

SPOTLIGHT OPTION TRADE



Calendar Spread into Next Quarter's Top Trading Bank Report

TRADE SNAPSHOT

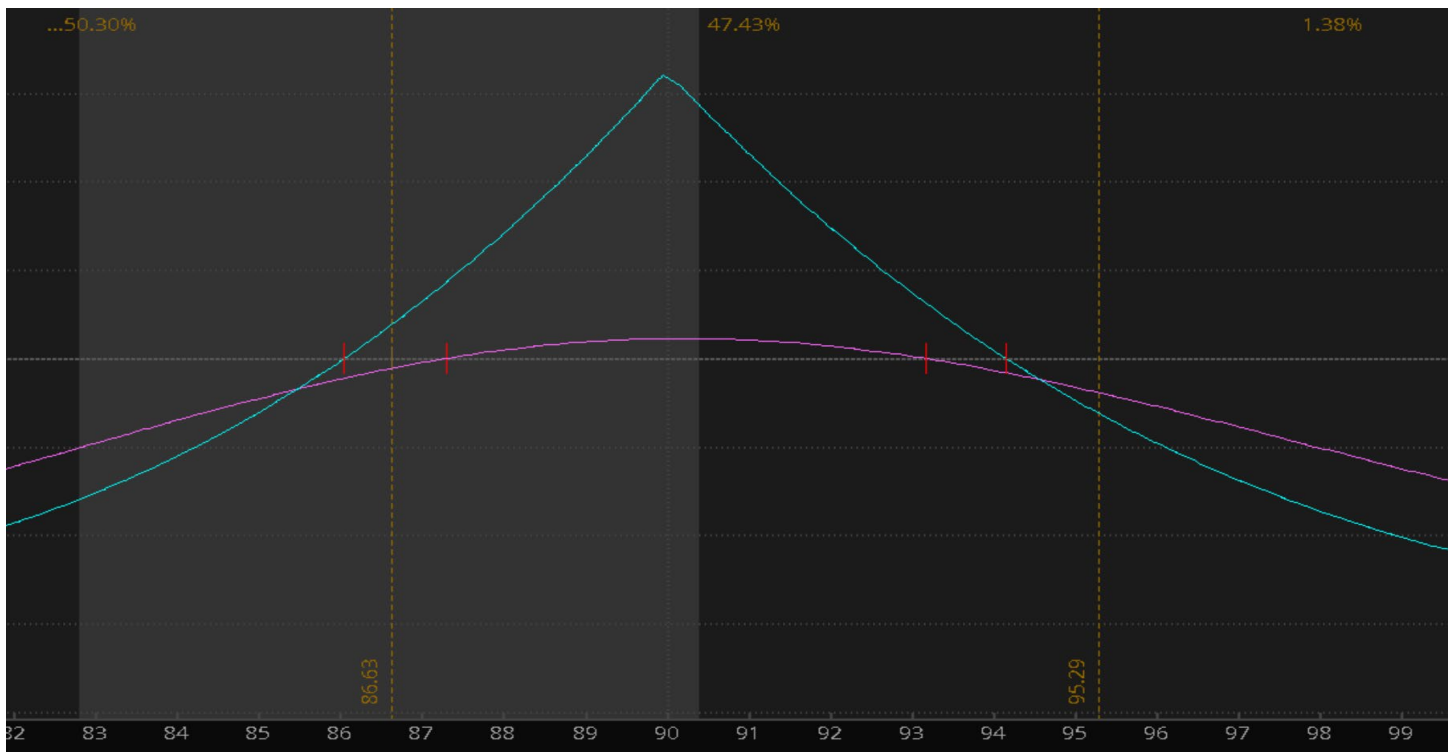
TICKER	MS
SECURITY	Morgan Stanley
SECTOR	Financial – Investment Banks
CURRENT PRICE	\$86.45
LONG/SHORT	Long
TARGET	\$90 June OpEx / \$95 July OpEx
STOP	\$80
TIMEFRAME	7 Weeks

Trading Strategy: Long the MS June/July \$90 Calendar Call Spreads at \$1.50 Debit

Net Debit/Credit: \$1.50 Debit

Profitability Zone: \$87.50-\$93 on June OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: MS shares breaking out of a falling wedge pattern that exhibited a bull RSI divergence and also through its 55-MA with a bull 8/21 MA cross below. On the long-term chart MS shares pulled back and held right at the 38.2% Fibonacci of the 2020-2022 range and never even tested VWAP off 2020 lows.



