

SPOTLIGHT OPTION TRADE



Bull Put Spreads in Out of Crypto Pick & Shovel Play

TRADE SNAPSHOT

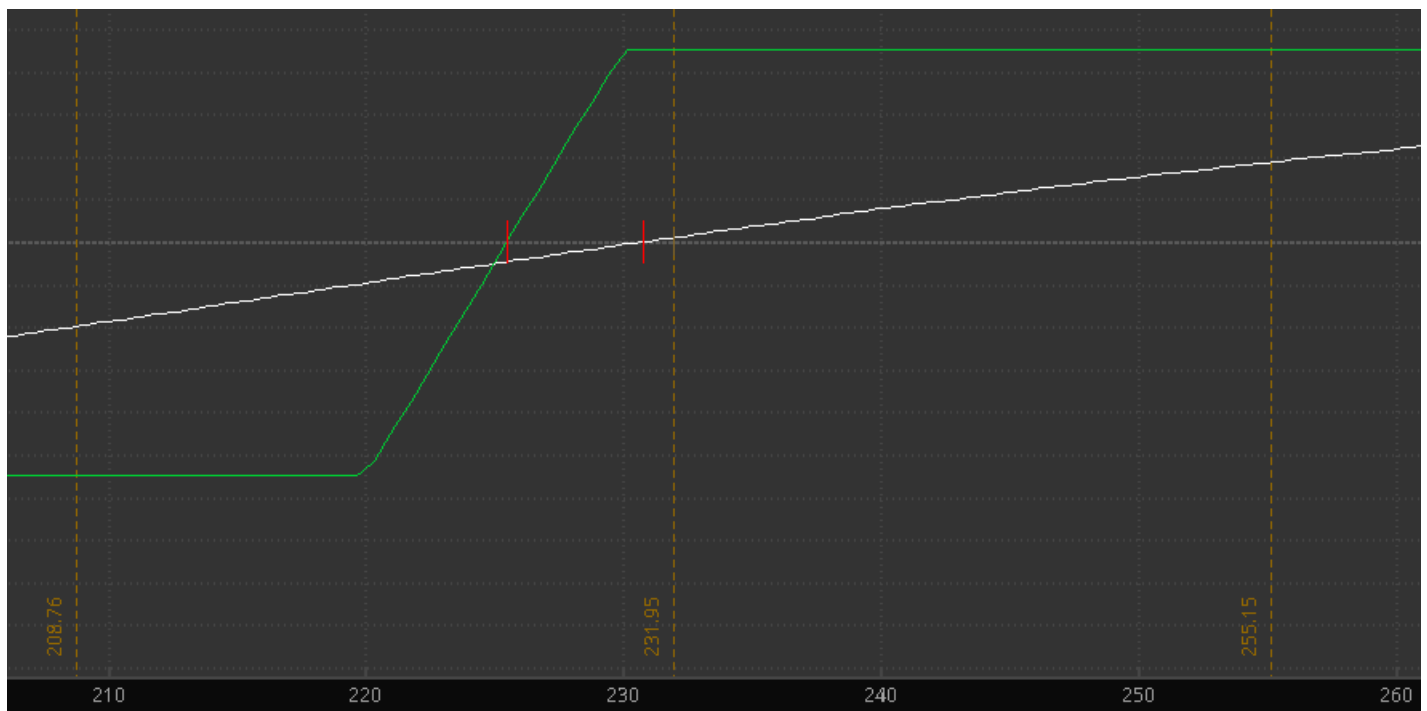
TICKER	COIN
SECURITY	Coinbase Global
SECTOR	Financial – Brokerages
CURRENT PRICE	\$232.25
LONG/SHORT	Long
TARGET	\$230+
STOP	None – Defined Risk (\$226 and \$217 Supports)
TIMEFRAME	1.5 Months

Trading Strategy: Sell the COIN November \$230/\$220 Put Spreads for a \$4.50 Credit (Bull Put Spread)

Net Debit/Credit: Credit of \$4.50

Profitability Zone: COIN Above \$225.50 on November OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: COIN has sold off recently with plenty of negative news flow but back at the key volume zone of support and although facing a lot of overhead resistance this is a level where shares could hold support of higher lows.



