

## SPOTLIGHT OPTION TRADE



### Attractive Directional Earnings Play on Fashion Platform Leader

#### TRADE SNAPSHOT

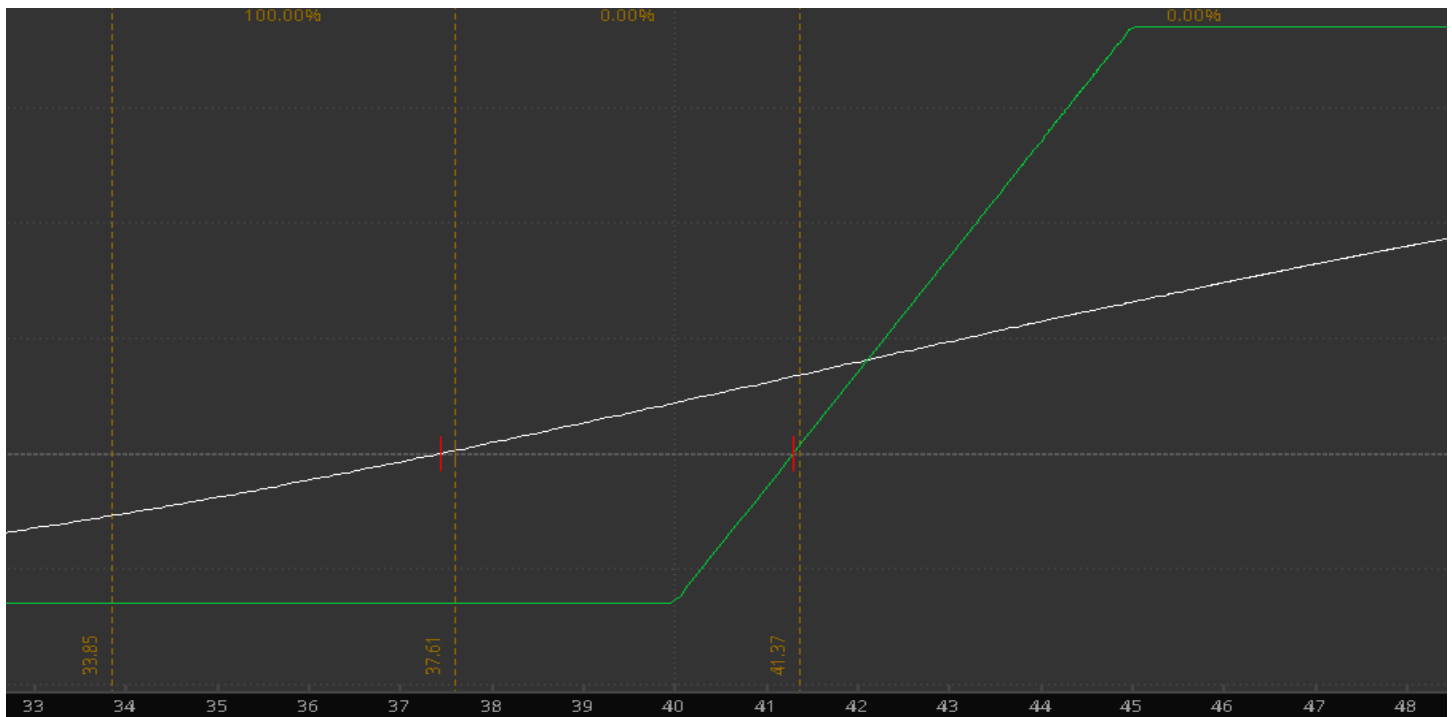
TICKER	FTCH
SECURITY	Farfetch
SECTOR	Consumer Services – Luxury Apparel Platform
CURRENT PRICE	\$37.60
LONG/SHORT	Long
TARGET	\$45+
STOP	\$35
TIMEFRAME	2 Months

**Trading Strategy:** Long the FTCH January \$40/\$45 Call Spreads at \$1.30

**Net Debit/Credit:** Debit \$1.30

**Profitability Zone:** FTCH Above \$41.30 on January OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** FTCH is currently struggling to clear a downward sloping 55-day moving average and on the weekly sits above a key volume node and just below VWAP off the March 2020 lows. FTCH could get ugly under \$35 with a volume pocket back to \$29 to retest a former 2020 flag breakout but the daily looks to be forming an inverse head and shoulders bottoming pattern that measures to \$50 on a move past \$42.

