

## SPOTLIGHT OPTION TRADE



### Fed-Ex Optimal Set-Up as Macro Backdrop Improves, Attractive Valuation

#### TRADE SNAPSHOT

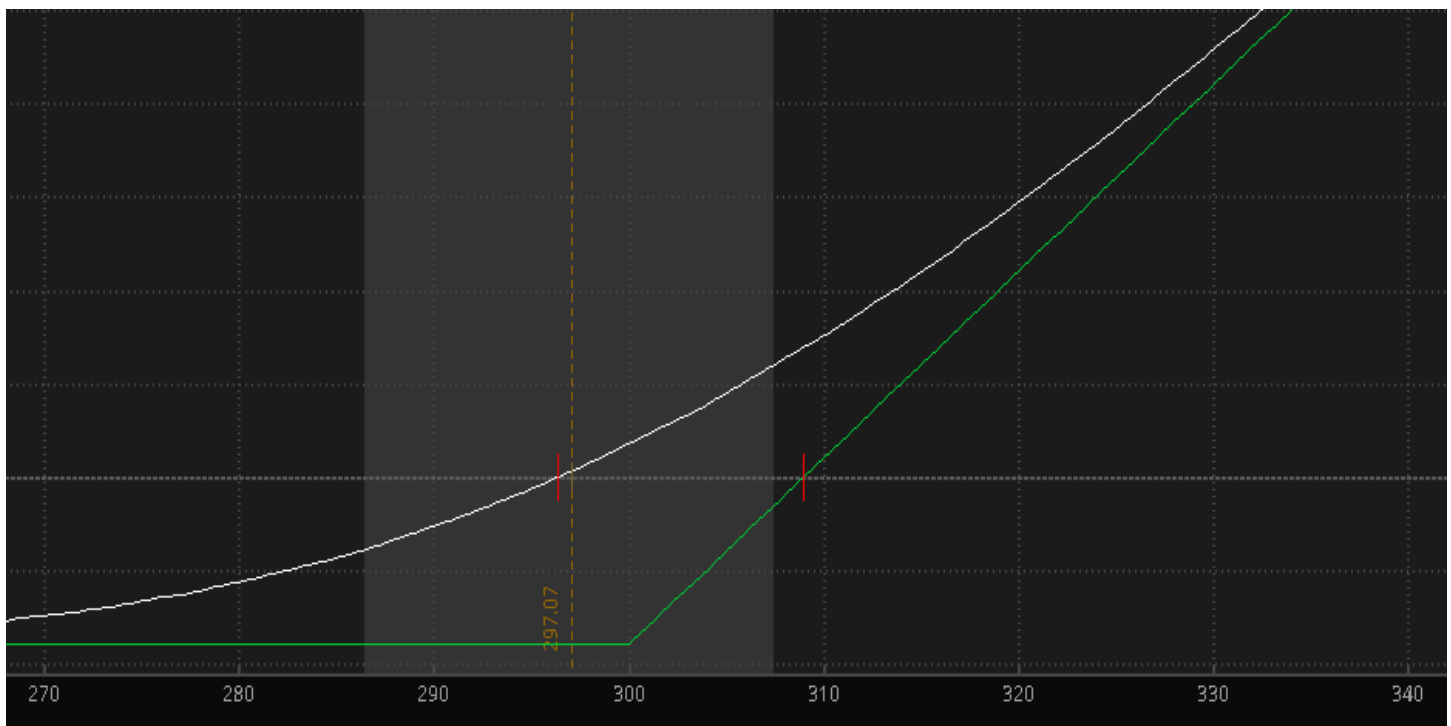
|               |  |
|---------------|--|
| TICKER        | FDX  |
| SECURITY      | FedEx Corp.                                |
| SECTOR        | Industrials – Transport – Parcel & Freight |
| CURRENT PRICE | \$297                                      |
| LONG/SHORT    | Long                                       |
| TARGET        | \$325                                      |
| STOP          | \$282                                      |
| TIMEFRAME     | 2 Months                                   |

