

## SPOTLIGHT OPTION TRADE



### Regional Casino with Large Weekly Base Set to Benefit from Betting Surge

#### TRADE SNAPSHOT

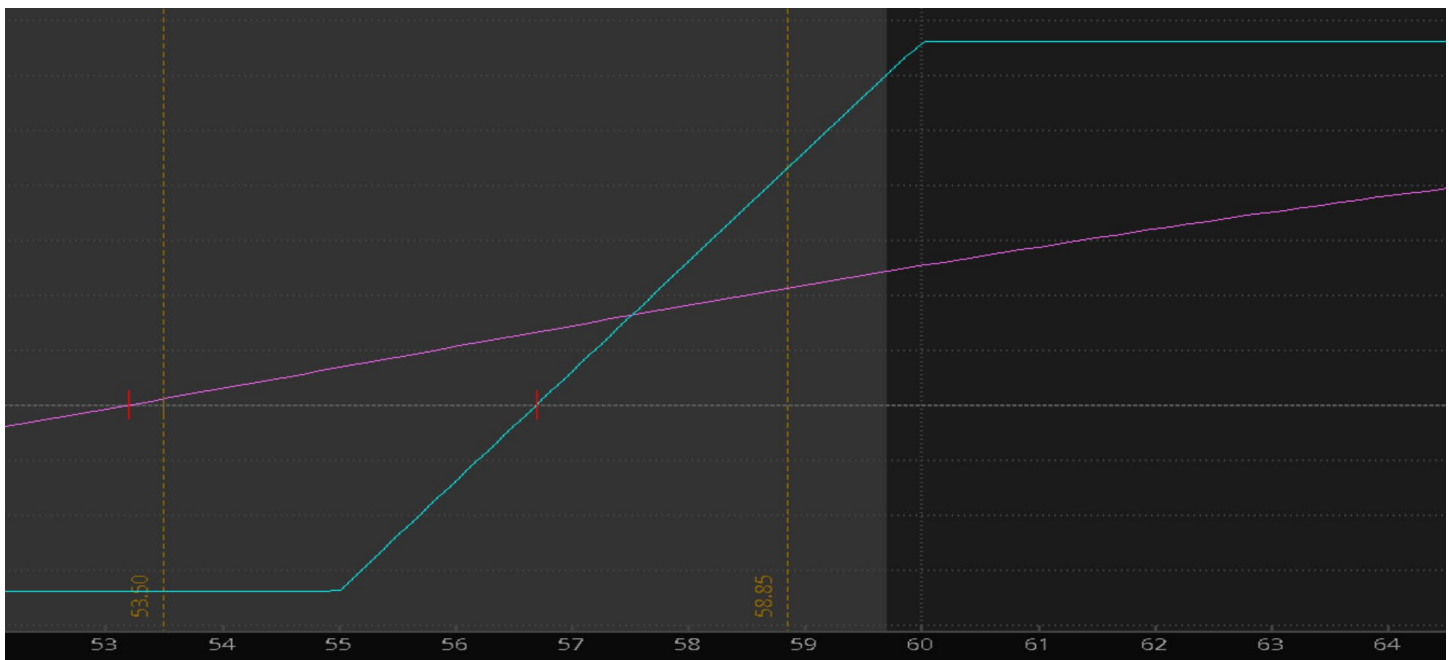
TICKER	CZR
SECURITY	Caesars Entertainment
SECTOR	Consumer Cyclical – Resorts/Casinos
CURRENT PRICE	\$53.50
LONG/SHORT	Long
TARGET	\$65
STOP	\$47.50
TIMEFRAME	6 Weeks

**Trading Strategy:** Long **CZR** March \$55/\$60 Call Spreads \$1.70 Debit

**Net Debit/Credit:** Debit \$1.70

**Profitability Zone:** CZR Above \$56.70 on March OpEx

**Options Volatility / Trade Simulator View:**







**Technical Analysis:** CZR has built a substantial weekly base in the \$30/\$54 zone with a large volume pocket above, looking to clear VWAP off the 2021 highs and target a 38.2% retracement at \$65.5



