

SPOTLIGHT OPTION TRADE



Expedia Positive Reward/Risk on Travel Normalization, Home Rentals, Margin Opportunity

TRADE SNAPSHOT

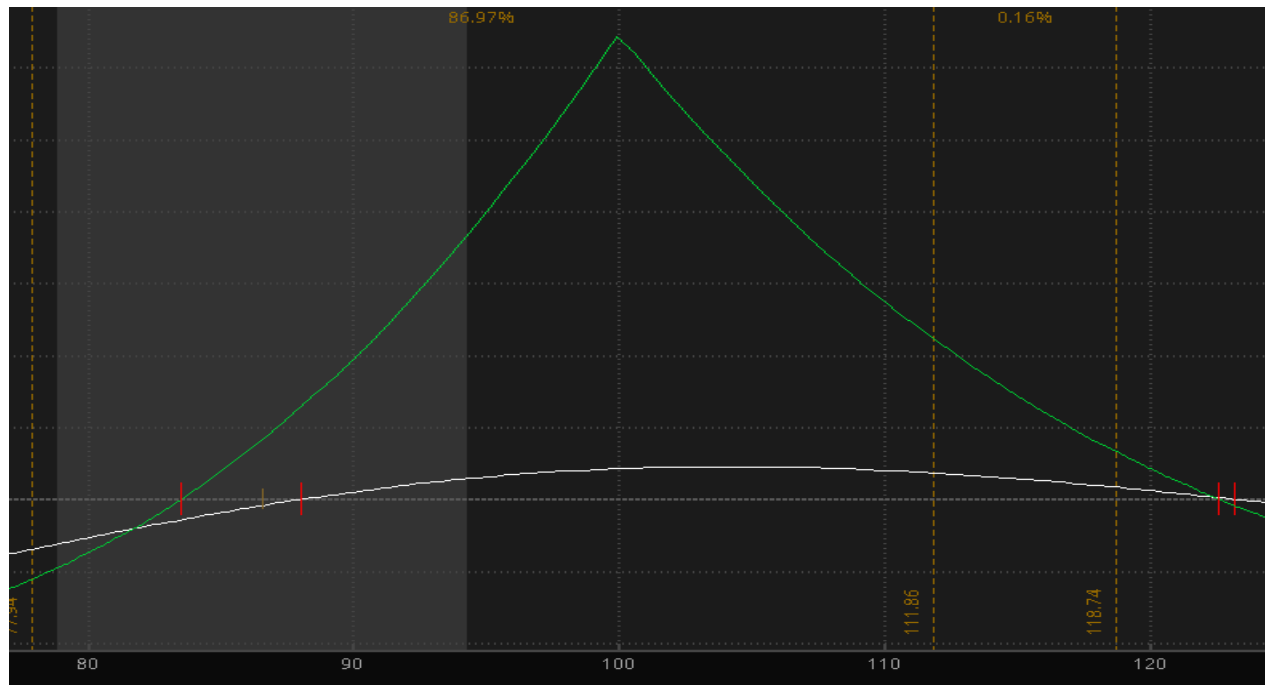
TICKER	EXPE
SECURITY	Expedia
SECTOR	Tech – Internet – Online Travel
CURRENT PRICE	\$86.60
LONG/SHORT	Long
TARGET	\$105
STOP	\$77.5
TIMEFRAME	4 Months

Trading Strategy: Long the EXPE August/October \$100 Calendar Call Spreads at \$2.40 Debit

Net Debit/Credit: Debit \$2.40

Profitability Zone: EXPE Shares \$86-\$119 on August OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: EXPE shares are basing along its rising 34 day EMA nicely after pushing higher in May and look ready to resume higher as trend support is near-by.



