

## SPOTLIGHT OPTION TRADE



### First Solar to Resume Higher after Key Retest Move, Strong Seasonal Period

#### TRADE SNAPSHOT

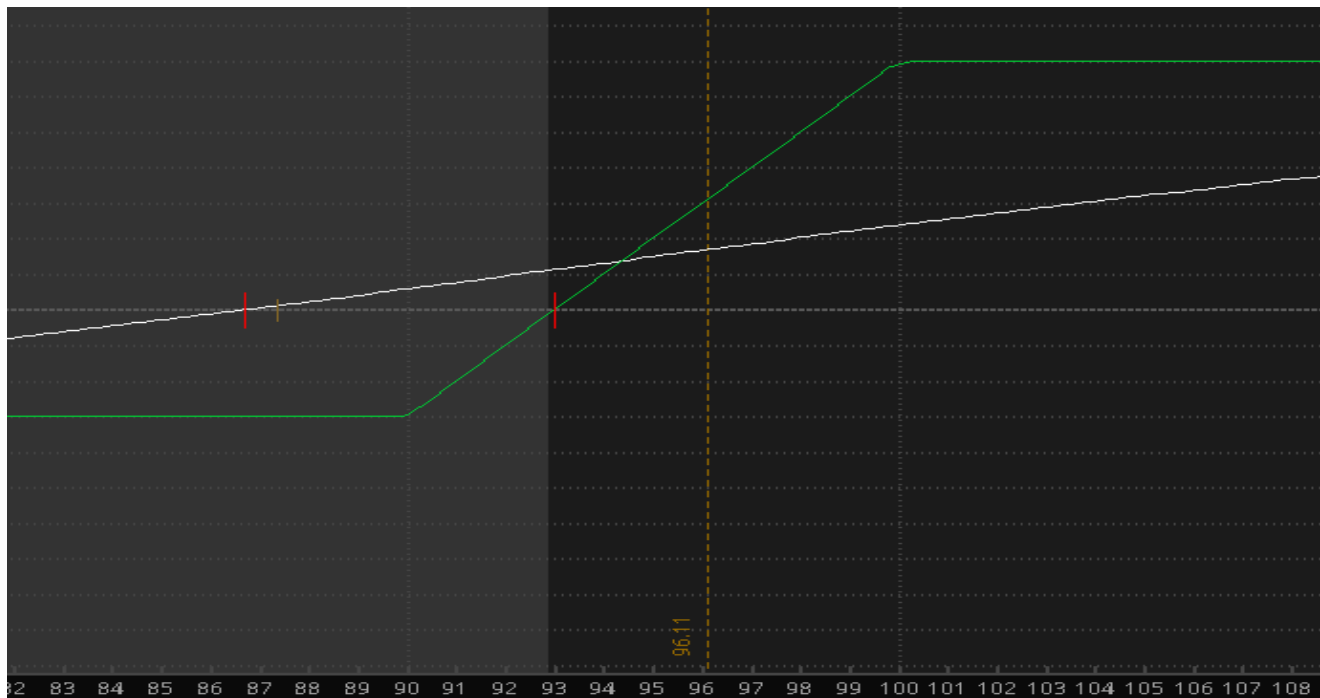
TICKER	FSLR
SECURITY	First Solar, Inc.
SECTOR	Energy – Renewable – Solar
CURRENT PRICE	\$87.30
LONG/SHORT	Long
TARGET	\$100+
STOP	\$79
TIMEFRAME	2.5 Months

**Trading Strategy:** Long the FSLR June \$90/\$100 Call Spreads at \$3 Debit

**Net Debit/Credit:** Debit \$3

**Profitability Zone:** FSLR Above \$93 on June OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** FSLR this week working off its long 200-day moving average base but if we zoom out we see the bounce came on a retest of a major monthly breakout level and volume shelf, now key support, and also working back above VWAP off the March lows after a 50% retrace. Shares look likely to see continuation higher off this monthly reversal hammer. FSLR Q2 average return the last 5 years is +10%.



**Fundamental Analysis:** The \$8.7B Solar trades 25.9X Earnings, 3.2X Sales, 10.5X EBITDA and has a very strong cash-rich balance sheet. FSLR forecasts currently see 8.4% revenue and 34.5% EBITDA growth for 2021. FSLR sees future growth driven by PV capacity set to double over the next five years and its Series 6 technology is a key differentiator and has 12 GW contracted backlog through 2023. FSLR's improvements in margins/profitability has been impressive and it has a clear technology advantage. It also could benefit from worsening US/China relations with tariffs on Chinese imports. FSLR's Series 6 product has ~ 14 GW contracted backlog for deliveries through 2024, so a solid backdrop. FSLR is also eyeing opportunities in International markets. Analysts have an average target of \$84 and short interest is at 8.6% of the float. JPM with a \$94 reduced target on 3/8 noting fundamentals remain solid with potential catalysts from government stimulus. Roth raised its target to \$120 in January after FSLR sold its US development unit for \$261M. Hedge Fund ownership fell 13.9% in Q4 filings.

**Options Activity:** FSLR a name that has seen an enormous amount of opening put sales out through January 2023 but recently size buys in June and September \$90 calls as well.