Farfetch Limited, Daily, Nasdaq + Nyse BQT O 38.30 H 38.63 L 37.16 C 37.61 Period -1.80% Market closed



**Fundamental Analysis:** FTCH is an online platform for luxury fashion retailers which features over 700 boutiques and brands from around the world. Its platform is in focus with the acceleration of ecommerce and playing in a large \$300B luxury market. It is positioned as a dominant online luxury platform with a strong proposition to customers and brands and likely to continue strong market share gains. FTCH partnered with JD.com (JD) to penetrate a key China market and also entered a \$70B premium sportswear market with its deal for Stadium Goods. FTCH at the Deutsche Bank conference in March outlined the opportunity “The industry not only is huge and \$330 billion business and growing by significant amounts to \$430 billion plus in 2025, but this transition online is quite remarkable. We're moving from around 12% overall online share through to an expected minimum 30% of online share within the industry within the next 5 years.” China is Farfetch's second largest market (to the US) and is growing faster than the overall marketplace average. Farfetch launched its flagship store on Tmall Luxury Pavilion in March 2021 with approximately 3000 brands. FTCH will also be launching in the beauty category in 2022, an important step opening up a large market. FTCH reports next week and thus far we have seen solid reports from peers MYTE, RVLV, REAL.

FTCH currently has a market cap of \$14.4B and trades 5.9X EV/Sales with revenues seen rising 39% in 2021 and 25%+ in 2022 and 2023. Analysts have an average target of \$59.50 with short interest at 6.2% of the float. Wells Fargo out with an interesting note on 10-19 that FTCH can make a truly transformative transaction for YNAP. Goldman previewed the quarter noting app data shows FTCH gaining shares and has a \$68 target with FTCH best positioned to monetize luxury's shift online.

