

SPOTLIGHT OPTION TRADE



Attractive Investment Bank Set-Up in Rising Rate Environment

TRADE SNAPSHOT

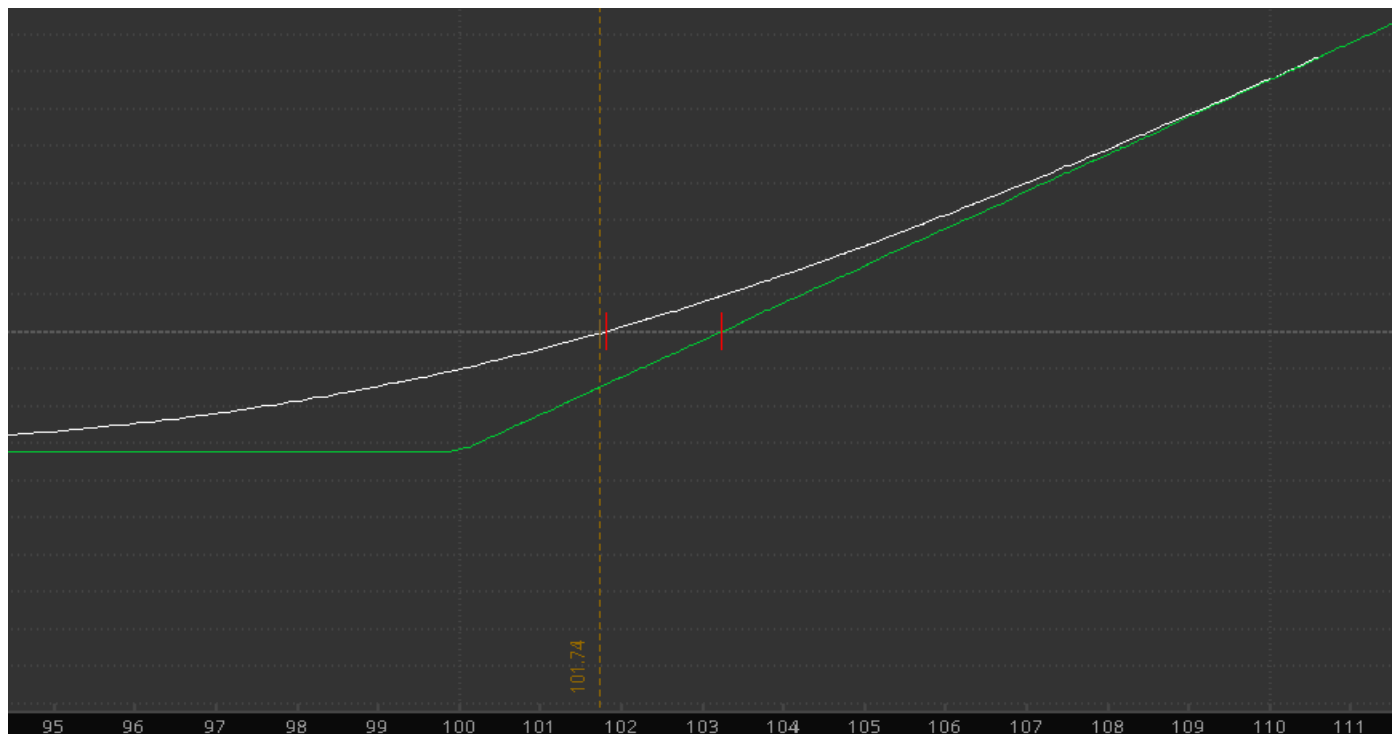
TICKER	MS
SECURITY	Morgan Stanley
SECTOR	Financial – Capital Markets
CURRENT PRICE	\$101.80
LONG/SHORT	Long
TARGET	\$110
STOP	\$96.50
TIMEFRAME	1 Month

Trading Strategy: Long the MS November \$100 Calls \$3.25 or Better

Net Debit/Credit: Debit \$3.25

Profitability Zone: MS Above \$103.25 on November OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: MS shares with a nice weekly consolidation along its rising 21-week moving average coiled and ready for another surge to new highs.



Fundamental Analysis: The \$183B investment bank trades 13.6X Earnings, 3X Sales and 1.85X Book with a 2.75% yield and revenues and EPS seen rising 13.3% and 19% respectively in 2021 while 2022 currently forecasted as a negative Y/Y growth set-up but estimates may be too low. MS blew away estimates last quarter once again boosted by a strong M&A and IPO market. MS also generated an impressive ROTCE of over 20%. The investment banking unit had its best quarter in history and MS is also integrating E-Trade to its Wealth Management business which added \$300B in net new assets. MS is also integrating a key deal for Eaton Vance as it really builds out great businesses and continues to invest in secular growth areas, particularly sustainability, alternatives and customization for wealth management platforms and clients. MS is the largest distributor of alternative assets. Analysts have an average target of \$112 and short interest low at 1.2% of the float. Citi raised its target to \$105 after a strong quarter though notes valuation is full. Piper and Barclays each raised their targets to \$110 following the quarter.

