

SPOTLIGHT OPTION TRADE



General Electric Calls Cheap for Potential Major Trend Move Higher as End Markets Improve

TRADE SNAPSHOT

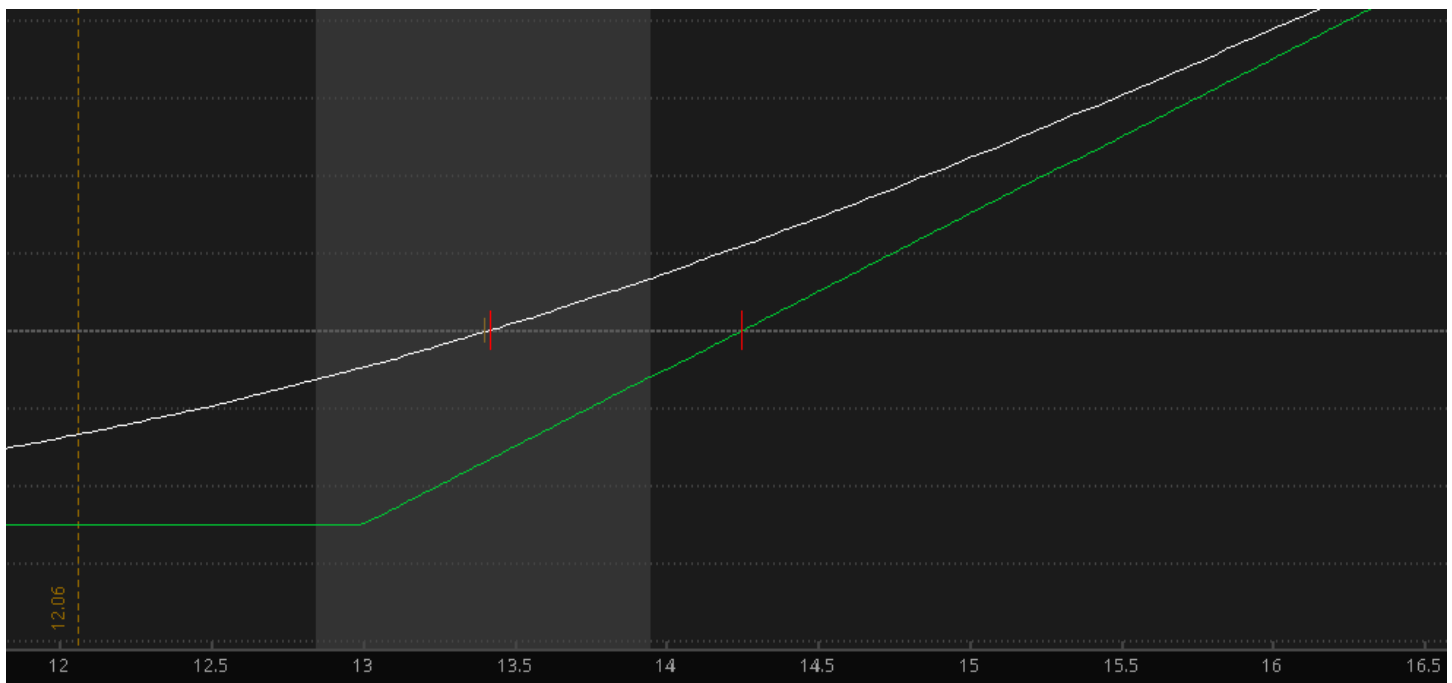
TICKER	GE
SECURITY	General Electric
SECTOR	Industrials – Diversified
CURRENT PRICE	\$13.40
LONG/SHORT	Long
TARGET	\$16
STOP	\$12.50
TIMEFRAME	3 Months

Trading Strategy: Long GE September \$13 Calls at \$1.25 or Better

Net Debit/Credit: Debit \$1.25

Profitability Zone: GE Above \$14.25 on September OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: GE shares starting to work out of a tight consolidation triangle that held VWAP from the January lows well. The longer term chart leaves room to test the upper boundary of a long-term volume node and \$16 is also VWAP from the 2009 lows. There is a large volume pocket above \$14.25 from the 2017/2018 sell-off.



