

SPOTLIGHT OPTION TRADE



Match Nice Reward/Risk for a Run into Earnings

TRADE SNAPSHOT

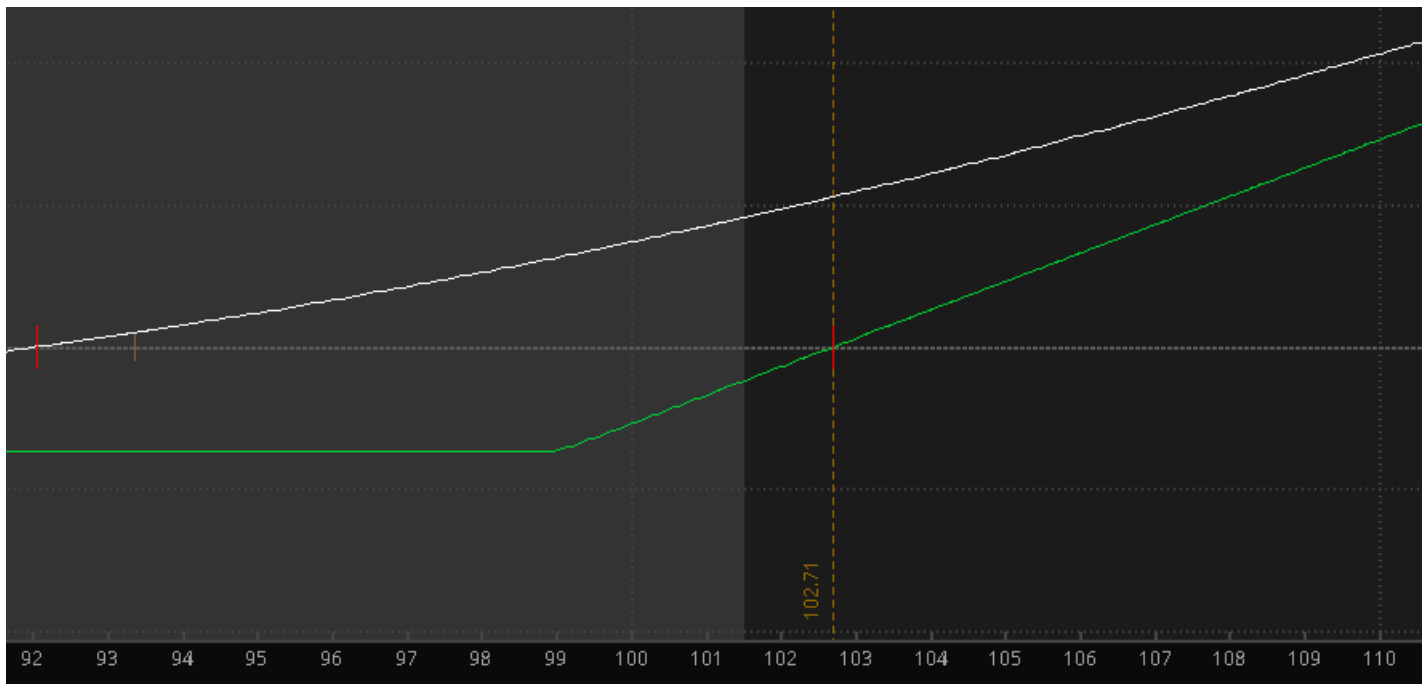
TICKER	MTCH
SECURITY	Match Group
SECTOR	Tech - Internet
CURRENT PRICE	\$93.37
LONG/SHORT	Long
TARGET	\$110
STOP	\$89
TIMEFRAME	3 Weeks

Trading Strategy: Long **MTCH** Aug. 14th (W) \$99 Calls at \$3.70 or Better

Net Debit/Credit: Debit \$3.70

Profitability Zone: MTCH Above \$102.70 on Aug. 14th (W) OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: MTCH shares quiet the last few weeks forming a nice bull wedge in a strong trend with the rising 55 MA just below as likely support, also retracing 50% of its May/July move. Shares look set-up well if clear \$99.50 for a sharp run higher.



Fundamental Analysis: The \$25B operator of mobile dating products trades 40X Earnings, 13X EV/Sales and 41.35X FCF. MTCH recently fully separated from its parent company IAC. MTCH has grown revenues to \$2.05B in 2019 from \$1.12B in 2016 and is strongly profitable. The current environment will slow growth but still sees 9-10% revenue growth and EPS growth in 2020 and 17%/17.8% in 2021. In May its average subscribers rose 15% to 9.9M and ARPU increased slightly. At Tinder, daily active users (DAU) and daily Swipes reached all-time highs in the depths of the crisis. MTCH also noted a strong usage and engagement from females which is key to its ecosystem. MTCH will report on 8-4 and has closed higher 10 of the last 13 reports. Analysts have an average target of \$98 on shares. MTCH's spin-off from IAC removes an overhand and frees up float of shares. SunTrust put a \$110 target on MTCH on 7/6. MTCH expects sustained double-digit revenue growth paired with rising margins in the coming years and also solid near-term trends on paid subscriber growth. Lone Pine Capital and Egerton added to positions in Q1 and Sustainable Growth Advisors took a new stake.

Options Activity:

Date	Description	Volume	Open_Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol	Current Price	Current OI	Price Change	OI Differential
7/20/2020	MTCH 100 21 JAN 22 125 CALL	2,000	5	\$12.25	0.44	46.29%	23.62%	\$2,930,000	.MTCH220121C125	\$12.25	2000	0.00%	-.25%
7/17/2020	MTCH 100 21 JAN 22 100 CALL	1,500	4	\$19.20	0.58	49.63%	33.99%	\$3,180,000	.MTCH220121C100	\$19.20	2002	0.00%	33.11%
7/17/2020	MTCH 100 (Weekly) 31 JUL 20 95 CALL	1,004	15	\$2.62	0.39	52.23%	34.87%	\$263,048	.MTCH200731C95	\$2.36	1036	-9.92%	1.67%
7/17/2020	MTCH 100 (Weekly) 31 JUL 20 100 CALL	2,028	74	\$1.24	0.23	51.71%	19.68%	\$251,472	.MTCH200731C100	\$1.00	2232	-19.35%	6.18%
7/14/2020	MTCH 100 (Non Standard) 15 JAN 21 95 CA	2,002	2,707	\$17.03	0.6	59.35%	43.39%	\$3,703,700	.MTCH1210115C95	\$14.66	1685	-13.92%	-64.22%
7/13/2020	MTCH 100 21 JAN 22 110 CALL	1,500	0	\$18.30	0.55	47.60%	32.03%	\$3,112,500	.MTCH220121C110	\$18.30	1500	0.00%	.00%
7/10/2020	MTCH 100 (Weekly) 24 JUL 20 100 CALL	5,185	120	\$4.58	0.532	56.53%	48.59%	\$2,374,730	.MTCH200724C100	\$0.20	2603	-95.63%	-50.93%
7/7/2020	MTCH 100 21 JAN 22 145 CALL	400	1	\$8.45	0.3	43.94%	14.19%	\$338,000	.MTCH220121C145	\$7.50	407	-11.24%	1.50%
6/25/2019	MTCH 100 15 JAN 21 68 CALL	201	27	\$16.90	0.64	47.72%	40.42%	\$345,720	.MTCH210115C68	\$0.00	0	30.18%	-59.21%

Potential Catalysts: Earnings 8/4

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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