

SPOTLIGHT OPTION TRADE



OTM Calls in Digital Transformation Winner

TRADE SNAPSHOT

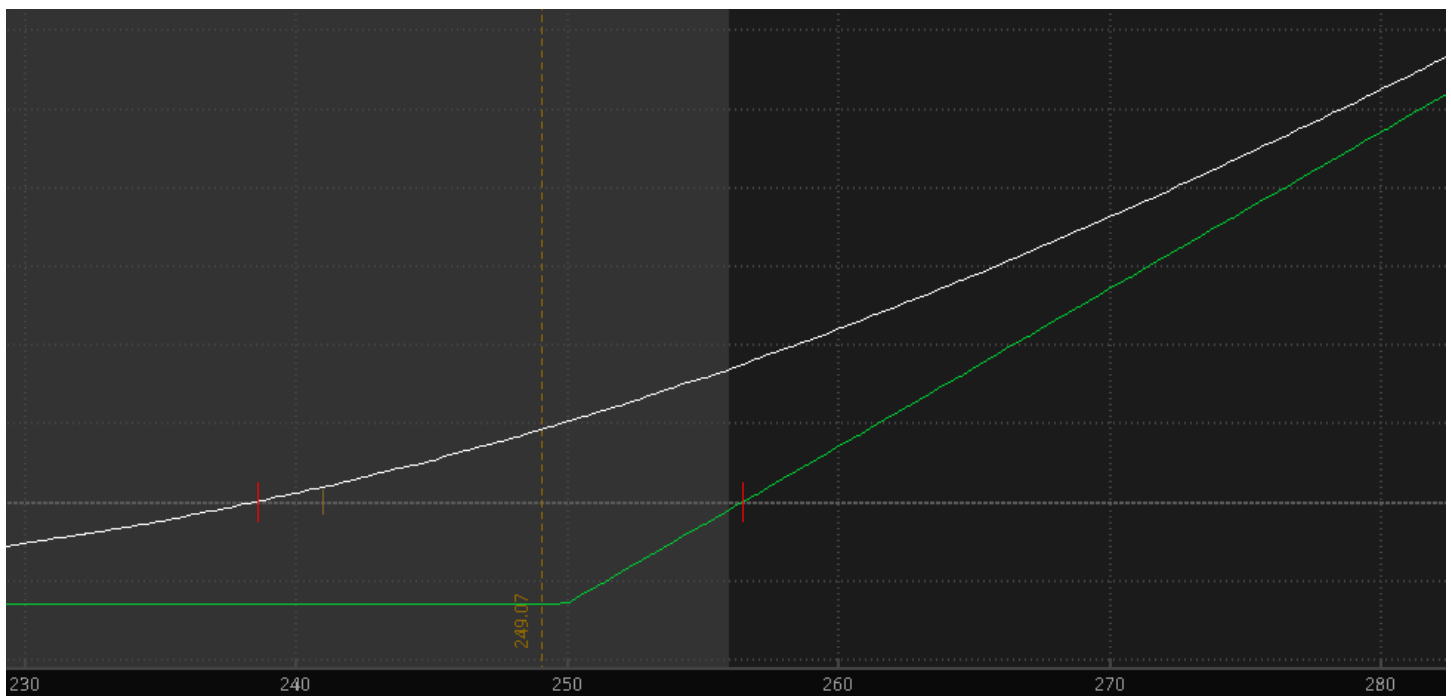
TICKER	CRM
SECURITY	Salesforce.com
SECTOR	Tech – Application Software
CURRENT PRICE	\$241.10
LONG/SHORT	Long
TARGET	\$280
STOP	\$229
TIMEFRAME	2 Months

Trading Strategy: Long the CRM September \$250 Calls at \$6.50 or Better

Net Debit/Credit: Debit \$6.50

Profitability Zone: CRM Above \$256.50 on September OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: CRM forming a long weekly cup and handle pattern and consolidating above the rising 21-week moving average and retest of the trend inflection point, looks poised for a continuation breakout to new highs that measures up to \$300.



