

## SPOTLIGHT OPTION TRADE



### Expedia Weakness an Opportunity into Travel Rebound

#### TRADE SNAPSHOT

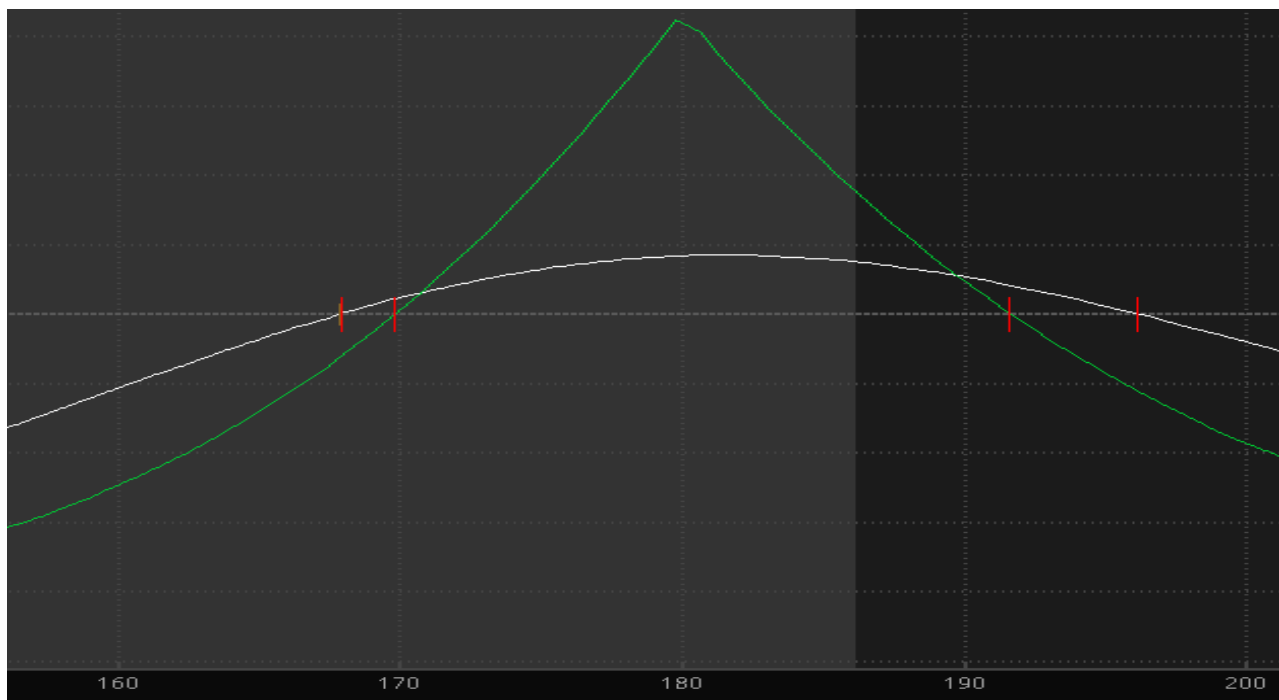
TICKER	EXPE
SECURITY	Expedia Group
SECTOR	Consumer Discretionary - OTA
CURRENT PRICE	\$168
LONG/SHORT	Long
TARGET	\$195
STOP	\$160
TIMEFRAME	2 Months