Fundamental Analysis: The \$116B Industrial trades 26X Earnings, 13.7X FY22 EBITDA and 3.5X Book. GE remains in a transitional year but 2022 is seen as one with 6.5% topline growth and 30% EBITDA growth. GE is a high-tech industrial company that operates worldwide through its four industrial segments, Power, Renewable Energy, Aviation and Healthcare, and its financial services segment, Capital. GE should be seeing a strong recovery in Aviation/Power, growth in Renewables, and continued strength in Healthcare. GE is capturing opportunities in energy transition, precision health and the future of flight. It plans to retire more than \$70B in debt over three years. Services remains a strength across all of its businesses with 6% Q1 organic growth and more than half of its revenues will be in services longer-term. GE has a great offshore wind business and has invested in its Haliade-X, seeing 20%+ annual growth for a decade as a \$3B business by 2024. GE is also seeing its cost action materialize and is making progress on pension that will likely remove an overhang on shares. GE highlighted that Grid is positioned to gain momentum on the back of government stimulus and the energy transition. Analysts have an average target of \$15 with short interest low at 1.1% of the float. On 5/19 Barclays raised its target to \$16 on improving aviation data as a near-term catalyst and calls GE a top pick. Citi reinstated at Buy with a \$17 target on 5/14 seeing improving execution across the portfolio along with demand recovering resulting in stronger cash flows. Viking Global raised its GE position to 60.65M shares from 29.2M shares in Q1.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob ITN	Premium Paid	Symbol	Current Price	Current OI	Price Change
3/31/2021	GE 100 17 SEP 21 13 CALL	41,209	11,530	\$1.52	0.57	40.90%	45.76%	\$6,304,977	.GE210917C13	\$1.06	60776	-30.26%
3/9/2021	GE 100 18 JUN 21 14 PUT	4,029	2,958	\$1.19	-0.41	45.16%	50.53%	\$479,451	.GE210618P14	\$0.99	12384	-16.81%
3/4/2021	GE 100 17 SEP 21 18 CALL	6,227	5,322	\$0.61	0.25	46.68%	15.70%	\$379,847	.GE210917C18	\$0.10	12338	-83.61%
3/4/2021	GE 100 17 SEP 21 14 CALL	5,598	4,879	\$1.64	0.53	45.64%	40.00%	\$940,464	.GE210917C14	\$0.65	29991	-60.37%
1/29/2021	GE 100 17 SEP 21 10 PUT	7,020	3,564	\$1.10	-0.32	48.24%	46.52%	\$772,200	.GE210917P10	\$0.13	22384	-88.18%
1/26/2021	GE 100 17 SEP 21 13 PUT	1,121	70	\$2.54	-0.58	43.02%	71.15%	\$284,734	.GE210917P13	\$0.92	20901	-63.78%
1/25/2021	GE 100 17 SEP 21 10 PUT	2,081	300	\$1.12	-0.34	45.78%	48.25%	\$233,072	.GE210917P10	\$0.13	22384	-88.39%
1/19/2021	GE 100 18 JUN 21 12 PUT	4,267	3,892	\$1.60	-0.5	43.76%	61.26%	\$682,720	.GE210618P12	\$0.07	39414	-95.63%
1/19/2021	GE 100 17 SEP 21 12 PUT	2,064	12	\$1.92	-0.48	43.01%	61.57%	\$396,288	.GE210917P12	\$0.51	28765	-73.44%
1/6/2021	GE 100 20 JAN 23 12 PUT	3,636	2,490	\$3.11	-0.41	43.77%	65.29%	\$1,130,796	.GE230120P12	\$1.71	34075	-45.02%
12/15/2020	GE 100 20 JAN 23 15 CALL	10,469	12,822	\$1.87	0.46	48.08%	21.43%	\$1,957,703	.GE230120C15	\$1.75	59486	-6.42%
12/15/2020	GE 100 20 JAN 23 10 PUT	10,047	10,962	\$2.22	-0.31	45.50%	57.27%	\$2,230,434	.GE230120P10	\$0.88	51845	-60.36%
12/14/2020	GE 100 18 JUN 21 15 PUT	1,039	397	\$4.50	-0.79	46.57%	87.66%	\$483,135	.GE210618P15	\$1.85	6321	-58.89%
12/9/2020	GE 100 20 JAN 23 20 PUT	1,500	22	\$9.50	-0.71	44.79%	88.74%	\$1,425,000	.GE230120P20	\$7.40	2976	-22.11%
12/3/2020	GE 100 18 JUN 21 14 CALL	5,140	1,480	\$0.51	0.27	48.59%	16.34%	\$262,140	.GE210618C14	\$0.12	73027	-76.47%
11/24/2020	GE 100 20 JAN 23 15 PUT	5,436	5,170	\$5.80	-0.62	40.83%	81.97%	\$3,288,780	.GE230120P15	\$3.45	21486	-40.52%
11/23/2020	GE 100 20 JAN 23 15 PUT	2,066	165	\$6.05	-0.64	40.75%	83.33%	\$1,249,930	.GE230120P15	\$3.45	21486	-42.98%
11/23/2020	GE 100 18 JUN 21 9 CALL	11,240	6,253	\$2.06	0.7	47.64%	56.93%	\$2,315,440	.GE210618C9	\$4.30	16412	108.74%
11/20/2020	GE 100 18 JUN 21 10 CALL	102,570	18,704	\$1.22	0.53	46.78%	39.19%	\$12,513,540	.GE210618C10	\$3.10	122502	154.10%
11/10/2020	GE 100 18 JUN 21 10 CALL	6,476	4,436	\$0.93	0.46	45.91%	32.31%	\$602,268	.GE210618C10	\$3.10	122502	233.33%
11/3/2020	GE 100 20 JAN 23 10 PUT	5,002	898	\$4.00	-0.48	52.08%	76.99%	\$2,000,800	.GE230120P10	\$0.88	51845	-78.00%
10/28/2020	GE 100 20 JAN 23 12 PUT	1,000	325	\$5.54	-0.56	52.36%	82.86%	\$554,000	.GE230120P12	\$1.71	34075	-69.13%
10/16/2020	GE 100 20 JAN 23 4 CALL	5,540	285	\$4.10	0.81	72.87%	49.70%	\$2,409,900	.GE230120C4	\$9.10	4620	121.95%

Potential Catalysts: Bernstein Conference 6/4; UBS Conference 6/9; Earnings Late July

Disclaimer:**Not Investment Advice or Recommendation**

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