### Options Activity:

Date	Description	Volume	Open.Int	Price	Delt	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI
11/8/2021	FTCH 100 17 DEC 21 40 PUT	1,117	352	\$4.20	-0.56	61.47%	63.64%	\$474,725	.FTCH211217P40	\$3.86	1412
11/1/2021	FTCH 100 19 NOV 21 45 CALL	7,334	9,789	\$0.99	0.26	77.45%	20.61%	\$733,400	.FTCH211119C45	\$0.67	17695
10/27/2021	FTCH 100 21 JAN 22 50 CALL	5,074	2,830	\$0.97	0.2	53.15%	13.82%	\$532,770	.FTCH220121C50	\$0.92	4724
10/27/2021	FTCH 100 21 JAN 22 40 CALL	5,294	3,187	\$3.40	0.5	53.00%	39.55%	\$1,826,430	.FTCH220121C40	\$3.44	4932
10/20/2021	FTCH 100 19 NOV 21 45 CALL	14,105	4,668	\$1.30	0.3	65.35%	24.07%	\$1,904,175	.FTCH211119C45	\$0.67	17695
10/20/2021	FTCH 100 17 DEC 21 40 CALL	623	93	\$3.48	0.55	55.58%	45.94%	\$227,395	.FTCH211217C40	\$2.55	1188
10/19/2021	FTCH 100 20 JAN 23 47 CALL	500	154	\$6.20	0.49	48.38%	28.29%	\$310,000	.FTCH230120C47	\$6.45	649
10/19/2021	FTCH 100 19 JAN 24 60 CALL	510	58	\$6.10	0.42	48.42%	17.73%	\$311,100	.FTCH240119C60	\$5.85	598
10/18/2021	FTCH 100 19 NOV 21 45 CALL	2,545	2,040	\$1.10	0.27	61.13%	20.94%	\$282,495	.FTCH211119C45	\$0.67	17695
10/18/2021	FTCH 100 19 NOV 21 40 CALL	4,040	3,670	\$2.78	0.51	64.16%	43.02%	\$1,123,120	.FTCH211119C40	\$1.85	8277
10/18/2021	FTCH 100 19 NOV 21 30 PUT	2,807	703	\$0.30	-0.08	71.91%	11.40%	\$98,245	.FTCH211119P30	\$0.14	3086
10/18/2021	FTCH 100 17 DEC 21 45 CALL	873	36	\$1.55	0.31	53.68%	24.20%	\$135,315	.FTCH211217C45	\$1.23	5247
10/12/2021	FTCH 100 19 NOV 21 35 CALL	1,567	298	\$2.82	0.55	63.42%	46.83%	\$468,533	.FTCH211119C35	\$4.75	2120
10/11/2021	FTCH 100 19 JAN 24 35 PUT	520	250	\$9.05	-0.343	49.35%	63.91%	\$470,600	.FTCH240119P35	\$7.95	1160
10/5/2021	FTCH 100 19 NOV 21 40 PUT	1,199	497	\$5.20	-0.658	59.29%	73.26%	\$623,480	.FTCH211119P40	\$3.15	2144
10/5/2021	FTCH 100 (Weeklys) 14 APR 22 30 CALL	833	15	\$8.62	0.744	54.10%	60.49%	\$718,046	.FTCH220414C30	\$10.03	860
9/29/2021	FTCH 100 (Weeklys) 14 APR 22 40 CALL	900	794	\$5.10	0.53	51.06%	38.51%	\$472,500	.FTCH220414C40	\$5.00	2338
9/22/2021	FTCH 100 17 JUN 22 45 CALL	750	467	\$5.30	0.49	51.35%	31.68%	\$408,750	.FTCH220617C45	\$4.00	1239
9/22/2021	FTCH 100 (Weeklys) 14 APR 22 30 PUT	1,552	514	\$1.75	-0.17	52.94%	29.41%	\$302,640	.FTCH220414P30	\$1.75	2170
9/21/2021	FTCH 100 19 NOV 21 35 PUT	4,005	88	\$2.02	-0.3	66.47%	40.27%	\$1,073,340	.FTCH211119P35	\$0.95	7748
9/17/2021	FTCH 100 (Weeklys) 14 APR 22 35 PUT	1,805	2,627	\$3.55	-0.29	52.21%	43.79%	\$640,775	.FTCH220414P35	\$3.50	5630
9/15/2021	FTCH 100 (Weeklys) 14 APR 22 40 CALL	700	113	\$6.35	0.58	53.43%	42.01%	\$444,500	.FTCH220414C40	\$5.00	2338
9/13/2021	FTCH 100 21 JAN 22 65 CALL	5,046	1,315	\$0.73	0.12	54.20%	6.93%	\$383,496	.FTCH220121C65	\$0.25	1829
9/13/2021	FTCH 100 21 JAN 22 47 CALL	5,002	1,223	\$3.45	0.43	52.36%	31.21%	\$1,800,720	.FTCH220121C47	\$1.49	3511
9/7/2021	FTCH 100 17 JUN 22 35 PUT	2,500	3,719	\$3.85	-0.25	54.14%	42.30%	\$1,050,000	.FTCH220617P35	\$4.46	11285
9/1/2021	FTCH 100 17 JUN 22 35 CALL	750	58	\$12.20	0.75	55.14%	57.10%	\$915,000	.FTCH220617C35	\$7.45	687
8/24/2021	FTCH 100 21 JAN 22 28 PUT	3,000	5,190	\$0.86	-0.09	59.67%	17.32%	\$267,000	.FTCH220121P28	\$0.46	3560
8/23/2021	FTCH 100 17 JUN 22 45 CALL	416	50	\$6.28	0.51	54.65%	31.75%	\$261,248	.FTCH220617C45	\$4.00	1239
8/20/2021	FTCH 100 21 JAN 22 28 PUT	3,027	2,166	\$1.32	-0.14	58.57%	24.34%	\$399,564	.FTCH220121P28	\$0.46	3560
8/20/2021	FTCH 100 (Weeklys) 14 APR 22 35 PUT	2,000	0	\$4.60	-0.32	54.76%	48.50%	\$920,000	.FTCH220414P35	\$3.50	5630
8/19/2021	FTCH 100 21 JAN 22 35 PUT	1,279	1,102	\$3.70	-0.31	58.25%	45.86%	\$473,230	.FTCH220121P35	\$2.11	4544
8/18/2021	FTCH 100 21 JAN 22 42 CALL	1,001	139	\$6.04	0.56	58.00%	41.42%	\$620,620	.FTCH220121C42	\$2.55	1532
8/16/2021	FTCH 100 17 JUN 22 35 PUT	700	563	\$4.90	-0.27	59.44%	47.55%	\$385,000	.FTCH220617P35	\$4.46	11285
8/13/2021	FTCH 100 17 JUN 22 40 PUT	1,000	527	\$6.50	-0.324	57.09%	52.87%	\$650,000	.FTCH220617P40	\$6.90	2728
8/12/2021	FTCH 100 17 JUN 22 35 PUT	580	9	\$4.30	-0.23	59.23%	41.78%	\$258,100	.FTCH220617P35	\$4.46	11285

**Potential Catalysts:** Earnings 11-18-21

## **Disclaimer:**

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

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