Fundamental Analysis: The \$12.5B online travel company trades 30.4X Earnings, 1.08X Sales and 10.5X FY21 EBITDA. EXPE was hit hard by the travel shutdown but expects a strong return to growth in 2021 and by 2022 to be back near 2019 levels on EPS and Revenues. EXPE business has likely bottomed and seeing peers report a pickup in activity for June, so estimates can move higher moving forward. We have also seen strong numbers Y/Y for AIRBNB which bodes well for EXPE's home rental business VRBO. Analysts have an average target of \$95 and short interest at 12% of the float has risen 89% Q/Q to a two year high. BTIG sees EXPE exiting the crisis with a leaner more focused operation. MSCO recently raising its target to \$85 expecting OTAs to take share coming out of the downturn and for ad leverage to improve. On 5/21 Deutsche Bank raised its target to \$112 with a Buy rating after results noting long-term investors have a lot to like with streamlining the business to improve margins, more marketing discipline, and improving sequential trends. Hedge Fund ownership jumped 11% in Q1 filings, Melvin Capital adding a bunch of shares with EXPE now its 2nd largest holding.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change	OI Differential
6/18/2020	EXPE 100 17 JUL 20 90 PUT	1,010	373	\$9.30	-0.59	62.18%	65.81%	\$939,300	.EXPE200717P90	\$10.00	1367	7.53%	-1.169
6/17/2020	EXPE 100 17 JUL 20 85 PUT	1,616	334	\$6.80	-0.46	68.54%	54.44%	\$1,098,880	.EXPE200717P85	\$7.44	1883	9.41%	-3.449
6/15/2020	EXPE 100 (Weekly) 26 JUN 20 82 CALL	1,566	72	\$5.50	0.56	81.74%	50.37%	\$861,300	.EXPE200626C82	\$3.00	700	-45.45%	-57.269
6/15/2020	EXPE 100 21 AUG 20 105 CALL	1,334	1,016	\$2.95	0.25	63.79%	17.45%	\$393,530	.EXPE200821C105	\$2.00	1878	-32.20%	-20.099
6/11/2020	EXPE 100 21 AUG 20 85 CALL	2,655	5	\$6.76	0.45	69.48%	33.52%	\$1,794,780	.EXPE200821C85	\$8.20	2968	21.30%	11.589
6/11/2020	EXPE 100 16 OCT 20 65 PUT	1,749	926	\$5.40	-0.22	71.21%	35.95%	\$979,440	.EXPE201016P65	\$4.95	2679	-8.33%	.159
6/11/2020	EXPE 100 21 AUG 20 90 PUT	720	167	\$13.50	-0.55	64.04%	66.37%	\$972,000	.EXPE200821P90	\$13.80	802	2.22%	-9.589
6/11/2020	EXPE 100 21 AUG 20 80 PUT	790	21	\$9.70	-0.43	69.44%	55.60%	\$774,200	.EXPE200821P80	\$8.10	655	-16.49%	-19.249
6/11/2020	EXPE 100 21 AUG 20 65 PUT	1,631	55	\$4.72	-0.24	79.38%	36.42%	\$769,832	.EXPE200821P65	\$2.76	2193	-41.53%	30.079
6/11/2020	EXPE 100 21 AUG 20 80 CALL	709	5	\$10.30	0.54	70.92%	41.30%	\$659,370	.EXPE200821C80	\$10.99	641	6.70%	-10.229
6/11/2020	EXPE 100 21 AUG 20 100 CALL	1,626	36	\$3.10	0.22	61.96%	15.09%	\$504,060	.EXPE200821C100	\$2.67	1841	-13.87%	10.779
6/8/2020	EXPE 100 15 JAN 21 95 PUT	1,027	554	\$17.60	-0.42	58.15%	60.62%	\$1,807,520	.EXPE210115P95	\$22.50	1566	27.84%	-.959
6/8/2020	EXPE 100 16 OCT 20 95 CALL	1,367	1,475	\$12.57	0.55	59.81%	41.00%	\$1,749,760	.EXPE201016C95	\$6.55	1189	-47.89%	-58.169