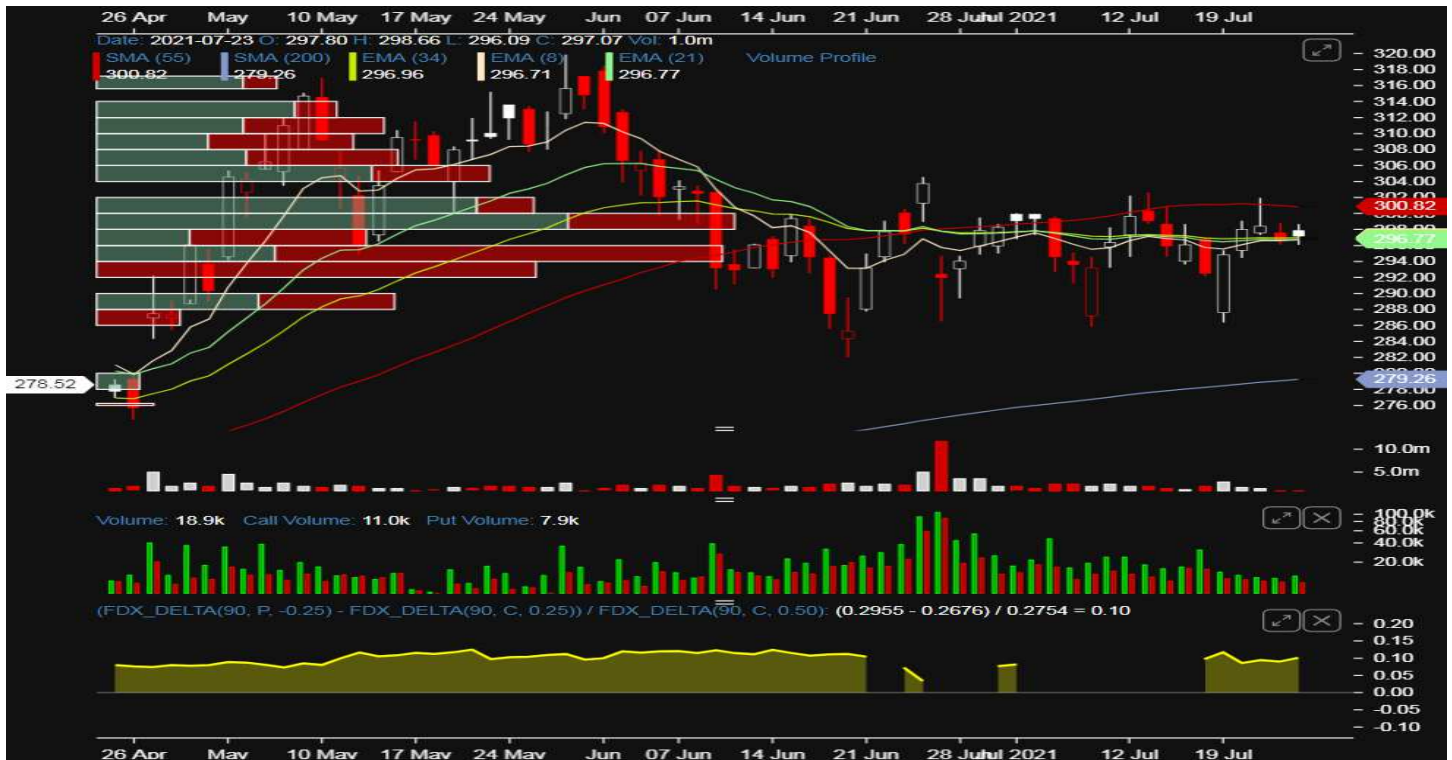
**Trading Strategy:** Long the **FDX** September \$300 Calls at \$9 or Better

**Net Debit/Credit:** Debit \$9

**Profitability Zone:** FDX Above \$309 on September OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** FDX shares with a multi-week base and wedge back to support as the rising 200-day moving average catches up to the move and VWAP off the January lows sits at \$283. FDX is currently trapped beneath its 55-day moving average and VWAP off the highs but above \$302 has room to make a strong move to new highs.



**Fundamental Analysis:** The \$79B shipping leader trades 12.6X Earnings, 8X EBITDA and 22.2X FCF with a 1% dividend yield and revenues seen rising 8.5% in FY22 with EBITDA growing 15%. FDX is expected to see continued strong demand with its close ties to global Macro and also margin expansion a major part of the story with recent surcharges and price increases. FDX also continues to integrate its TNT acquisition, ecommerce growth remains robust and B2B volumes are recovering. Analysts have an average target of \$350 with short interest low at 1.2% of the float. Goldman raised its target to \$380 after the latest quarter positive on volume growth, a recovering industrial economy, robust ecommerce growth and improved pricing. Deutsche Bank raised its target to \$375 and Loop to \$381 noting the strong demand, tight capacity, and robust pricing. Hedge Fund ownership rose more than 13% in the latest quarter.

