

## SPOTLIGHT OPTION TRADE



### Automaker with Relative Strength Poised for Move Higher as Supply Woes Ease

#### TRADE SNAPSHOT

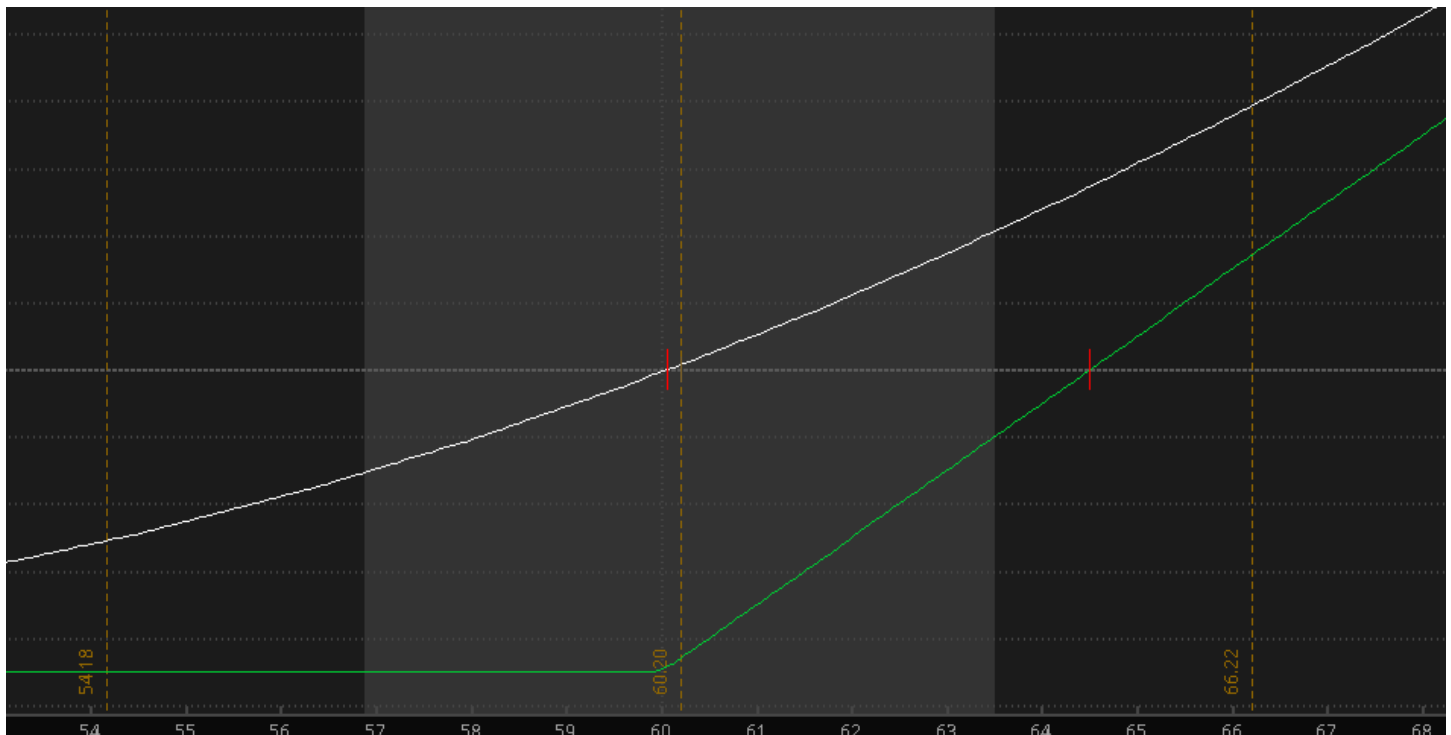
TICKER	GM
SECURITY	General Motors Co.
SECTOR	Consumer Cyclical – Auto Manufacturer
CURRENT PRICE	\$59.87
LONG/SHORT	Long
TARGET	\$67
STOP	\$55
TIMEFRAME	2 Months

**Trading Strategy:** Long GM February \$60 Calls at \$4.50 or Better

**Net Debit/Credit:** Debit \$4.50

**Profitability Zone:** GM Above \$64.50 On February OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** GM has pulled back to retest a key volume zone and touched near where the rising 55-day MA crossed the 200-day MA, a name with strong momentum that held trend support well and still has an unresolved measured move up to \$68 from its prior flag breakout.