**Trading Strategy:** Long the EXPE July/August \$180 Call Calendar Spreads at \$4.20 Debit or Better

**Net Debit/Credit:** Debit \$4.20

**Profitability Zone:** \$172 to \$188 on July OpEx / Above \$184.2 on August OpEx

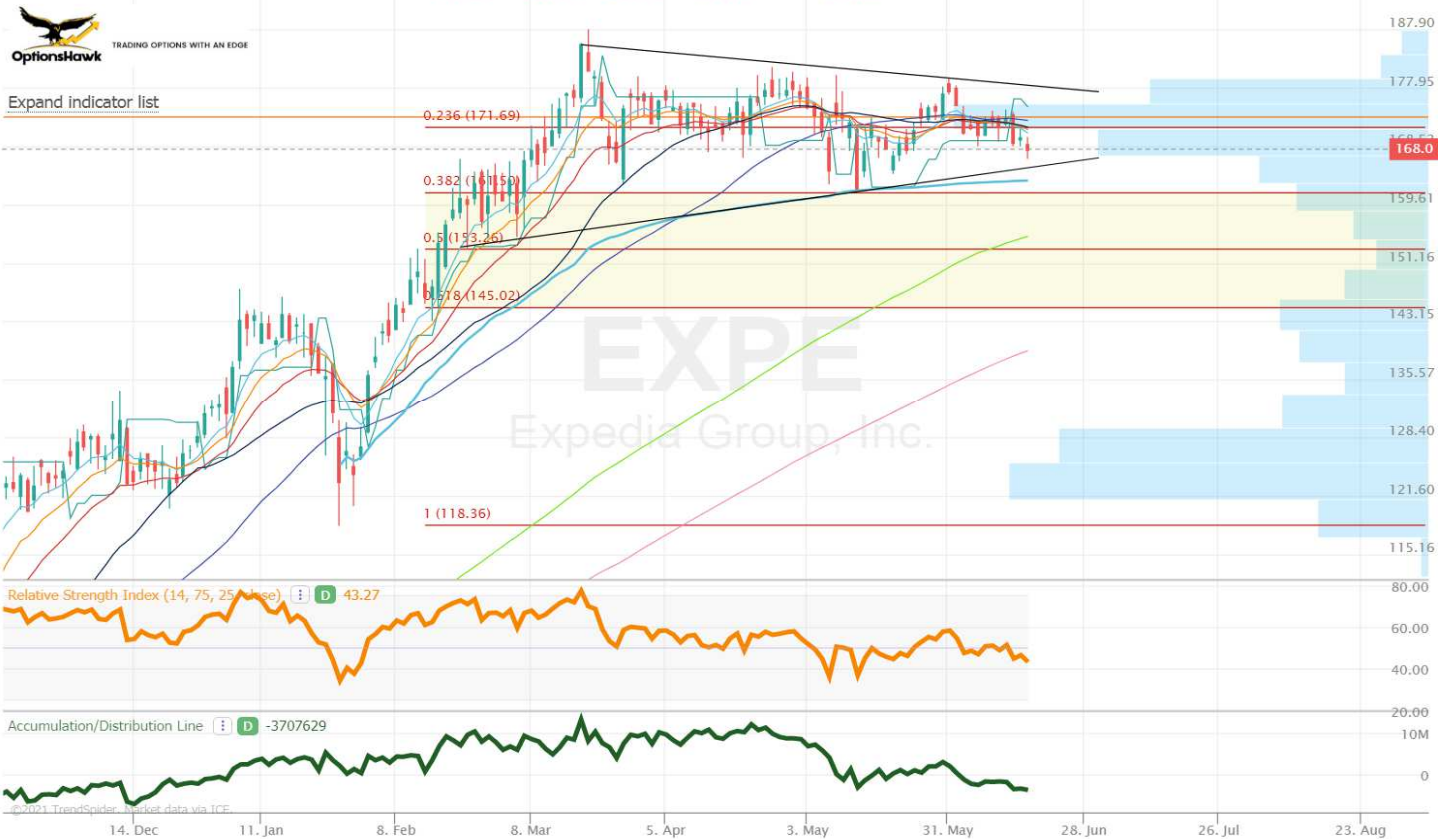
**Options Volatility / Trade Simulator View:**





**Technical Analysis:** EXPE has seen some distribution off the March highs but now sits just above VWAP off the January 2021 lows, the 38.2% retracement level that held as support in early May, and trend support of a symmetrical triangle forming. EXPE above \$180 can be an explosive breakout move for its next leg higher.

Expedia Group, Inc., Daily, Nasdaq + Nyse BQT O 168.95 H 170.04 L 166.53 C 168.00 Change -0.56% Market closed



**Fundamental Analysis:** The \$24.5B OTA trades 26.5X Earnings, 13X FY22 EBITDA and sees revenues rising 58% in 2021 and 38% in 2022 with EBITDA up 435% and 94% respectively as it laps easy comps being a name hit hard by the pandemic. EXPE used the downturn to restructure and significantly cut costs and increase marketing efficiency, moves that should pay off in the long-term as bookings recover. EXPE has undergone a big management shift with Barry Diller back taking more control and they expect to unlock value by utilizing more AI/data to analyze customer habits and make more targeted conversions. The shift under Diller is also likely to accelerate those trends towards lower costs and take better advantage of their scale. Analysts have an average target of \$195 with short interest at 9.6% of the float. Citi raised its target to \$179 on 5/12 seeing a more prolonged recovery. BTIG raised its target to \$210 citing green shoots in Q1 results and expects a strong 2H21. Wells Fargo upped its target to \$235 citing outperformance across all key metrics and strong pent-up demand creating tailwinds for travel and vacation rentals. D1 Capital, Melvin Capital and Altimeter all notable concentrated top holders.

### Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITV	Premium Paid	Symbol	Current Price	Current OI
6/14/2021	EXPE 100 20 AUG 21 170 CALL	7,111	8,237	\$10.80	0.52	38.58%	45.48%	\$7,786,545	.EXPE210820C170	\$11.15	15295
6/8/2021	EXPE 100 20 AUG 21 165 CALL	1,007	87	\$16.15	0.63	39.99%	56.00%	\$1,636,375	.EXPE210820C165	\$16.15	1043
6/2/2021	EXPE 100 15 OCT 21 200 CALL	1,013	976	\$7.55	0.33	37.82%	24.90%	\$800,270	.EXPE211015C200	\$5.05	2001
6/1/2021	EXPE 100 20 AUG 21 195 CALL	1,301	190	\$6.50	0.34	38.68%	27.43%	\$871,670	.EXPE210820C195	\$3.20	1495
6/1/2021	EXPE 100 20 AUG 21 180 CALL	232	95	\$12.65	0.51	40.48%	43.85%	\$298,120	.EXPE210820C180	\$7.03	404
5/27/2021	EXPE 100 20 JAN 23 170 PUT	400	2	\$30.05	-0.38	38.72%	58.00%	\$1,340,000	.EXPE230120P170	\$30.05	402
5/21/2021	EXPE 100 20 AUG 21 175 CALL	3,087	4,753	\$11.25	0.47	40.97%	38.83%	\$3,519,180	.EXPE210820C175	\$8.85	8042
5/20/2021	EXPE 100 20 AUG 21 175 CALL	1,177	3,212	\$11.55	0.47	41.06%	39.24%	\$1,359,435	.EXPE210820C175	\$8.85	8042
5/18/2021	EXPE 100 20 AUG 21 170 PUT	619	13	\$13.75	-0.47	40.24%	55.09%	\$900,645	.EXPE210820P170	\$11.18	774
5/17/2021	EXPE 100 20 AUG 21 175 CALL	2,029	1,643	\$11.95	0.48	41.75%	39.68%	\$2,424,655	.EXPE210820C175	\$8.85	8042
5/14/2021	EXPE 100 18 JUN 21 170 CALL	3,629	2,518	\$8.10	0.54	35.24%	49.49%	\$2,939,490	.EXPE210618C170	\$1.97	5155
5/13/2021	EXPE 100 18 JUN 21 200 CALL	2,076	961	\$0.87	0.1	41.51%	8.12%	\$180,612	.EXPE210618C200	\$0.09	1607
5/12/2021	EXPE 100 19 NOV 21 140 CALL	500	54	\$33.90	0.74	45.24%	62.10%	\$1,695,000	.EXPE211119C140	\$35.00	461
5/11/2021	EXPE 100 15 OCT 21 185 CALL	4,204	562	\$11.25	0.42	38.18%	32.44%	\$4,876,640	.EXPE211015C185	\$8.81	4819
5/11/2021	EXPE 100 15 OCT 21 180 CALL	782	99	\$12.55	0.45	38.91%	35.55%	\$1,028,330	.EXPE211015C180	\$10.40	1517
5/10/2021	EXPE 100 19 NOV 21 190 CALL	1,500	37	\$13.65	0.43	37.28%	32.72%	\$2,002,500	.EXPE211119C190	\$9.60	1769
5/10/2021	EXPE 100 18 JUN 21 175 CALL	1,046	607	\$6.60	0.47	34.48%	42.24%	\$706,050	.EXPE210618C175	\$0.56	2535
5/10/2021	EXPE 100 18 JUN 21 170 CALL	1,052	394	\$9.13	0.57	35.20%	52.18%	\$973,100	.EXPE210618C170	\$1.97	5155
4/20/2021	EXPE 100 18 JUN 21 160 CALL	607	6	\$16.80	0.65	41.53%	58.98%	\$1,028,865	.EXPE210618C160	\$9.60	502
4/13/2021	EXPE 100 21 JAN 22 170 CALL	426	235	\$24.60	0.58	40.92%	43.47%	\$1,047,960	.EXPE220121C170	\$19.68	794
4/13/2021	EXPE 100 16 JUL 21 170 PUT	7,007	1,082	\$13.45	-0.46	40.01%	53.73%	\$9,739,730	.EXPE210716P170	\$6.05	9116
4/13/2021	EXPE 100 16 JUL 21 170 CALL	7,010	1,783	\$14.25	0.54	40.88%	46.18%	\$10,129,450	.EXPE210716C170	\$6.15	8899

**Potential Catalysts:** August Earnings

## **Disclaimer:**

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

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