### Options Activity:

| Date      | Description                         | Volume | Open Int | Price   | Delta  | Impl Vo | Prob. ITV | Premium Paid | Symbol         | Current Price | Current OI | Price Change |
|-----------|-------------------------------------|--------|----------|---------|--------|---------|-----------|--------------|----------------|---------------|------------|--------------|
| 7/19/2021 | FDX 100 (Weeklys) 6 AUG 21 300 CALL | 1,212  | 575      | \$4.90  | 0.4    | 27.64%  | 37.35%    | \$593,880    | .FDX210806C300 | \$3.82        | 1274       | -22.04%      |
| 6/30/2021 | FDX 100 17 SEP 21 310 CALL          | 2,284  | 217      | \$8.96  | 0.39   | 25.53%  | 34.56%    | \$2,046,464  | .FDX210917C310 | \$5.45        | 3829       | -39.17%      |
| 6/30/2021 | FDX 100 17 SEP 21 270 PUT           | 2,060  | 11       | \$4.61  | -0.203 | 27.32%  | 24.16%    | \$949,660    | .FDX210917P270 | \$3.07        | 2753       | -33.41%      |
| 6/29/2021 | FDX 100 20 AUG 21 300 PUT           | 4,295  | 2,190    | \$12.45 | -0.518 | 24.04%  | 55.51%    | \$5,347,275  | .FDX210820P300 | \$9.08        | 6808       | -27.07%      |
| 6/29/2021 | FDX 100 20 AUG 21 300 CALL          | 4,798  | 2,900    | \$10.49 | 0.485  | 25.88%  | 44.61%    | \$5,033,102  | .FDX210820C300 | \$6.25        | 5682       | -40.42%      |
| 6/22/2021 | FDX 100 20 AUG 21 330 CALL          | 2,265  | 499      | \$4.40  | 0.22   | 31.09%  | 18.53%    | \$1,030,575  | .FDX210820C330 | \$0.57        | 5926       | -87.05%      |
| 6/14/2021 | FDX 100 15 OCT 21 300 CALL          | 511    | 395      | \$16.90 | 0.48   | 29.37%  | 41.02%    | \$863,590    | .FDX211015C300 | \$14.10       | 1476       | -16.57%      |
| 6/10/2021 | FDX 100 21 JAN 22 270 PUT           | 1,553  | 2,570    | \$18.45 | -0.33  | 32.06%  | 42.62%    | \$2,896,345  | .FDX220121P270 | \$12.50       | 1883       | -32.25%      |
| 6/10/2021 | FDX 100 21 JAN 22 250 PUT           | 1,550  | 1,405    | \$11.91 | -0.24  | 33.32%  | 32.40%    | \$1,846,050  | .FDX220121P250 | \$7.57        | 2429       | -36.44%      |
| 6/10/2021 | FDX 100 15 OCT 21 320 CALL          | 601    | 381      | \$10.52 | 0.34   | 29.35%  | 27.85%    | \$637,060    | .FDX211015C320 | \$7.00        | 1762       | -33.46%      |
| 6/9/2021  | FDX 100 20 AUG 21 300 PUT           | 1,313  | 1,012    | \$19.65 | -0.53  | 30.78%  | 58.91%    | \$2,606,305  | .FDX210820P300 | \$9.08        | 6808       | -53.79%      |
| 6/8/2021  | FDX 100 20 AUG 21 270 PUT           | 1,377  | 376      | \$5.67  | -0.21  | 33.71%  | 25.42%    | \$812,430    | .FDX210820P270 | \$1.18        | 4902       | -79.19%      |
| 6/3/2021  | FDX 100 20 AUG 21 310 PUT           | 1,200  | 406      | \$19.50 | -0.51  | 30.60%  | 56.33%    | \$2,340,000  | .FDX210820P310 | \$15.95       | 1661       | -18.21%      |
| 5/27/2021 | FDX 100 21 JAN 22 330 PUT           | 1,136  | 43       | \$38.90 | -0.53  | 29.78%  | 62.77%    | \$4,555,360  | .FDX220121P330 | \$43.70       | 2302       | 12.34%       |
