 21 275 CALL	1,026	721	\$3.39	0.18	35.15%	13.89%	\$347,814	.BA210716C275	\$3.40	2487	0.29%
5/3/2021	BA 100 16 JUL 21 260 CALL	1,031	706	\$5.79	0.28	34.14%	22.65%	\$596,949	.BA210716C260	\$6.80	4056	17.44%
4/29/2021	BA 100 18 JUN 21 235 PUT	3,458	2,724	\$12.09	-0.48	33.08%	53.09%	\$4,097,730	.BA210618P235	\$2.90	6929	-76.01%
4/29/2021	BA 100 18 JUN 21 235 CALL	3,677	2,504	\$11.43	0.52	33.54%	46.94%	\$4,265,320	.BA210618C235	\$15.04	8555	31.58%
4/28/2021	BA 100 21 JAN 22 290 CALL	9,527	4,524	\$11.95	0.31	36.33%	20.69%	\$12,051,655	.BA220121C290	\$13.35	11823	11.72%
4/28/2021	BA 100 21 JAN 22 240 CALL	9,710	2,817	\$27.35	0.54	36.66%	41.33%	\$27,042,350	.BA220121C240	\$31.80	12114	16.27%
4/28/2021	BA 100 21 JAN 22 170 PUT	9,517	4,426	\$6.07	-0.13	39.88%	21.57%	\$6,043,295	.BA220121P170	\$4.10	12312	-32.45%
4/28/2021	BA 100 19 NOV 21 300 CALL	3,557	699	\$7.45	0.23	37.11%	15.27%	\$2,774,460	.BA211119C300	\$8.14	4570	9.26%
4/28/2021	BA 100 19 NOV 21 295 CALL	3,503	63	\$7.95	0.24	36.80%	16.59%	\$2,942,520	.BA211119C295	\$9.15	4048	15.09%
4/22/2021	BA 100 16 JUL 21 200 PUT	704	281	\$4.21	-0.16	39.71%	21.34%	\$306,240	.BA210716P200	\$1.29	2004	-69.36%
4/21/2021	BA 100 20 JAN 23 400 PUT	200	1	\$173.24	-0.74	37.67%	90.59%	\$3,528,000	.BA230120P400	\$171.00	214	-1.29%
4/21/2021	BA 100 20 JAN 23 390 PUT	200	0	\$164.00	-0.74	37.02%	89.96%	\$3,280,000	.BA230120P390	\$164.00	200	0.00%
4/21/2021	BA 100 16 JUL 21 240 PUT	629	318	\$19.20	-0.51	35.93%	58.26%	\$1,204,320	.BA210716P240	\$8.50	2364	-55.73%
4/15/2021	BA 100 20 AUG 21 245 PUT	1,390	417	\$18.50	-0.41	36.56%	49.86%	\$2,578,450	.BA210820P245	\$15.45	1482	-16.49%
4/15/2021	BA 100 19 NOV 21 210 PUT	300	106	\$11.50	-0.23	38.78%	33.08%	\$358,500	.BA211119P210	\$9.45	1360	-17.83%
4/13/2021	BA 100 20 JAN 23 250 PUT	1,118	787	\$46.00	-0.4	34.77%	58.77%	\$5,377,580	.BA230120P250	\$43.05	1889	-6.41%
4/13/2021	BA 100 18 JUN 21 245 CALL	895	493	\$19.41	0.59	38.09%	52.91%	\$1,754,200	.BA210618C245	\$8.10	4096	-58.27%
4/12/2021	BA 100 20 JAN 23 400 CALL	1,191	731	\$15.45	0.26	38.74%	12.00%	\$1,905,600	.BA230120C400	\$10.65	2504	-31.07%
4/12/2021	BA 100 17 JUN 22 310 CALL	1,110	1,160	\$21.50	0.38	38.58%	23.10%	\$2,508,600	.BA220617C310	\$15.51	1371	-27.86%
4/7/2021	BA 100 17 JUN 22 350 CALL	2,128	963	\$16.60	0.3	40.49%	16.56%	\$3,532,480	.BA220617C350	\$9.24	2712	-44.34%

Potential Catalysts: Bernstein Conference 6-3-21; Earnings Late July

Disclaimer:

Not Investment Advice or Recommendation

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