Fundamental Analysis: Morgan Stanley is a leading global financial services firm providing investment banking, securities, wealth management and investment management services. MS has a market cap of \$149B and trades 10.3X Earnings, 1.57X Book and has 3.24% dividend yield and ROE of 14.5%. MS has been under a probe regarding its block trading claims which has been an overhang. MS has been a strong story with its earnings mix shifting to more predictable and faster-growing businesses. MS will be launching its own ETF platform this year. Analysts have an average target of \$105 with short interest low at 1.1% of the float. OpCo upgraded shares on 5-3 to Outperform with a \$111 target citing upside on loan growth and rising rates while Banks have strong risk-adjusted capital ratios to protect dividends and handle any potential recession well.

Options Activity:

Date ▾	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium	Last	Current OI	▲ Price
05-26-2022	MS	MS 100 18 NOV 22 80 PUT	412	132	\$6.05	-0.37	34.64%	\$253,380	\$5.55	443	▼ 8.26%
05-26-2022	MS	MS 100 17 JUN 22 89 CALL	3,878	399	\$1.12	0.28	31%	\$438,214	\$1.32	3,864	▼ 17.86%
05-23-2022	MS	MS 100 17 JUN 22 87 CALL	1,008	0	\$1.33	0.29	34.86%	\$134,064	\$2.1	1,079	▲ 57.89%
05-23-2022	MS	MS 100 15 JUL 22 70 PUT	10,042	924	\$1.29	-0.16	43.85%	\$1,325,544	\$0.6	11,032	▲ 53.49%
05-18-2022	MS	MS 100 16 JUN 23 72.5 PUT	690	260	\$7.55	-0.33	33.72%	\$534,750	\$7.15	655	▲ 5.3%
05-13-2022	MS	MS 100 17 JUN 22 77.5 CALL	2,022	429	\$5.7	0.63	42.4%	\$1,152,540	\$8.54	2,218	▲ 49.82%
05-05-2022	MS	MS 100 16 JUN 23 75 PUT	1,500	785	\$7.6	-0.32	32.71%	\$1,155,000	\$8.25	2,379	▲ 8.55%
05-04-2022	MS	MS 100 18 NOV 22 60 PUT	1,145	728	\$1.78	-0.12	44.13%	\$203,810	\$1.56	1,939	▲ 12.36%
05-02-2022	MS	MS 100 21 OCT 22 50 PUT	2,000	28	\$1.05	-0.07	52.41%	\$214,000	\$0.49	2,010	▼ 53.33%
05-02-2022	MS	MS 100 18 NOV 22 70 PUT	757	109	\$4.8	-0.28	39.15%	\$370,930	\$2.84	1,131	▲ 40.83%
04-26-2022	MS	MS 100 16 JUN 23 60 PUT	519	63	\$3.75	-0.17	37.96%	\$194,625	\$3.75	408	▲ 0%
04-26-2022	MS	MS 100 19 AUG 22 75 PUT	1,012	102	\$3.9	-0.29	40.22%	\$399,740	\$1.97	961	▼ 49.49%
04-26-2022	MS	MS 100 16 SEP 22 80 PUT	1,625	1,244	\$6.2	-0.42	36.2%	\$1,096,875	\$3.9	2,340	▼ 37.1%
04-21-2022	MS	MS 100 20 JAN 23 87.5 CALL	1,751	2,051	\$11.19	0.58	32.82%	\$1,959,369	\$8.11	4,126	▼ 27.52%
04-19-2022	MS	MS 100 15 JUL 22 87.5 PUT	1,268	1,175	\$4.6	-0.44	29.68%	\$583,280	\$5	2,557	▼ 8.7%

Potential Catalysts: Earnings 7-14-22

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.

Content is for informational and educational purposes only, and is not to be construed as specific investment advice or recommendations. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek qualified professional financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, OptionsHawk has not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information does not consider the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors

For example, and, as always, be aware that market timing and conditions may materially affect trades of this nature: The above is an example of a trade idea, but you must be aware of the risks of trading. As we have disclosed, we are not licensed, and we are not giving specific securities advice for your portfolio. We are merely providing examples and education of strategies. We always advise people to get professional advice, and we are not recommending any particular trade or security, or soliciting any trade or security.