| 5/27/2021 | FDX 100 17 DEC 21 320 PUT           | 1,125  | 40       | \$31.85 | -0.48  | 30.76%  | 57.74%    | \$3,656,250  | .FDX211217P320 | \$35.15       | 2308       | 10.36%       |
| 5/11/2021 | FDX 100 21 JAN 22 270 PUT           | 1,006  | 1,066    | \$16.51 | -0.29  | 31.71%  | 38.53%    | \$1,725,290  | .FDX220121P270 | \$12.50       | 1883       | -24.29%      |
| 4/27/2021 | FDX 100 15 OCT 21 300 PUT           | 1,172  | 984      | \$28.40 | -0.53  | 28.33%  | 60.75%    | \$3,322,620  | .FDX211015P300 | \$17.15       | 1172       | -39.61%      |
| 4/22/2021 | FDX 100 20 JAN 23 220 PUT           | 301    | 183      | \$19.28 | -0.23  | 31.28%  | 37.47%    | \$602,000    | .FDX230120P220 | \$15.00       | 701        | -22.20%      |
| 4/21/2021 | FDX 100 20 AUG 21 300 PUT           | 200    | 0        | \$31.00 | -0.67  | 26.10%  | 72.62%    | \$620,000    | .FDX210820P300 | \$9.08        | 6808       | -70.71%      |
| 4/21/2021 | FDX 100 15 OCT 21 250 PUT           | 755    | 522      | \$10.90 | -0.28  | 29.90%  | 35.16%    | \$845,600    | .FDX211015P250 | \$2.87        | 2470       | -73.67%      |
| 4/20/2021 | FDX 100 20 JAN 23 270 PUT           | 300    | 81       | \$38.00 | -0.39  | 29.55%  | 55.60%    | \$1,243,500  | .FDX230120P270 | \$34.00       | 440        | -10.53%      |
| 4/14/2021 | FDX 100 15 OCT 21 260 PUT           | 922    | 84       | \$11.75 | -0.27  | 29.84%  | 35.05%    | \$1,083,350  | .FDX211015P260 | \$4.25        | 2957       | -63.83%      |
| 4/12/2021 | FDX 100 15 OCT 21 250 PUT           | 475    | 110      | \$9.20  | -0.22  | 30.78%  | 29.02%    | \$434,625    | .FDX211015P250 | \$2.87        | 2470       | -68.80%      |
| 4/6/2021  | FDX 100 15 OCT 21 230 PUT           | 448    | 90       | \$6.65  | -0.17  | 32.53%  | 23.39%    | \$315,840    | .FDX211015P230 | \$1.40        | 1171       | -78.95%      |
| 3/19/2021 | FDX 100 21 JAN 22 290 PUT           | 1,476  | 73       | \$39.90 | -0.5   | 32.31%  | 61.78%    | \$5,889,240  | .FDX220121P290 | \$20.40       | 2031       | -48.87%      |
| 3/18/2021 | FDX 100 17 DEC 21 300 CALL          | 840    | 219      | \$19.90 | 0.4    | 35.93%  | 28.62%    | \$1,732,535  | .FDX211217C300 | \$19.73       | 1080       | -0.85%       |
| 2/22/2021 | FDX 100 15 OCT 21 300 CALL          | 338    | 1        | \$14.17 | 0.33   | 36.63%  | 23.40%    | \$478,946    | .FDX211015C300 | \$14.10       | 1476       | -0.49%       |
| 2/16/2021 | FDX 100 20 JAN 23 230 PUT           | 200    | 93       | \$33.40 | -0.31  | 35.02%  | 50.52%    | \$668,000    | .FDX230120P230 | \$19.75       | 345        | -40.87%      |
| 2/4/2021  | FDX 100 20 JAN 23 200 PUT           | 300    | 45       | \$26.00 | -0.26  | 35.95%  | 44.86%    | \$780,000    | .FDX230120P200 | \$9.80        | 693        | -62.31%      |
| 2/1/2021  | FDX 100 20 JAN 23 450 CALL          | 1,019  | 208      | \$7.00  | 0.14   | 35.31%  | 5.88%     | \$713,300    | .FDX230120C450 | \$7.42        | 1217       | 6.00%        |

**Potential Catalysts:** No Scheduled Events – Earnings 9-21 – UPS Earnings 7-27

## **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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