Fundamental Analysis: The \$225B cloud leader trades 56X earnings, 40X FCF and 8X EV/Sales with revenues growing ~ 20% per year the next few years and profitability also ramping. CRM was in the penalty box for a while after its large deal for Slack, but the deal makes strategic sense and it trades way too cheap to peers given its growth profile. CRM has exposure to all parts of the accelerating digital transformation trend and estimates a \$175B TAM for FY25. Analysts have an average target of \$280 with short interest at 2.5% of the float. Goldman sees revenues and margins doubling the next 5-6 years and earnings quadrupling. They have a \$315 target. Redburn started at Buy with a \$320 target in late June citing strong earnings/revenue predictability and stellar cash flows, and it will continue to dominate and prosper.

Options Activity:

Date	Description	Volum	Open.In	Price	Delt	Impl Vo	Prob.ITM	Premium Pai	Symbol	Current Price	Current OI	Price Change
8/3/2021	CRM 100 15 OCT 21 280 CALL	7,846	793	\$1.97	0.13	29.07%	10.58%	\$1,577,046	.CRM211015C280			
8/3/2021	CRM 100 15 OCT 21 260 CALL	8,061	1,237	\$5.20	0.29	28.61%	24.65%	\$4,191,720	.CRM211015C260			
7/29/2021	CRM 100 18 MAR 22 250 PUT	214	87	\$25.40	-0.49	28.99%	58.69%	\$564,960	.CRM220318P250	\$26.20	350	3.15%
7/12/2021	CRM 100 18 MAR 22 280 CALL	771	1	\$10.60	0.32	29.03%	23.54%	\$817,260	.CRM220318C280	\$9.23	805	-12.92%
7/9/2021	CRM 100 17 SEP 21 260 PUT	841	479	\$20.10	-0.64	27.27%	68.85%	\$1,673,590	.CRM210917P260	\$22.35	1131	11.19%
7/9/2021	CRM 100 (Weeklys) 27 AUG 21 245 PUT	1,033	3	\$9.44	-0.479	27.06%	51.89%	\$975,152	.CRM210827P245	\$10.00	941	5.93%
7/7/2021	CRM 100 20 AUG 21 250 PUT	1,600	1,733	\$8.90	-0.5	24.22%	53.42%	\$1,440,000	.CRM210820P250	\$10.92	3931	22.70%
7/1/2021	CRM 100 20 JAN 23 310 PUT	268	19	\$80.05	-0.675	28.62%	79.88%	\$2,145,340	.CRM230120P310	\$80.05	139	0.00%
6/30/2021	CRM 100 15 OCT 21 230 CALL	1,013	700	\$23.47	0.676	29.35%	61.73%	\$2,377,511	.CRM211015C230	\$19.15	1714	-18.41%
6/30/2021	CRM 100 (Weeklys) 6 AUG 21 285 CALL	2,822	20	\$0.63	0.061	29.91%	5.00%	\$177,786	.CRM210806C285	\$0.03	3012	-95.24%
6/30/2021	CRM 100 (Weeklys) 6 AUG 21 255 CALL	2,826	14	\$3.63	0.309	24.68%	28.16%	\$1,025,838	.CRM210806C255	\$0.05	3743	-98.62%
6/16/2021	CRM 100 17 SEP 21 300 CALL	1,409	977	\$1.61	0.1	30.31%	7.66%	\$245,166	.CRM210917C300	\$0.45	2702	-72.05%
6/16/2021	CRM 100 17 SEP 21 260 CALL	1,414	1,518	\$7.95	0.35	28.05%	29.84%	\$1,088,780	.CRM210917C260	\$3.39	4208	-57.36%
6/15/2021	CRM 100 17 JUN 22 270 PUT	1,153	630	\$45.07	-0.58	28.92%	69.04%	\$5,182,735	.CRM220617P270	\$44.00	2134	-2.37%