Fundamental Analysis: COIN currently has a \$50B market cap and trades fairly cheap at 41X Earnings, 7X EV/Sales and 15X EBITDA as multiples contract with 2021 seen as peak growth year. COIN estimates see revenues down 12% in FY22 while EBITDA +13% and likely estimates are far too conservative. COIN is seeing strong growth driven by increasing adoption of digital currencies and its business model thrives on elevated cryptocurrency volatility. COIN has plenty of opportunities to expand beyond the core business to driver other revenue streams. COIN can become a critical element of the financial infrastructure if the economy can transition to blockchain and crypto-native technology. COIN has grown its users at a 35% CAGR over the past 3 years, reaching 56mn in 1Q21 and 90% of revenues come from retail traders. COIN may look to expand into NFT, collateralized lending, staking and other ancillary services to drive subscription revenues over time. Transaction fees currently comprise 96% of revenues. Analysts have an average target of \$375 with short interest at 3.5% of the float. Needham started shares Buy with a \$420 target in August, sees Coinbase as a market-leading crypto asset exchange with significant future opportunities beyond exchange services including staking, custody and yield bearing products. The analyst expects the company's exchange business to grow rapidly and sustainably as new investors adopt its crypto assets.

Options Activity:

Date	Description	Volume	Open_In	Price	Deltz	Impl Vo	Prob.ITN	Premium Pai	Symbol	Current Price	Current OI
9/27/2021	COIN 100 19 NOV 21 230 PUT	531	383	\$18.55	-0.48	51.91%	55.91%	\$985,005	.COIN211119P230		
9/24/2021	COIN 100 19 NOV 21 230 CALL	453	147	\$19.40	0.571	53.48%	48.72%	\$878,820	.COIN211119C230	\$20.00	249
9/24/2021	COIN 100 19 NOV 21 215 PUT	676	153	\$11.00	-0.3	54.87%	38.24%	\$743,600	.COIN211119P215	\$11.45	718
9/24/2021	COIN 100 17 JUN 22 390 CALL	449	246	\$8.80	0.18	52.84%	8.83%	\$395,120	.COIN220617C390	\$8.19	489
9/21/2021	COIN 100 (Weeklys) 1 OCT 21 220 PUT	3,186	464	\$2.42	-0.18	59.11%	21.21%	\$844,290	.COIN211001P220	\$1.95	3513
9/20/2021	COIN 100 (Weeklys) 22 OCT 21 200 PUT	1,002	175	\$3.41	-0.145	57.52%	18.74%	\$341,682	.COIN211022P200	\$2.74	633
9/17/2021	COIN 100 16 SEP 22 260 CALL	467	66	\$45.80	0.56	54.01%	34.43%	\$2,124,850	.COIN220916C260	\$38.90	675
9/16/2021	COIN 100 20 JAN 23 210 PUT	500	337	\$40.00	-0.3	53.63%	53.69%	\$2,000,000	.COIN230120P210	\$41.94	837
9/14/2021	COIN 100 18 MAR 22 360 CALL	300	137	\$9.50	0.21	54.82%	11.34%	\$285,000	.COIN220318C360	\$5.60	428
9/14/2021	COIN 100 15 OCT 21 250 CALL	1,032	1,652	\$11.00	0.45	50.18%	39.25%	\$1,166,160	.COIN211015C250	\$3.75	3574
