

## SPOTLIGHT OPTION TRADE



### eBay Reward/Risk Favorable as Key Support Held

#### TRADE SNAPSHOT

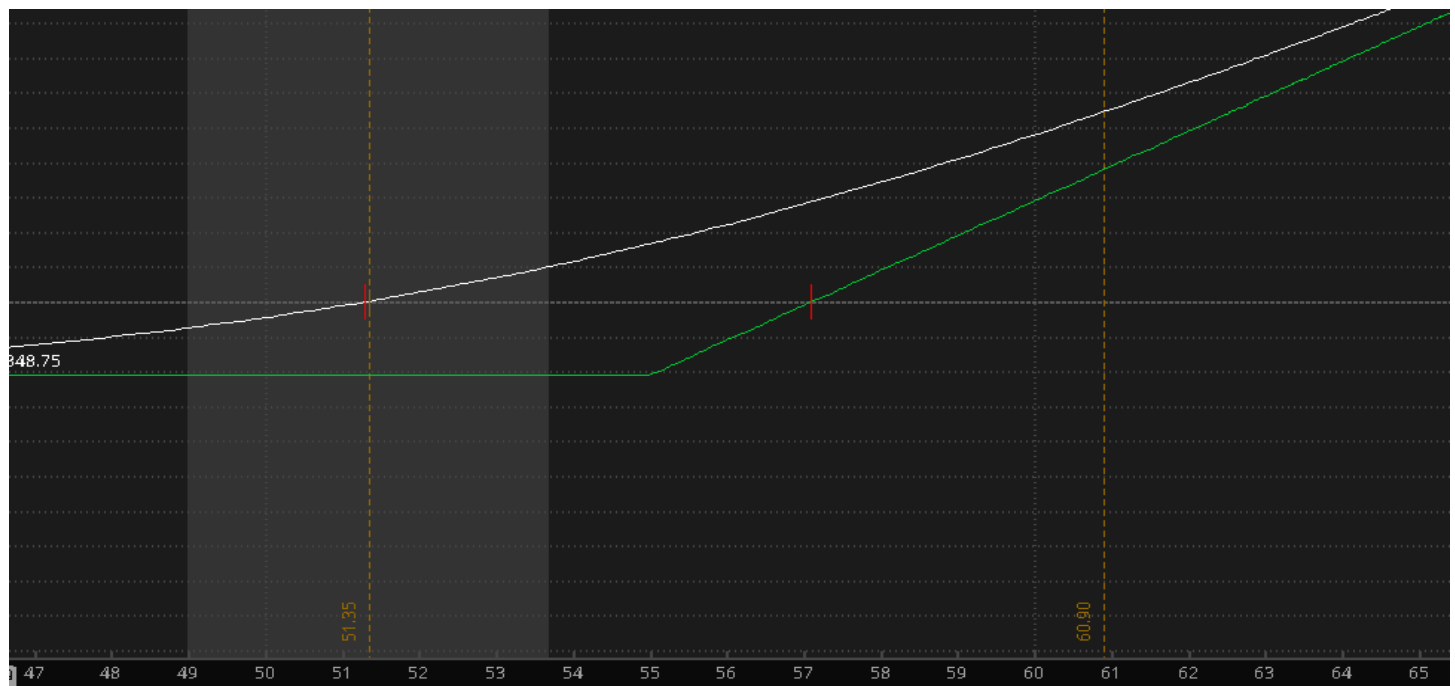
TICKER	EBAY
SECURITY	eBay
SECTOR	Consumer - Ecommerce
CURRENT PRICE	\$51.50
LONG/SHORT	Long
TARGET	\$65
STOP	\$47
TIMEFRAME	2.5 Months

**Trading Strategy:** Long EBAY February \$55 Calls \$2.10 or Better

**Net Debit/Credit:** Debit \$2.10

**Profitability Zone:** EBAY Above \$57.10 on February OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** EBAY forming a weekly bull wedge and recently put in a weekly reversal candle at its 200-day moving average as well as anchored VWAP off the March lows, while the \$53 level the key to clear for a strong breakout higher.