Options Activity:

Date	Description	Volume	Open_In	Price	Delt	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI
10/21/2021	MS 100 16 JUN 23 95 PUT	300	17	\$13.95	-0.4	29.42%	57.01%	\$418,500	.MS230616P95	\$13.95	311
10/20/2021	MS 100 18 FEB 22 100 PUT	1,049	347	\$6.20	-0.47	26.42%	53.79%	\$660,870	.MS220218P100	\$5.65	1348
10/20/2021	MS 100 17 DEC 21 82.5 PUT	3,394	1,034	\$0.40	-0.07	33.98%	8.45%	\$145,942	.MS211217P82.5	\$0.41	2851
10/19/2021	MS 100 20 JAN 23 92.5 PUT	500	8	\$10.00	-0.35	29.57%	49.27%	\$500,000	.MS230120P92.5	\$9.95	511
10/14/2021	MS 100 19 JAN 24 70 PUT	1,500	6	\$6.40	-0.18	31.60%	34.26%	\$1,200,000	.MS240119P70	\$6.40	1505
10/13/2021	MS 100 21 JAN 22 97.5 PUT	1,098	455	\$5.74	-0.47	27.82%	52.83%	\$625,860	.MS220121P97.5	\$3.58	2197
10/13/2021	MS 100 20 JAN 23 97.5 PUT	690	9	\$14.00	-0.45	28.72%	59.45%	\$966,000	.MS230120P97.5	\$12.25	622
10/13/2021	MS 100 18 MAR 22 92.5 PUT	574	85	\$5.50	-0.38	29.52%	45.87%	\$315,700	.MS220318P92.5	\$3.65	1093
10/13/2021	MS 100 17 DEC 21 97.5 PUT	1,250	482	\$5.00	-0.49	28.51%	54.43%	\$631,250	.MS211217P97.5	\$2.28	1399
10/11/2021	MS 100 20 JAN 23 135 CALL	1,002	836	\$2.45	0.175	26.68%	10.80%	\$245,490	.MS230120C135	\$2.90	570
10/5/2021	MS 100 17 DEC 21 97.5 CALL	537	159	\$6.05	0.563	29.71%	50.87%	\$324,885	.MS211217C97.5	\$6.07	654
10/5/2021	MS 100 (Weeklys) 14 APR 22 97.5 CALL	600	13	\$8.99	0.55	31.04%	46.00%	\$539,400	.MS220414C97.5	\$8.75	618
10/4/2021	MS 100 20 JAN 23 90 CALL	7,209	4,358	\$16.15	0.617	33.78%	46.41%	\$11,642,535	.MS230120C90	\$17.95	7074
10/1/2021	MS 100 19 NOV 21 85 CALL	1,780	685	\$14.84	0.895	35.37%	86.99%	\$2,641,520	.MS211119C85	\$16.71	2434
9/30/2021	MS 100 17 JUN 22 125 CALL	2,500	1,337	\$2.10	0.167	29.81%	11.39%	\$525,000	.MS220617C125	\$1.92	3776
9/30/2021	MS 100 17 DEC 21 95 PUT	1,112	833	\$4.74	-0.422	31.34%	48.18%	\$527,088	.MS211217P95	\$1.62	1880
9/29/2021	MS 100 19 JAN 24 80 PUT	500	0	\$10.55	-0.27	32.98%	47.71%	\$527,500	.MS240119P80	\$9.50	500
9/29/2021	MS 100 19 JAN 24 100 PUT	503	150	\$19.95	-0.442	29.66%	64.74%	\$1,003,485	.MS240119P100	\$19.25	928
9/29/2021	MS 100 18 MAR 22 100 PUT	1,148	495	\$8.46	-0.491	28.23%	57.41%	\$971,208	.MS220318P100	\$6.50	1341
9/29/2021	MS 100 18 MAR 22 100 CALL	1,268	138	\$7.01	0.505	28.98%	42.58%	\$888,868	.MS220318C100	\$7.75	1179
9/29/2021	MS 100 (Weeklys) 5 NOV 21 104 CALL	1,703	9	\$1.80	0.384	40.82%	33.62%	\$306,540	.MS211105C104	\$0.69	1987
9/28/2021	MS 100 16 JUN 23 80 PUT	2,250	61	\$7.80	-0.24	34.05%	41.48%	\$2,351,250	.MS230616P80	\$7.40	2301
9/28/2021	MS 100 16 JUN 23 100 PUT	2,250	18	\$16.10	-0.42	31.61%	60.80%	\$4,252,500	.MS230616P100	\$15.71	2268
9/22/2021	MS 100 20 JAN 23 95 PUT	1,298	1,185	\$12.70	-0.39	31.17%	54.76%	\$1,661,440	.MS230120P95	\$10.95	1709
9/22/2021	MS 100 19 JAN 24 105 PUT	1,280	0	\$22.50	-0.47	30.07%	67.61%	\$2,880,000	.MS240119P105	\$24.45	641
9/21/2021	MS 100 (Weeklys) 14 APR 22 110 CALL	1,500	25	\$3.94	0.321	29.15%	24.94%	\$591,000	.MS220414C110	\$3.40	2532
9/21/2021	MS 100 (Weeklys) 14 APR 22 105 CALL	1,674	374	\$5.62	0.405	29.72%	32.32%	\$940,788	.MS220414C105	\$5.76	3019
9/14/2021	MS 100 19 NOV 21 105 PUT	1,152	969	\$6.60	-0.56	27.92%	61.36%	\$754,560	.MS211119P105	\$4.75	6846
9/14/2021	MS 100 17 DEC 21 92.5 PUT	1,059	283	\$2.60	-0.25	31.96%	30.80%	\$275,340	.MS211217P92.5	\$1.14	1518
9/13/2021	MS 100 (Weeklys) 14 APR 22 105 PUT	850	134	\$9.70	-0.5	26.23%	58.94%	\$833,000	.MS220414P105	\$10.58	1119
9/7/2021	MS 100 17 JUN 22 115 CALL	1,142	757	\$5.80	0.36	28.09%	27.86%	\$656,650	.MS220617C115	\$3.65	1427
8/31/2021	MS 100 17 JUN 22 82.5 PUT	3,011	4,502	\$3.55	-0.19	32.67%	27.77%	\$1,099,015	.MS220617P82.5	\$3.20	4631

Potential Catalysts: No Scheduled Events; Treasury Yields

Disclaimer:

Not Investment Advice or Recommendation

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