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITV	Premium Paid	Symbol	Current Price	Current OI
3/26/2021	FSLR 100 18 JUN 21 92.5 CALL	701	232	\$5.00	0.41	48.00%	33.00%	\$350,500	.FSLR210618C92.5	\$4.45	808
3/26/2021	FSLR 100 18 JUN 21 90 CALL	2,203	758	\$5.90	0.46	48.00%	37.00%	\$1,299,770	.FSLR210618C90	\$6.45	2806
3/26/2021	FSLR 100 17 SEP 21 92.5 CALL	558	121	\$7.30	0.47	47.00%	35.00%	\$407,340	.FSLR210917C92.5	\$7.30	669
3/26/2021	FSLR 100 17 SEP 21 90 CALL	2,460	573	\$9.05	0.51	48.00%	38.00%	\$2,226,300	.FSLR210917C90	\$9.90	2872
3/22/2021	FSLR 100 17 SEP 21 90 CALL	519	78	\$8.20	0.46	47.02%	33.79%	\$425,580	.FSLR210917C90	\$9.90	2872
3/19/2021	FSLR 100 20 JAN 23 75 PUT	1,000	132	\$15.85	-0.34	44.34%	58.12%	\$1,630,000	.FSLR230120P75	\$14.10	1382
3/9/2021	FSLR 100 21 MAY 21 70 CALL	1,034	46	\$10.82	0.68	54.79%	58.76%	\$1,127,060	.FSLR210521C70	\$17.82	586
3/3/2021	FSLR 100 18 JUN 21 72.5 PUT	1,300	148	\$5.05	-0.33	50.20%	43.37%	\$656,500	.FSLR210618P72.5	\$2.40	1448
2/25/2021	FSLR 100 21 MAY 21 80 PUT	1,378	67	\$8.26	-0.42	58.04%	53.15%	\$1,138,228	.FSLR210521P80	\$3.65	1055
2/25/2021	FSLR 100 21 JAN 22 70 PUT	1,251	430	\$9.55	-0.29	51.43%	47.46%	\$1,194,705	.FSLR220121P70	\$6.10	1763
2/25/2021	FSLR 100 21 JAN 22 60 PUT	1,004	266	\$4.90	-0.18	51.09%	33.60%	\$491,960	.FSLR220121P60	\$5.00	1239
2/23/2021	FSLR 100 18 JUN 21 75 PUT	1,011	163	\$5.50	-0.28	55.80%	39.13%	\$566,160	.FSLR210618P75	\$3.23	1159
2/19/2021	FSLR 100 (Weeklys) 1 APR 21 91 PUT	612	0	\$6.06	-0.41	57.19%	48.73%	\$370,872	.FSLR210401P91	\$4.66	646
2/17/2021	FSLR 100 18 JUN 21 70 PUT	2,023	394	\$2.95	-0.15	58.07%	24.57%	\$606,900	.FSLR210618P70	\$1.83	2567
2/12/2021	FSLR 100 18 JUN 21 82.5 PUT	1,159	72	\$4.75	-0.223	54.22%	32.93%	\$550,525	.FSLR210618P82.5	\$6.20	1233
2/11/2021	FSLR 100 16 APR 21 100 CALL	1,162	312	\$9.30	0.54	56.97%	44.41%	\$1,089,460	.FSLR210416C100	\$0.48	3057
2/9/2021	FSLR 100 20 JAN 23 70 PUT	1,060	67	\$8.55	-0.18	47.26%	40.05%	\$1,081,200	.FSLR230120P70	\$11.90	1074
2/5/2021	FSLR 100 18 JUN 21 87.5 PUT	409	174	\$7.40	-0.31	52.97%	43.10%	\$302,660	.FSLR210618P87.5	\$8.35	554
2/2/2021	FSLR 100 17 SEP 21 115 CALL	2,048	15	\$10.30	0.43	52.90%	27.54%	\$2,109,440	.FSLR210917C115	\$3.10	2138
1/29/2021	FSLR 100 21 JAN 22 85 PUT	1,934	595	\$12.16	-0.288	50.59%	47.72%	\$2,351,744	.FSLR220121P85	\$12.85	1728
1/26/2021	FSLR 100 21 JAN 22 85 PUT	457	210	\$10.20	-0.25	50.01%	43.04%	\$466,140	.FSLR220121P85	\$12.85	1728
1/26/2021	FSLR 100 17 SEP 21 120 CALL	2,000	117	\$11.65	0.47	49.83%	31.94%	\$2,330,000	.FSLR210917C120	\$2.75	2177
1/25/2021	FSLR 100 20 JAN 23 82.5 PUT	1,000	5,038	\$10.50	-0.25	44.85%	48.04%	\$1,540,000	.FSLR230120P82.5	\$19.00	8099
1/25/2021	FSLR 100 20 JAN 23 80 PUT	1,000	10,211	\$9.50	-0.23	44.84%	46.10%	\$1,415,000	.FSLR230120P80	\$17.15	11275
1/25/2021	FSLR 100 20 JAN 23 77.5 PUT	1,000	1,022	\$8.80	-0.22	44.49%	43.87%	\$1,260,000	.FSLR230120P77.5	\$17.60	2055

**Potential Catalysts:** Earnings Early May

## **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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