

## SPOTLIGHT OPTION TRADE



### Puts Cheap in Large Cap Tech Name Vulnerable for Gap Fill Lower

#### TRADE SNAPSHOT

TICKER	IBM
SECURITY	International Business Machines
SECTOR	Tech – IT Services
CURRENT PRICE	\$141.25
LONG/SHORT	Short
TARGET	\$134
STOP	\$147
TIMEFRAME	1 Month

**Trading Strategy:** Long IBM September \$140 Puts at \$2.65 or Better

**Net Debit/Credit:** Debit \$2.65

**Profitability Zone:** IBM Below \$137.35 on September OpEx

**Options Volatility / Trade Simulator View:**

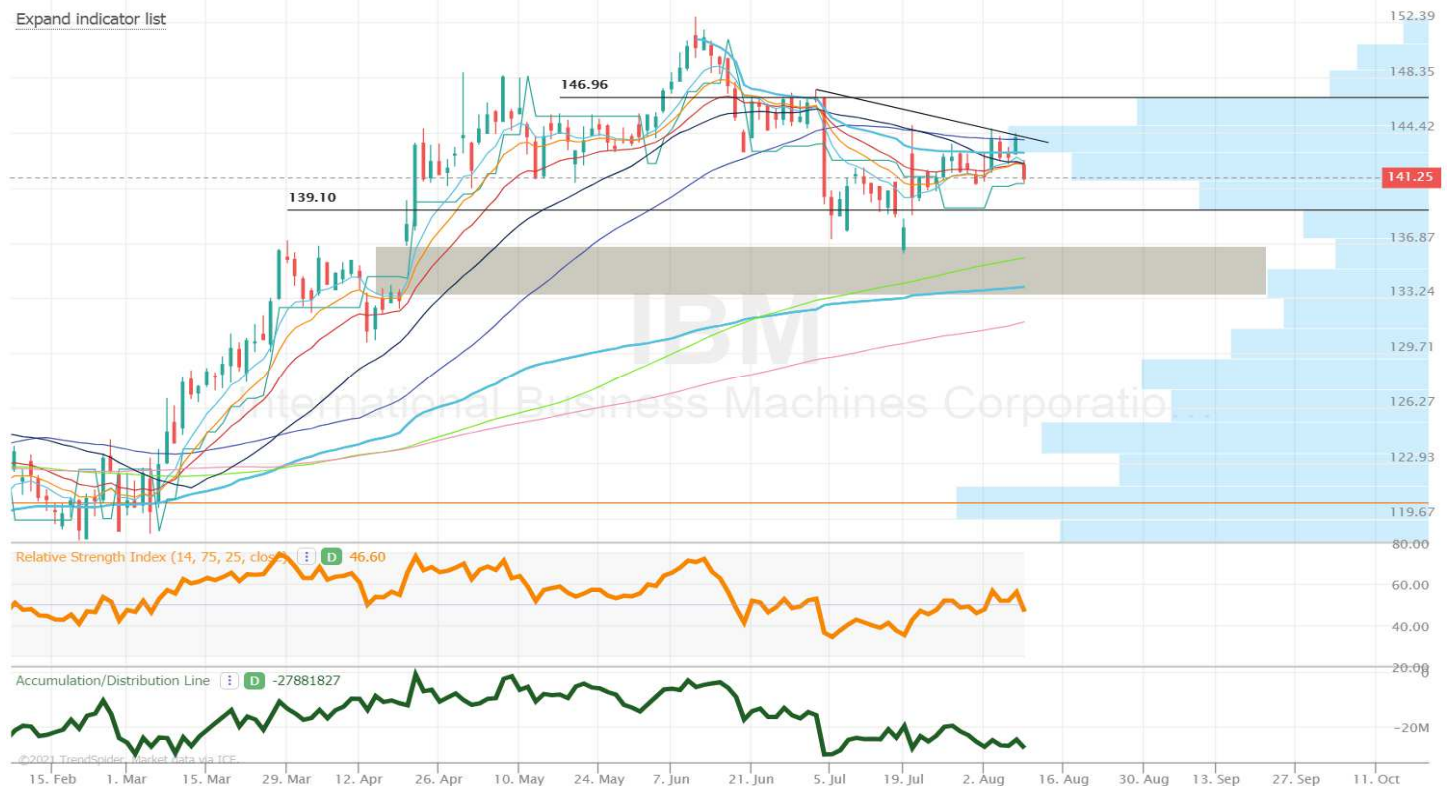




**Technical Analysis:** IBM hit the bear 21/55 moving average crossover scan and looks vulnerable to move under key volume support while a head & shoulders topping pattern takes shape and room back to a key VWAP and gap fill from April. Accumulation/Distribution is at lows and a bearish divergence into the push to highs.

International Business Machines Corporatio..., Daily, Nasdaq + Nyse BQT O 142.20 H 142.50 L 140.97 C 141.25 Period -0.67% Market closed

Expand indicator list



**Fundamental Analysis:** IBM has a market cap of \$125.5B and trades 9X EBITDA, 12X Earnings and 13.35X FCF with a 4.65% yield. The valuation and yield limit potential downside but it remains a company struggling to grow with revenue growth seen at 1-2% annually despite its moves into cloud computing as more nimble smaller companies are seeing much stronger adoption. Analysts have an average target of \$150 and short interest is low at 2.7% of the float. Citi raised its target to \$150 in July seeing IBM starting to turn the corner while MSCO up to \$164 on improving execution and a strengthening demand environment but investments are limiting earnings upside.

### Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI
8/9/2021	IBM 100 18 FEB 22 125 CALL	539	36	\$19.00	0.76	28.05%	65.48%	\$1,056,440	.IBM220218C125		
8/9/2021	IBM 100 15 OCT 21 140 PUT	2,379	1,373	\$3.85	-0.49	16.12%	51.72%	\$939,705	.IBM211015P140		
8/2/2021	IBM 100 18 FEB 22 140 PUT	1,000	596	\$10.30	-0.485	22.83%	56.50%	\$1,030,000	.IBM220218P140	\$9.07	1604
7/28/2021	IBM 100 17 SEP 21 150 CALL	15,061	3,644	\$0.89	0.18	17.14%	16.79%	\$1,385,612	.IBM210917C150	\$0.90	19575
7/23/2021	IBM 100 18 FEB 22 130 CALL	433	21	\$14.40	0.692	23.60%	59.06%	\$623,520	.IBM220218C130	\$15.30	393
7/22/2021	IBM 100 18 FEB 22 145 CALL	786	148	\$6.40	0.41	22.47%	34.37%	\$503,040	.IBM220218C145	\$7.11	1386
7/22/2021	IBM 100 18 FEB 22 120 CALL	592	166	\$21.95	0.85	25.19%	72.89%	\$1,299,440	.IBM220218C120	\$23.20	71
7/9/2021	IBM 100 19 NOV 21 120 PUT	2,217	414	\$2.21	-0.165	27.84%	21.38%	\$489,957	.IBM211119P120	\$1.18	2132
7/8/2021	IBM 100 15 OCT 21 150 CALL	1,562	1,406	\$2.59	0.27	22.20%	23.02%	\$392,062	.IBM211015C150	\$1.80	4618
7/6/2021	IBM 100 19 NOV 21 140 CALL	908	559	\$6.30	0.46	23.94%	40.04%	\$599,280	.IBM211119C140	\$7.70	1447
7/6/2021	IBM 100 18 FEB 22 135 PUT	405	29	\$10.65	-0.471	23.70%	55.99%	\$431,325	.IBM220218P135	\$7.50	381
7/6/2021	IBM 100 17 JUN 22 95 PUT	2,001	35	\$1.96	-0.09	29.70%	15.75%	\$392,196	.IBM220617P95	\$1.50	2104
7/6/2021	IBM 100 17 JUN 22 170 CALL	1,100	109	\$3.00	0.19	25.28%	12.97%	\$352,000	.IBM220617C170	\$2.80	1137
7/2/2021	IBM 100 17 JUN 22 135 PUT	557	468	\$13.00	-0.443	23.88%	55.67%	\$724,100	.IBM220617P135	\$10.97	1471
7/1/2021	IBM 100 20 AUG 21 155 CALL	16,980	3,314	\$1.65	0.245	22.11%	22.02%	\$2,801,700	.IBM210820C155	\$0.04	18752
6/30/2021	IBM 100 17 JUN 22 155 PUT	422	17	\$21.50	-0.625	20.39%	72.33%	\$907,300	.IBM220617P155	\$21.50	232
6/28/2021	IBM 100 20 JAN 23 145 PUT	500	179	\$19.95	-0.52	20.10%	65.48%	\$997,500	.IBM230120P145	\$22.00	680
6/24/2021	IBM 100 17 JUN 22 130 PUT	892	363	\$8.55	-0.326	23.51%	43.00%	\$762,660	.IBM220617P130	\$8.69	1219
6/24/2021	IBM 100 17 JUN 22 120 PUT	1,131	498	\$5.40	-0.225	25.01%	31.77%	\$610,740	.IBM220617P120	\$5.37	1922
6/21/2021	IBM 100 17 JUN 22 200 CALL	1,033	354	\$1.60	0.1	25.48%	6.30%	\$181,808	.IBM220617C200	\$0.92	1408
6/21/2021	IBM 100 17 JUN 22 180 CALL	1,000	311	\$3.10	0.19	24.86%	12.98%	\$345,000	.IBM220617C180	\$1.70	1400
6/21/2021	IBM 100 17 JUN 22 145 PUT	1,000	123	\$15.20	-0.49	23.27%	60.05%	\$1,610,000	.IBM220617P145	\$16.14	1167
6/18/2021	IBM 100 20 AUG 21 130 PUT	1,122	351	\$1.60	-0.193	26.06%	22.56%	\$179,520	.IBM210820P130	\$0.11	3003
6/17/2021	IBM 100 17 JUN 22 130 CALL	240	13	\$21.25	0.7	25.65%	56.62%	\$508,800	.IBM220617C130	\$17.66	306
6/9/2021	IBM 100 19 NOV 21 140 CALL	465	153	\$14.30	0.68	24.71%	59.60%	\$674,250	.IBM211119C140	\$7.70	1447
6/8/2021	IBM 100 20 JAN 23 200 CALL	5,028	9,637	\$3.66	0.16	24.92%	9.93%	\$1,810,080	.IBM230120C200	\$1.81	15369
6/4/2021	IBM 100 18 FEB 22 110 PUT	1,501	17	\$1.88	-0.101	27.01%	15.14%	\$282,188	.IBM220218P110	\$1.52	1567
6/2/2021	IBM 100 20 JAN 23 140 PUT	300	175	\$17.30	-0.46	22.05%	60.38%	\$571,500	.IBM230120P140	\$17.80	706
5/10/2021	IBM 100 20 JAN 23 200 CALL	5,092	4,418	\$3.00	0.14	24.44%	8.65%	\$1,578,520	.IBM230120C200	\$1.81	15369
5/6/2021	IBM 100 17 JUN 22 160 CALL	900	303	\$7.05	0.34	23.90%	25.22%	\$711,000	.IBM220617C160	\$4.70	10546

**Potential Catalysts:** No Events Scheduled

## **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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