General Motors Company, Daily, Nasdaq + Nyse BQT O 60.47 H 60.73 L 58.70 C 59.87 Period -0.99% Market closed



TRADING OPTIONS WITH AN EDGE

Expand indicator list



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**Fundamental Analysis:** The \$88.8B continues to trade at cheap valuation of 8.8X Earnings and 11X FY22 EBITDA with revenues seen rising 18.4% in 2022, the best year of topline growth in a long time. GM's long-term outlook remains the best of the major automakers with their EV strategy and tech-forward initiatives like Ultium, their modular platform and battery system, and Ultifi, their connected services business. The company laid out plans at their investor day in early October and expecting to shift into commercialization of some of their biggest projects like Cruise over the next two years before scaling rapidly. GM likely could unlock a lot of value if it issued a tracking stock for the EV business. Analysts have an average target of \$74 with short interest low at 1.9% of the float. MSCO has an \$80 targeting assigning zero-value to the Legacy ICE business. Wedbush out on 11/15 seeing potential for GM to re-rate and hit \$100 in the next 12-18 months seeing the transformational opportunity ahead.

### Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITV	Premium Paid	Symbol	Current Price	Current OI	P/C
12/6/2021	GM 100 (Weeklys) 23 DEC 21 60 PUT	2,011	354	\$1.97	-0.46	41.86%	49.46%	\$416,277	.GM211223P60			
12/6/2021	GM 100 (Weeklys) 23 DEC 21 55 PUT	3,290	414	\$0.59	-0.17	47.52%	19.84%	\$197,400	.GM211223P55			
12/2/2021	GM 100 18 MAR 22 80 CALL	3,984	979	\$0.90	0.14	44.07%	9.69%	\$398,400	.GM220318C80	\$0.90	3871	
12/2/2021	GM 100 18 MAR 22 65 CALL	2,821	5,668	\$3.70	0.42	42.22%	33.30%	\$1,057,875	.GM220318C65	\$3.55	7214	
12/2/2021	GM 100 (Weeklys) 31 DEC 21 70 CALL	8,982	604	\$0.50	0.14	45.40%	11.18%	\$476,046	.GM211231C70	\$0.41	9596	
12/2/2021	GM 100 (Weeklys) 31 DEC 21 55 PUT	5,211	255	\$0.99	-0.22	44.53%	26.43%	\$567,999	.GM211231P55	\$1.32	8975	
12/2/2021	GM 100 (Weeklys) 10 DEC 21 59 CALL	4,467	2,885	\$2.60	0.66	47.82%	62.98%	\$1,197,156	.GM211210C59	\$2.10	3501	
11/30/2021	GM 100 17 JUN 22 57.5 CALL	1,058	2,447	\$7.75	0.6	39.60%	48.08%	\$819,950	.GM220617C57.5	\$8.11	3386	
11/29/2021	GM 100 18 FEB 22 70 CALL	3,188	5,897	\$1.57	0.25	40.77%	19.01%	\$500,516	.GM220218C70	\$1.69	9424	
11/24/2021	GM 100 18 MAR 22 57.5 PUT	2,001	1,063	\$3.20	-0.32	38.64%	39.84%	\$640,320	.GM220318P57.5	\$4.75	3172	
11/23/2021	GM 100 21 JAN 22 70 PUT	2,094	1,383	\$8.45	-0.73	37.84%	78.42%	\$1,811,310	.GM220121P70	\$11.35	2823	
11/23/2021	GM 100 19 JAN 24 57.5 PUT	500	14	\$10.70	-0.33	39.66%	55.38%	\$600,000	.GM240119P57.5	\$12.95	558	
