

## SPOTLIGHT OPTION TRADE



### Rotation to Banks Puts Goldman Sachs in Position to Breakout

#### TRADE SNAPSHOT

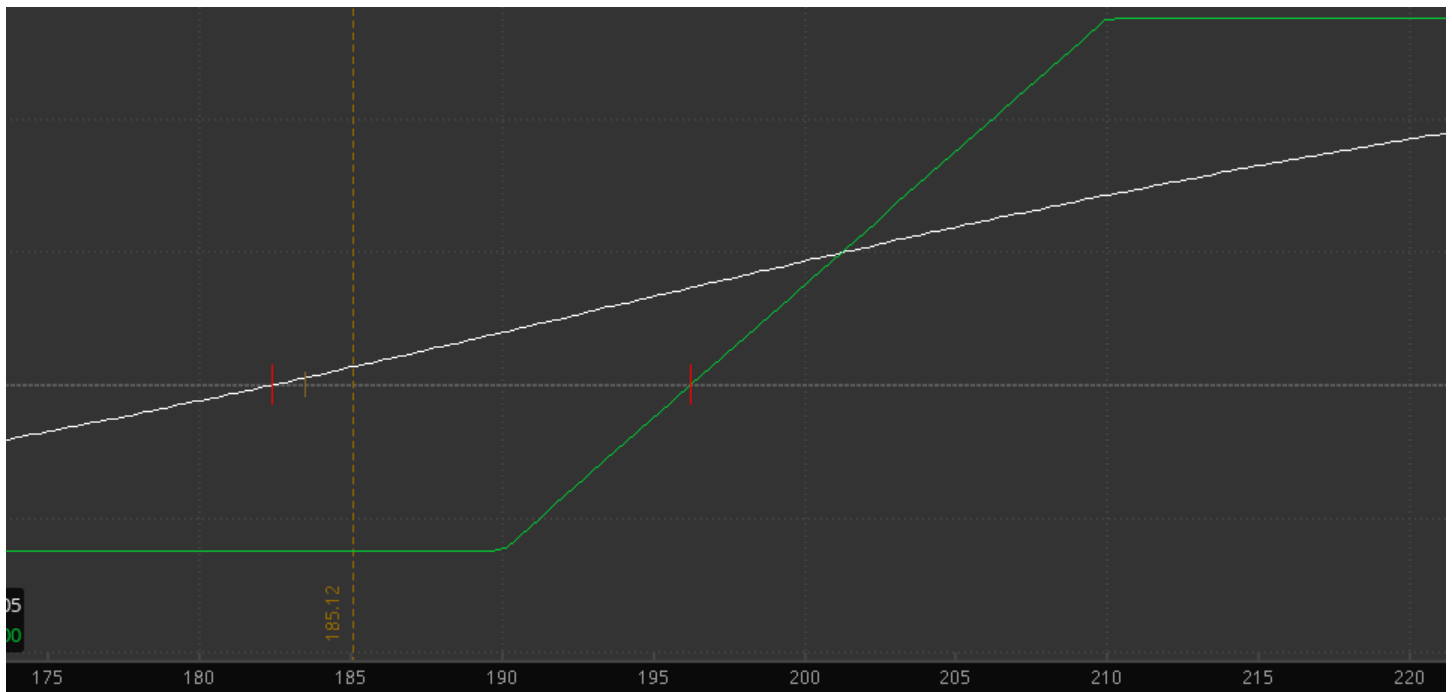
TICKER	GS
SECURITY	Goldman Sachs
SECTOR	Financial – Investment Banks
CURRENT PRICE	\$183.50
LONG/SHORT	Long
TARGET	\$215
STOP	\$170
TIMEFRAME	2 Months

**Trading Strategy:** Long the GS June \$190/\$210 Call Spreads for \$6.25 Debit

**Net Debit/Credit:** Debit \$6.25

**Profitability Zone:** GS Shares Above \$196.25 on June OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** GS shares forming a large cup and handle pattern and a move above \$185.50 measures to a target of \$235 while a large volume pocket leads to \$220 and eventual key VPOC near that \$235 level.



