

SPOTLIGHT OPTION TRADE



As Yields Fade, Utility Group Looks Poised for Move Higher, Next-Era Preferred

TRADE SNAPSHOT

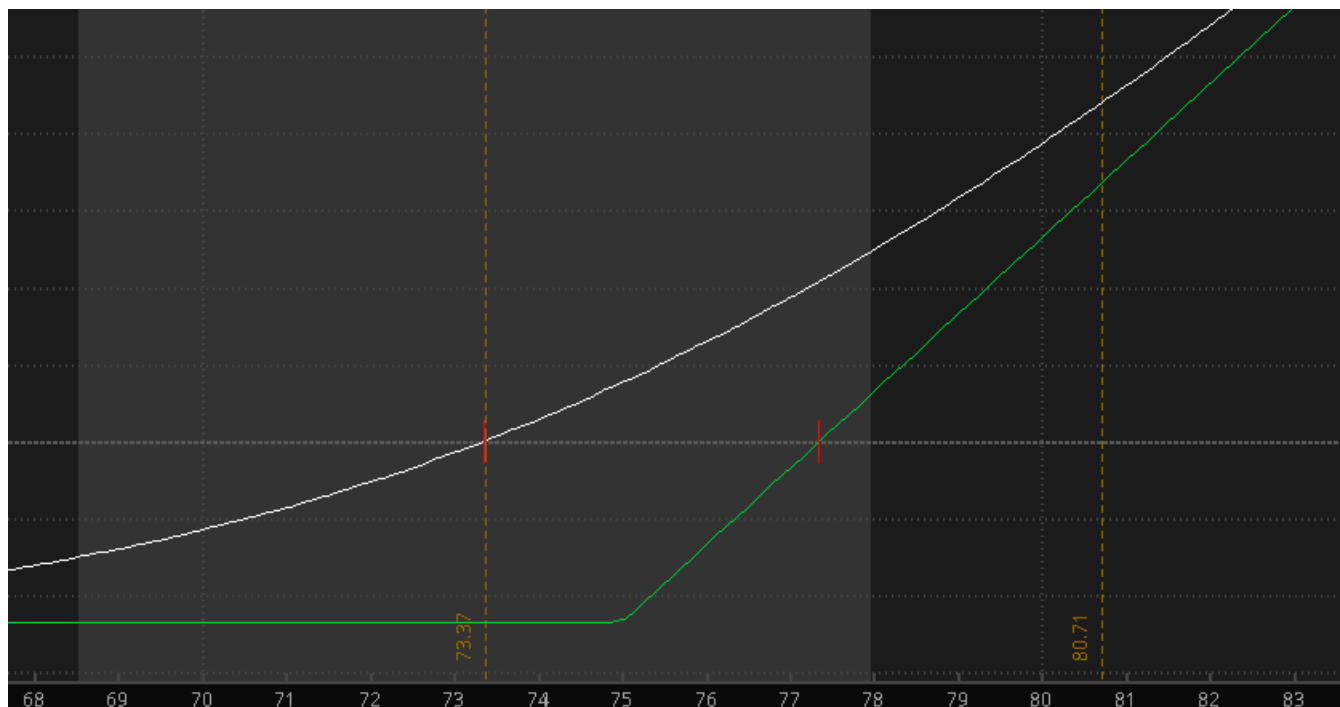
TICKER	NEE
SECURITY	NextEra Energy
SECTOR	Utility
CURRENT PRICE	\$73.37
LONG/SHORT	Long
TARGET	\$80
STOP	\$70
TIMEFRAME	3 Months

Trading Strategy: Long the NEE August \$75 Calls at \$2.35 or Better

Net Debit/Credit: Debit \$2.35

Profitability Zone: NEE Above \$77.35 on August OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: NEE shares on the weekly recently held key support of the trend and forming a large triangle, room to really run above \$77.