11/22/2021	GM 100 19 JAN 24 60 PUT	757	113	\$11.50	-0.34	37.97%	56.46%	\$1,044,660	.GM240119P60	\$13.13	872	
11/22/2021	GM 100 17 DEC 21 67 CALL	3,080	0	\$1.47	0.351	38.77%	31.41%	\$452,760	.GM211217C67	\$0.27	1968	
11/22/2021	GM 100 17 DEC 21 63 CALL	1,995	0	\$3.35	0.62	37.39%	58.44%	\$668,325	.GM211217C63	\$0.99	2529	
11/19/2021	GM 100 18 FEB 22 65 PUT	14,609	972	\$6.55	-0.568	38.21%	64.23%	\$9,568,895	.GM220218P65	\$8.15	23841	
11/19/2021	GM 100 18 FEB 22 65 CALL	14,653	7,820	\$3.51	0.435	39.41%	35.97%	\$5,143,203	.GM220218C65	\$2.77	26772	
11/18/2021	GM 100 17 JUN 22 62.5 PUT	500	371	\$7.45	-0.44	39.35%	56.42%	\$380,000	.GM220617P62.5	\$8.80	861	
11/17/2021	GM 100 18 FEB 22 90 CALL	5,138	130	\$0.86	0.12	49.54%	7.48%	\$447,006	.GM220218C90	\$0.31	4375	
11/17/2021	GM 100 18 FEB 22 70 CALL	3,544	950	\$3.48	0.4	42.55%	31.67%	\$1,240,400	.GM220218C70	\$1.69	9424	
11/17/2021	GM 100 17 DEC 21 72.5 CALL	3,726	42	\$1.01	0.22	46.67%	18.13%	\$387,504	.GM211217C72.5	\$0.06	3214	
11/17/2021	GM 100 17 DEC 21 67.5 CALL	5,957	3,701	\$2.09	0.4	42.14%	35.38%	\$1,245,013	.GM211217C67.5	\$0.23	10224	
11/17/2021	GM 100 17 DEC 21 65 PUT	1,711	826	\$3.32	-0.515	39.98%	56.05%	\$568,052	.GM211217P65	\$6.03	7210	
11/17/2021	GM 100 (Weeklys) 23 DEC 21 60 CALL	10,008	399	\$5.85	0.75	38.06%	71.22%	\$5,954,760	.GM211223C60	\$2.45	8716	
11/17/2021	GM 100 (Weeklys) 10 DEC 21 65 CALL	1,020	405	\$1.66	0.4	37.51%	36.70%	\$169,320	.GM211210C65	\$0.19	3840	
11/15/2021	GM 100 18 FEB 22 65 CALL	6,069	1,711	\$4.25	0.48	38.86%	40.38%	\$2,579,325	.GM220218C65	\$2.77	26772	
11/12/2021	GM 100 17 JUN 22 67.5 CALL	890	53	\$5.80	0.47	38.49%	35.79%	\$516,200	.GM220617C67.5	\$4.38	2475	
11/11/2021	GM 100 20 JAN 23 52.5 PUT	3,156	5,269	\$5.70	-0.28	38.48%	43.75%	\$1,798,920	.GM230120P52.5	\$6.60	6501	
11/11/2021	GM 100 19 JAN 24 65 PUT	1,120	7	\$15.59	-0.43	37.39%	64.88%	\$1,746,080	.GM240119P65	\$16.09	1614	
11/10/2021	GM 100 20 JAN 23 67.5 CALL	1,359	480	\$6.85	0.46	37.66%	30.73%	\$951,300	.GM230120C67.5	\$7.47	1795	
11/8/2021	GM 100 (Weeklys) 3 DEC 21 62 CALL	1,511	159	\$1.63	0.39	39.35%	35.35%	\$249,315	.GM211203C62	\$0.00	0	
11/5/2021	GM 100 18 FEB 22 52.5 PUT	1,705	795	\$1.86	-0.26	36.86%	32.77%	\$317,130	.GM220218P52.5	\$2.16	2778	
11/3/2021	GM 100 17 JUN 22 62.5 CALL	3,002	5,722	\$3.30	0.37	32.90%	27.98%	\$990,660	.GM220617C62.5	\$6.20	8453	
10/28/2021	GM 100 20 JAN 23 62.5 CALL	3,024	1,386	\$5.45	0.44	33.77%	29.67%	\$1,663,200	.GM230120C62.5	\$9.05	6335	

**Potential Catalysts:** Deutsche Bank Auto Tech Conference 12-9-21; CES 2022 on 1-5-2022; EV Tracking Stock

## **Disclaimer:**

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

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