**Fundamental Analysis:** The \$63.5B Bank trades 10X trailing earnings, 0.84X Book and yields 2.72%. GS is coming off a mixed quarter though its trading results were very strong and also confirmed its strong financial position, well capitalized. As the environment improves GS may be on the hunt for acquisitions like some of its peers have done, Bloomberg reporting last November it was seeking wealth deals in Europe. GS also is becoming a more interesting story with its Apple Card venture and Marcus retail banking operation. Analysts have an average target of \$212 and short interest at 1.6% of the float is down 18% Q/Q. BMO raised its target to \$205 on 4/16 seeing it less exposed to credit costs than peers and likes the ambitious return targets and efficiency initiatives forecasted at its February Investor Day. Citi out on 4/16 calling Goldman a compelling buy at 0.8X book with a balance sheet largely marked to market. Hedge Fund ownership rose modestly in Q4 filings.

### Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol
4/27/2020	GS 100 17 JUL 20 200 CALL	1,587	511	\$6.34	0.32	38.43%	26.03%	\$1,031,550	.GS200717C200
4/24/2020	GS 100 15 MAY 20 185 CALL	1,040	552	\$4.08	0.352	43.35%	31.40%	\$424,320	.GS200515C185
4/23/2020	GS 100 (Weeklys) 1 MAY 20 185 CALL	1,015	233	\$2.40	0.29	49.11%	26.36%	\$245,630	.GS200501C185
4/21/2020	GS 100 15 MAY 20 175 PUT	3,201	527	\$10.17	-0.5	54.12%	55.27%	\$3,255,417	.GS200515P175
4/21/2020	GS 100 15 MAY 20 175 CALL	3,107	964	\$10.45	0.51	56.32%	44.71%	\$3,246,815	.GS200515C175
4/17/2020	GS 100 21 JAN 22 170 PUT	504	291	\$31.96	-0.38	38.04%	59.85%	\$1,610,784	.GS220121P170
4/17/2020	GS 100 15 MAY 20 200 CALL	1,335	860	\$3.50	0.19	34.55%	16.93%	\$467,250	.GS200515C200
4/16/2020	GS 100 19 JUN 20 185 CALL	802	445	\$9.20	0.44	46.77%	36.39%	\$737,840	.GS200619C185
4/13/2020	GS 100 17 JUL 20 185 CALL	499	109	\$15.20	0.5	47.93%	40.26%	\$758,480	.GS200717C185
4/7/2020	GS 100 16 OCT 20 180 PUT	660	184	\$28.70	-0.54	41.13%	66.41%	\$1,956,900	.GS201016P180
4/7/2020	GS 100 16 OCT 20 160 PUT	638	113	\$20.42	-0.39	45.75%	52.33%	\$1,221,770	.GS201016P160
3/20/2020	GS 100 15 JAN 21 175 CALL	985	261	\$12.70	0.35	49.79%	20.89%	\$1,359,300	.GS210115C175
16-Mar	GS 100 19 JUN 20 200 CALL	1,501	2,449	\$6.80	0.25	57.42%	16.47%	\$1,020,680	.GS200619C200
3/5/2020	GS 100 21 JAN 22 160 PUT	350	79	\$14.65	-0.23	31.90%	39.85%	\$596,750	.GS220121P160
2/28/2020	GS 100 16 OCT 20 160 CALL	315	4	\$45.80	0.77	42.17%	67.09%	\$1,486,800	.GS201016C160
2/7/2020	GS 100 19 JUN 20 245 CALL	1,515	508	\$9.20	0.428	21.53%	37.98%	\$1,393,800	.GS200619C245
1/14/2020	GS 100 15 JAN 21 270 CALL	812	586	\$13.45	0.38	23.51%	29.64%	\$1,092,140	.GS210115C270
1/8/2020	GS 100 15 JAN 21 250 CALL	1,701	1,536	\$18.00	0.45	24.50%	36.27%	\$3,061,800	.GS210115C250
1/8/2020	GS 100 15 JAN 21 280 CALL	704	145	\$7.95	0.26	22.77%	19.72%	\$566,720	.GS210115C280
12/30/2019	GS 100 19 JUN 20 225 PUT	751	83	\$12.19	-0.42	22.69%	48.54%	\$923,730	.GS200619P225
12/30/2019	GS 100 15 JAN 21 215 PUT	525	413	\$15.85	-0.34	24.95%	44.69%	\$829,500	.GS210115P215
11/6/2019	GS 100 15 JAN 21 210 CALL	1,010	400	\$27.90	0.59	27.25%	47.76%	\$2,853,250	.GS210115C210

**Potential Catalysts:** No Scheduled Events

**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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