**Fundamental Analysis:** CZR is the largest casino-entertainment company in the U.S. and one of the world's most diversified casino-entertainment providers. CZR's CEO and Director bought \$1.6M in stock in March around \$68-\$71.50 per share and a different Director bought \$960K in stock at \$60.12 on 5/10. CZR's primary source of revenue is generated by casino properties' gaming operations, retail and online sports betting, as well as online gaming, and utilizes its hotels, restaurants, bars, entertainment, racing, retail shops and other services to attract customers to properties. CZR owns, leases or manages an aggregate of 52 domestic properties in 16 states with approximately 55,700 slot machines, video lottery terminals and e-tables, approximately 2,900 table games and approximately 47,700 hotel rooms. In 2020 CZR struck a key deal for William Hill at the cost of \$3.9B. Lake Charles remains on track as a boost to regional results. CZ has a market cap of \$11.2B and trades 9.3X EBITDA with revenues seen rising 5.8% in 2023 with 19.5% EBITDA growth as it improves the digital business. CZR pre-announced solid results with an 8-K release though margins came in a bit soft. Analysts have an average target of \$67.50 with short interest at 7% of the float. Stifel raised its target to \$68 saying the Las Vegas Strip will remain resilient over the next two years and notes that Caesars has some accretive projects coming online that could help offset any weakness in regional gaming markets.

### Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current  	Price %
02-03-2023	CZR	CZR 100 17 MAR 23 60 CALL	15,969	\$2.34	4,592	0.39	50.55%	\$3,880,467	\$1.35	18,555	▼ 42.31%
11-14-2022	CZR	CZR 100 16 JUN 23 65 CALL	6,200	\$5.25	67	0.40	58.85%	\$3,348,000	\$2.57	6,533	▼ 51.05%
01-05-2023	CZR	CZR 100 17 FEB 23 50 CALL	10,156	\$1.39	230	0.28	56.71%	\$1,421,840	\$4.31	6,236	▲ 210.07%
01-27-2023	CZR	CZR 100 17 FEB 23 52 PUT	6,087	\$2.09	68	-0.44	52.19%	\$1,479,141	\$1.75	6,225	▲ 16.27%
01-24-2023	CZR	CZR 100 16 JUN 23 60 CALL	1,517	\$3.9	226	0.40	49.1%	\$606,800	\$3.95	3,041	▼ 1.28%
09-09-2022	CZR	CZR 100 17 MAR 23 50 CALL	938	\$8.1	291	0.57	63.5%	\$759,780	\$5.85	2,941	▼ 27.78%
12-29-2022	CZR	CZR 100 17 FEB 23 40 CALL	976	\$4.37	2	0.60	61.29%	\$434,320	\$14.15	2,465	▲ 223.8%
01-05-2023	CZR	CZR 100 17 FEB 23 40 CALL	976	\$5.5	281	0.69	61.8%	\$541,680	\$14.15	2,465	▲ 157.27%
06-29-2022	CZR	CZR 100 19 JAN 24 28 PUT	1,087	\$5.85	0	-0.19	68.92%	\$635,895	\$1.3	2,200	▼ 77.78%
12-05-2022	CZR	CZR 100 17 MAR 23 45 PUT	889	\$3.7	168	-0.30	62.05%	\$342,265	\$0.85	1,987	▲ 77.03%
05-24-2022	CZR	CZR 100 19 JAN 24 30 PUT	591	\$6.05	11	-0.19	64.71%	\$360,510	\$2	1,946	▼ 66.94%
12-07-2022	CZR	CZR 100 19 JAN 24 30 PUT	1,003	\$3.45	962	-0.14	67.84%	\$356,065	\$2	1,946	▲ 42.03%
05-24-2022	CZR	CZR 100 19 JAN 24 80 CALL	1,000	\$5.24	777	0.35	58.67%	\$560,000	\$3.85	1,888	▲ 26.53%
12-14-2022	CZR	CZR 100 16 JUN 23 31 PUT	1,579	\$1.66	14	-0.11	71.44%	\$279,483	\$0.52	1,659	▲ 68.67%
12-13-2022	CZR	CZR 100 16 JUN 23 32 PUT	1,580	\$1.62	3	-0.10	72%	\$268,600	\$1.44	1,608	▲ 11.11%
12-22-2022	CZR	CZR 100 16 JUN 23 45 PUT	1,021	\$8.51	44	-0.48	60.46%	\$867,850	\$2.45	1,537	▲ 71.21%
05-24-2022	CZR	CZR 100 19 JAN 24 70 CALL	1,000	\$7.22	71	0.42	59.83%	\$730,000	\$5.89	1,527	▼ 18.42%

### Potential Catalysts: Earnings 2/21

## **Disclaimer:**

### **Not Investment Advice or Recommendation**

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