6/5/2020	EXPE 100 16 OCT 20 100 CALL	2,387	1,463	\$9.70	0.483	0.5446	35.63%	\$2,315,390	.EXPE201016C100	\$5.00	3714	-48.45%	-3.539
6/3/2020	EXPE 100 21 JAN 22 60 PUT	2,203	127	\$12.10	-0.19	63.45%	47.96%	\$2,665,630	.EXPE220121P60	\$13.36	2348	10.41%	.779
6/2/2020	EXPE 100 21 JAN 22 50 PUT	1,302	217	\$9.20	-0.15	67.15%	44.21%	\$1,197,840	.EXPE220121P50	\$8.80	1511	-4.35%	-.539
6/2/2020	EXPE 100 16 OCT 20 60 PUT	1,017	909	\$3.91	-0.17	70.96%	29.88%	\$397,647	.EXPE201016P60	\$3.76	1517	-3.84%	-21.249
5/28/2020	EXPE 100 21 JAN 22 110 CALL	8,890	217	\$14.00	0.45	57.91%	19.89%	\$12,446,000	.EXPE220121C110	\$16.00	8,461	14.29%	-7.099
5/28/2020	EXPE 100 16 OCT 20 85 CALL	796	197	\$10.20	0.51	62.69%	35.72%	\$811,920	.EXPE201016C85	\$10.50	1430	2.94%	44.019
5/22/2020	EXPE 100 17 JUL 20 65 PUT	1,029	706	\$3.15	-0.221	71.94%	31.45%	\$324,135	.EXPE200717P65	\$0.85	2,244	-73.02%	29.349
5/21/2020	EXPE 100 15 JAN 21 90 CALL	6,627	1,509	\$11.40	0.48	63.35%	29.11%	\$7,819,860	.EXPE210115C90	\$11.60	7,503	1.75%	-7.789
5/21/2020	EXPE 100 16 OCT 20 80 PUT	262	86	\$14.01	-0.43	65.94%	59.87%	\$367,062	.EXPE201016P80	\$10.10	398	-27.91%	14.379
5/12/2020	EXPE 100 21 JAN 22 70 PUT	578	236	\$22.20	-0.38	57.22%	68.05%	\$1,283,160	.EXPE220121P70	\$17.70	603	-20.27%	-25.929
5/5/2020	EXPE 100 21 JAN 22 85 CALL	15,794	90	\$13.10	0.49	59.31%	22.22%	\$23,059,240	.EXPE220121C85	\$24.50	15,603	87.02%	-1.779
4/24/2020	EXPE 100 15 JAN 21 70 CALL	2,000	6,120	\$11.60	0.54	65.68%	33.10%	\$2,540,000	.EXPE210115C70	\$20.70	6,789	78.45%	-16.399
4/24/2020	EXPE 100 15 JAN 21 55 PUT	2,000	676	\$9.80	-0.29	70.15%	52.04%	\$2,080,000	.EXPE210115P55	\$4.90	3,151	-50.00%	17.759
4/24/2020	EXPE 100 17 JUL 20 60 PUT	1,404	278	\$6.24	-0.323	75.79%	46.43%	\$876,096	.EXPE200717P60	\$0.43	2,307	-93.11%	37.169
4/23/2020	EXPE 100 15 JAN 21 80 CALL	2,044	622	\$9.00	0.43	64.32%	23.53%	\$1,757,840	.EXPE210115C80	\$16.10	2,942	78.89%	10.359
4/23/2020	EXPE 100 15 JAN 21 45 PUT	1,609	464	\$6.75	-0.2	77.74%	42.87%	\$1,110,210	.EXPE210115P45	\$2.55	1,375	-62.22%	-33.679
4/23/2020	EXPE 100 15 JAN 21 70 CALL	800	5,912	\$12.97	0.54	68.79%	32.09%	\$1,064,000	.EXPE210115C70	\$20.70	6,789	59.60%	1.159
4/23/2020	EXPE 100 15 JAN 21 40 PUT	1,438	268	\$4.90	-0.16	80.68%	38.30%	\$704,620	.EXPE210115P40	\$2.09	2,126	-57.35%	24.629
4/23/2020	EXPE 100 16 OCT 20 50 PUT	917	73	\$6.53	-0.24	79.64%	44.39%	\$598,801	.EXPE201016P50	\$1.93	2,684	-70.44%	171.119
4/22/2020	EXPE 100 17 JUL 20 65 CALL	1,080	209	\$9.20	0.54	88.48%	37.05%	\$1,058,400	.EXPE200717C65	\$17.14	1,102	86.30%	-14.519
4/22/2020	EXPE 100 17 JUL 20 80 CALL	2,080	935	\$3.70	0.32	78.92%	19.49%	\$894,400	.EXPE200717C80	\$6.80	2,324	83.78%	-22.929

Potential Catalysts: Earnings Late July; Travel Metrics

Disclaimer:**Not Investment Advice or Recommendation**

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