6/15/2021	CRM 100 17 JUN 22 270 CALL	3,493	1,782	\$20.35	0.43	30.80%	31.54%	\$7,125,720	.CRM220617C270	\$16.65	10777	-18.18%
6/9/2021	CRM 100 19 NOV 21 280 CALL	1,211	311	\$5.10	0.22	28.46%	16.60%	\$635,775	.CRM211119C280	\$3.40	1999	-33.33%
6/8/2021	CRM 100 17 SEP 21 250 CALL	1,821	2,630	\$8.82	0.39	28.71%	32.86%	\$1,648,005	.CRM210917C250	\$6.20	11932	-29.71%
6/7/2021	CRM 100 17 SEP 21 240 PUT	1,237	998	\$15.35	-0.49	27.63%	55.30%	\$1,874,055	.CRM210917P240	\$9.68	9952	-36.94%
5/28/2021	CRM 100 15 OCT 21 240 PUT	588	238	\$16.81	-0.486	27.27%	55.33%	\$988,428	.CRM211015P240	\$11.90	1115	-29.21%
5/27/2021	CRM 100 19 NOV 21 230 PUT	1,960	151	\$19.54	-0.47	29.22%	55.32%	\$3,822,000	.CRM211119P230	\$10.30	2873	-47.29%
5/27/2021	CRM 100 15 OCT 21 220 PUT	1,965	750	\$13.10	-0.38	29.45%	45.44%	\$2,564,325	.CRM211015P220	\$4.99	3218	-61.91%
5/26/2021	CRM 100 20 JAN 23 340 CALL	1,127	823	\$8.30	0.2	29.61%	11.14%	\$1,138,270	.CRM230120C340	\$10.00	1722	20.48%
5/26/2021	CRM 100 20 AUG 21 270 CALL	1,293	833	\$2.45	0.15	29.78%	12.10%	\$316,785	.CRM210820C270	\$0.19	3512	-92.24%
5/26/2021	CRM 100 20 AUG 21 250 CALL	1,682	3,570	\$5.82	0.3	29.39%	25.38%	\$1,000,790	.CRM210820C250	\$1.58	11329	-72.85%
5/24/2021	CRM 100 20 AUG 21 240 CALL	1,474	2,195	\$7.60	0.37	28.79%	31.94%	\$1,149,720	.CRM210820C240	\$5.15	8021	-32.24%
5/19/2021	CRM 100 17 SEP 21 230 CALL	1,222	1,314	\$12.90	0.46	32.33%	38.26%	\$1,625,260	.CRM210917C230	\$17.15	2640	32.95%
5/18/2021	CRM 100 21 JAN 22 320 CALL	1,511	1,240	\$2.06	0.08	31.13%	4.99%	\$311,266	.CRM220121C320	\$2.15	2226	4.37%
5/18/2021	CRM 100 21 JAN 22 130 PUT	1,530	1,067	\$1.97	-0.05	41.71%	9.51%	\$315,180	.CRM220121P130	\$0.83	2330	-57.87%
5/17/2021	CRM 100 19 NOV 21 290 CALL	1,068	336	\$2.06	0.1	31.23%	6.76%	\$238,164	.CRM211119C290	\$2.35	2341	14.08%
5/11/2021	CRM 100 20 AUG 21 220 PUT	5,009	1,204	\$15.60	-0.52	28.54%	58.33%	\$7,814,040	.CRM210820P220	\$0.51	18901	-96.73%
5/11/2021	CRM 100 20 AUG 21 220 CALL	5,138	1,326	\$11.30	0.48	29.49%	41.74%	\$5,805,940	.CRM210820C220	\$22.00	10469	94.69%
5/7/2021	CRM 100 15 OCT 21 220 CALL	801	422	\$15.73	0.507	29.74%	42.87%	\$1,259,973	.CRM211015C220	\$26.30	983	67.20%
5/6/2021	CRM 100 19 NOV 21 180 PUT	400	148	\$5.60	-0.2	32.25%	26.71%	\$264,000	.CRM211119P180	\$1.55	590	-72.32%
5/5/2021	CRM 100 19 NOV 21 260 CALL	2,010	2,047	\$6.07	0.23	29.37%	17.11%	\$1,236,150	.CRM211119C260	\$7.45	3998	22.73%

Potential Catalysts: Earnings 8-25-21

Disclaimer:

Not Investment Advice or Recommendation

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