9/13/2021	COIN 100 19 NOV 21 250 CALL	343	133	\$18.40	0.49	54.47%	40.09%	\$665,420	.COIN211119C250	\$11.80	660
9/13/2021	COIN 100 19 NOV 21 240 PUT	533	60	\$21.48	-0.44	54.76%	53.05%	\$1,151,280	.COIN211119P240	\$23.50	768
9/13/2021	COIN 100 17 DEC 21 160 PUT	1,001	188	\$2.95	-0.08	63.12%	13.50%	\$320,320	.COIN211217P160	\$2.97	1626
9/13/2021	COIN 100 15 OCT 21 205 PUT	1,666	1,803	\$2.55	-0.12	57.45%	16.19%	\$491,470	.COIN211015P205	\$2.37	1885
9/10/2021	COIN 100 17 DEC 21 260 PUT	1,001	476	\$30.69	-0.49	51.69%	59.49%	\$3,133,130	.COIN211217P260	\$39.50	1353
9/10/2021	COIN 100 (Weeklys) 22 OCT 21 255 CALL	738	170	\$16.35	0.49	48.72%	42.93%	\$1,129,140	.COIN211022C255	\$4.10	190
9/9/2021	COIN 100 21 JAN 22 130 PUT	1,317	464	\$1.50	-0.03	67.02%	7.08%	\$197,550	.COIN220121P130	\$1.80	1731
9/9/2021	COIN 100 19 NOV 21 270 PUT	351	18	\$30.50	-0.52	53.52%	61.08%	\$1,077,570	.COIN211119P270	\$44.50	392
9/7/2021	COIN 100 16 SEP 22 360 CALL	481	9	\$34.10	0.41	54.81%	21.70%	\$1,640,210	.COIN220916C360	\$17.30	439
9/7/2021	COIN 100 15 OCT 21 300 CALL	2,156	3,548	\$6.90	0.27	52.34%	21.61%	\$1,509,200	.COIN211015C300	\$0.27	3127
9/7/2021	COIN 100 15 OCT 21 240 PUT	1,031	453	\$6.55	-0.22	53.53%	27.67%	\$680,460	.COIN211015P240	\$14.75	1468
9/1/2021	COIN 100 15 OCT 21 205 PUT	1,004	166	\$2.24	-0.08	57.79%	11.26%	\$215,860	.COIN211015P205	\$2.37	1885
8/26/2021	COIN 100 15 OCT 21 250 PUT	1,089	742	\$18.55	-0.46	49.83%	53.40%	\$2,014,650	.COIN211015P250	\$20.94	2028
8/24/2021	COIN 100 17 DEC 21 275 PUT	154	50	\$40.40	-0.51	53.97%	63.42%	\$622,160	.COIN211217P275	\$50.90	138
8/23/2021	COIN 100 15 OCT 21 300 CALL	1,072	2,612	\$9.15	0.29	54.58%	22.63%	\$1,007,680	.COIN211015C300	\$0.27	3127
8/23/2021	COIN 100 15 OCT 21 270 PUT	653	339	\$27.90	-0.54	53.45%	62.39%	\$1,821,870	.COIN211015P270	\$39.00	776
8/20/2021	COIN 100 18 MAR 22 270 CALL	570	155	\$38.63	0.54	55.36%	37.38%	\$2,205,900	.COIN220318C270	\$19.40	855
8/19/2021	COIN 100 15 OCT 21 300 CALL	1,776	1,264	\$6.20	0.23	54.79%	16.61%	\$1,154,400	.COIN211015C300	\$0.27	3127
8/16/2021	COIN 100 17 DEC 21 280 CALL	725	452	\$24.50	0.46	55.79%	33.41%	\$1,776,250	.COIN211217C280	\$8.05	754
8/12/2021	COIN 100 16 SEP 22 220 PUT	502	74	\$38.90	-0.29	57.43%	51.79%	\$2,033,100	.COIN220916P220	\$41.00	611
8/12/2021	COIN 100 15 OCT 21 260 PUT	251	73	\$24.00	-0.45	54.82%	54.17%	\$599,890	.COIN211015P260	\$29.12	2830
8/10/2021	COIN 100 18 MAR 22 250 PUT	356	166	\$38.60	-0.34	59.68%	52.50%	\$1,374,160	.COIN220318P250	\$42.30	865

Potential Catalysts: Earnings Mid-November

Disclaimer:

Not Investment Advice or Recommendation

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