**Fundamental Analysis:** The \$34.8B online marketplace trades very cheap at 13.9X Earnings, 10X EBITDA and 25.25X FCF with a 1.25% dividend yield. EBAY forecasts see revenues jumping 8% in 2021 with 5% EBITDA growth. EBAY has been reshaping its portfolio with divestures and now focused on its core offering and has seen strong new buyer additions this year. EBAY will continue to innovate to driver activity and also benefits from the current consumer backdrop with online shopping. Its investments in tech and marketing are likely to pay off in 2021 while it also rolls out its managed payments. The Managed Payments migration made significant progress in Q3 and is delivering buyers and sellers a simplified end-to-end experience. Another successful initiative is Promoted Listings where revenues grew 77% last quarter. EBAY expects the transfer of Classifieds to Adevinta to be completed in Q1 2021. EBAY is also launching a Certified Refurbished program where buyers can save up to 50% on like-new branded inventory with all the assurances of buying new. Analysts have an average target of \$62, short interest is 3.1% of the float. Stifel on 10/29 noting EBAY is likely to aggressively repurchase stock and has a \$70 target. Piper has a \$65 target and sees 2022 estimates too low as new product revenues gain scale. Hedge Fund ownership was flat in Q3 filings, Baupost the top holder, Elliott still with a large stake, and Lindsell Train reduced its position slightly.

### Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
11/19/2020	EBAY 100 21 JAN 22 70 CALL	1,400	937	\$1.84	0.21	34.07%	12.47%	\$203,400	.EBAY220121C70	\$2.00	1841	8.70%
11/19/2020	EBAY 100 18 DEC 20 48 CALL	1,950	1,020	\$2.85	0.67	32.32%	63.79%	\$555,750	.EBAY201218C48	\$3.20	1984	12.28%
11/12/2020	EBAY 100 19 FEB 21 50 CALL	2,071	1,031	\$2.20	0.39	37.49%	31.43%	\$455,620	.EBAY210219C50	\$3.65	4569	65.91%
11/10/2020	EBAY 100 18 DEC 20 43 CALL	538	23	\$4.52	0.75	36.19%	71.57%	\$243,176	.EBAY201218C43	\$7.50	231	65.93%
11/9/2020	EBAY 100 18 DEC 20 50 CALL	3,713	1,876	\$1.60	0.44	32.53%	39.58%	\$594,080	.EBAY201218C50	\$1.71	3563	6.87%
11/6/2020	EBAY 100 18 DEC 20 50 CALL	1,651	617	\$2.68	0.565	34.04%	51.85%	\$442,468	.EBAY201218C50	\$1.71	3563	-36.19%
11/3/2020	EBAY 100 18 DEC 20 47 PUT	2,027	251	\$1.87	-0.36	40.11%	41.79%	\$379,049	.EBAY201218P47	\$0.35	3156	-81.28%
10/29/2020	EBAY 100 19 FEB 21 48 PUT	906	283	\$3.81	-0.42	41.02%	51.26%	\$375,990	.EBAY210219P48	\$2.30	1739	-39.63%
10/19/2020	EBAY 100 21 JAN 22 60 PUT	450	95	\$12.10	-0.53	35.05%	68.68%	\$544,500	.EBAY220121P60	\$15.80	480	30.58%
10/16/2020	EBAY 100 18 DEC 20 55 PUT	1,005	326	\$3.15	-0.42	38.83%	48.39%	\$316,575	.EBAY201218P55	\$4.22	1792	33.97%
10/13/2020	EBAY 100 18 DEC 20 55 CALL	1,888	533	\$5.07	0.62	40.59%	55.43%	\$972,320	.EBAY201218C55	\$0.26	7283	-94.87%
10/13/2020	EBAY 100 18 DEC 20 50 PUT	1,861	351	\$1.29	-0.2	42.90%	25.56%	\$240,069	.EBAY201218P50	\$1.17	2328	-9.30%
10/9/2020	EBAY 100 16 APR 21 60 CALL	586	150	\$4.10	0.428	37.45%	32.67%	\$240,260	.EBAY210416C60	\$1.36	4629	-66.83%
10/9/2020	EBAY 100 16 APR 21 50 PUT	815	246	\$3.50	-0.31	38.54%	41.61%	\$285,250	.EBAY210416P50	\$3.95	2680	12.86%
9/29/2020	EBAY 100 19 FEB 21 65 CALL	4,200	3,158	\$1.50	0.23	38.87%	16.17%	\$630,000	.EBAY210219C65	\$0.44	8571	-70.67%
9/29/2020	EBAY 100 19 FEB 21 55 CALL	3,018	1,186	\$4.40	0.49	39.80%	39.03%	\$1,340,340	.EBAY210219C55	\$1.75	5924	-60.23%
9/22/2020	EBAY 100 21 JAN 22 55 PUT	502	74	\$10.75	-0.51	33.07%	66.87%	\$539,650	.EBAY220121P55	\$10.05	604	-6.51%
9/9/2020	EBAY 100 19 FEB 21 36 PUT	2,894	0	\$0.70	-0.08	46.97%	14.43%	\$202,580	.EBAY210219P36	\$0.27	2841	-61.43%
9/2/2020	EBAY 100 18 JUN 21 45 PUT	1,000	115	\$3.37	-0.237	41.37%	36.71%	\$337,000	.EBAY210618P45	\$2.62	3418	-22.26%
8/25/2020	EBAY 100 19 FEB 21 40 PUT	1,594	17	\$0.75	-0.08	42.66%	13.90%	\$124,332	.EBAY210219P40	\$0.45	2901	-40.00%
8/21/2020	EBAY 100 19 FEB 21 65 CALL	3,112	1,947	\$3.55	0.39	36.08%	29.74%	\$1,104,760	.EBAY210219C65	\$0.44	8571	-87.61%
8/4/2020	EBAY 100 21 JAN 22 45 PUT	1,000	21	\$4.35	-0.24	36.75%	40.06%	\$480,000	.EBAY220121P45	\$4.80	1610	10.34%
8/3/2020	EBAY 100 15 JAN 21 70 CALL	2,247	4,220	\$1.57	0.22	36.81%	15.72%	\$352,779	.EBAY210115C70	\$0.07	6621	-95.54%
7/30/2020	EBAY 100 21 JAN 22 42 PUT	2,000	1,835	\$3.91	-0.22	37.08%	37.68%	\$840,000	.EBAY220121P42	\$4.15	4146	6.14%
7/23/2020	EBAY 100 15 JAN 21 70 CALL	2,001	1,146	\$1.96	0.24	39.57%	16.79%	\$408,204	.EBAY210115C70	\$0.07	6621	-96.43%
7/21/2020	EBAY 100 19 FEB 21 60 CALL	3,202	8,133	\$5.10	0.46	40.58%	34.19%	\$1,649,030	.EBAY210219C60	\$0.84	19256	-83.53%
7/17/2020	EBAY 100 21 JAN 22 50 PUT	1,150	2,217	\$6.30	-0.3	37.61%	47.68%	\$799,250	.EBAY220121P50	\$7.20	3922	14.29%
7/17/2020	EBAY 100 21 JAN 22 42 PUT	1,010	406	\$3.58	-0.19	39.51%	34.85%	\$361,580	.EBAY220121P42	\$4.15	4146	15.92%
7/16/2020	EBAY 100 21 JAN 22 40 PUT	5,250	70	\$3.20	-0.17	43.15%	33.82%	\$2,178,750	.EBAY220121P40	\$2.98	7580	-6.88%
7/13/2020	EBAY 100 19 FEB 21 70 CALL	1,014	1,345	\$4.45	0.38	41.37%	27.00%	\$466,440	.EBAY210219C70	\$0.25	5989	-94.38%

**Potential Catalysts:** Earnings Late January; NASDAQ Investor Conference 12-3

## **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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