Fundamental Analysis: NEE is one of the largest electric power and energy infrastructure companies in North America and a leader in the renewable energy industry. NEE has two principal businesses, FPL, including Gulf Power, and NEER. FPL is the largest electric utility in the state of Florida and one of the largest electric utilities in the U.S. NEER is the world's largest generator of renewable energy from the wind and sun, as well as a world leader in battery storage. NEER's strategic focus is centered on the development, construction and operation of long-term contracted assets throughout the U.S. and Canada, primarily consisting of clean energy solutions such as renewable generation facilities and battery storage projects, and electric transmission facilities. NEE is the best-in-class growth name in Utilities and comes with a premium valuation at 27X Earnings, 3.85X Book and 18X EBITDA. NEE revenues are seen rising 12.4% in 2021 and 8.5% in 2022 with EBITDA increasing 7.7% and 11.4% respectively. NEE has been pursuing large-scale M&A with attempted deals for Evergy and Duke Energy, neither yet to come to fruition. Analysts have an average target of \$90 and short interest is 4.3% of the float. CSFB raised to Outperform with an \$85 target back in March. Bernstein started shares Outperform with an \$88 target as the leader to capture the U.S. green energy transition dream and the accelerating opportunities to invest in renewables, storage, hydrogen and electricity networks

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI
5/25/2021	NEE 100 20 JAN 23 100 CALL	10,258	12,319	\$1.75	0.16	23.95%	10.20%	\$1,795,150	.NEE230120C100		
5/24/2021	NEE 100 20 JAN 23 67.5 PUT	516	33	\$6.10	-0.35	23.35%	47.54%	\$350,880	.NEE230120P67.5	\$6.20	395
5/21/2021	NEE 100 16 JUL 21 75 PUT	1,000	514	\$2.85	-0.52	21.68%	55.58%	\$295,000	.NEE210716P75	\$2.95	1460
5/20/2021	NEE 100 16 JUL 21 70 PUT	2,144	404	\$1.19	-0.26	24.86%	29.03%	\$268,000	.NEE210716P70	\$1.10	2602
5/18/2021	NEE 100 20 JAN 23 100 CALL	10,071	2,288	\$1.90	0.17	25.17%	10.47%	\$2,014,200	.NEE230120C100	\$2.15	12319
5/18/2021	NEE 100 20 AUG 21 75 CALL	6,016	178	\$2.25	0.4	23.24%	35.07%	\$1,383,680	.NEE210820C75	\$2.63	6230
5/18/2021	NEE 100 16 JUL 21 75 CALL	1,127	463	\$1.31	0.35	21.43%	32.04%	\$169,050	.NEE210716C75	\$1.85	1992
5/17/2021	NEE 100 20 JAN 23 100 CALL	1,505	793	\$1.60	0.15	24.33%	9.39%	\$240,800	.NEE230120C100	\$2.15	12319
5/13/2021	NEE 100 17 DEC 21 67.5 PUT	600	118	\$3.59	-0.33	24.65%	40.39%	\$210,000	.NEE211217P67.5	\$2.96	718
5/4/2021	NEE 100 20 AUG 21 77.5 CALL	8,726	66	\$2.55	0.41	22.14%	36.57%	\$2,225,130	.NEE210820C77.5	\$1.75	1554
4/22/2021	NEE 100 17 DEC 21 80 CALL	1,831	14	\$5.14	0.48	24.27%	40.61%	\$970,430	.NEE211217C80	\$2.55	1998
4/22/2021	NEE 100 17 DEC 21 75 PUT	1,845	42	\$4.45	-0.38	23.34%	45.95%	\$848,700	.NEE211217P75	\$6.10	1963
4/22/2021	NEE 100 17 DEC 21 70 PUT	1,830	0	\$2.80	-0.26	24.67%	33.33%	\$512,400	.NEE211217P70	\$3.62	1936
4/8/2021	NEE 100 17 SEP 21 80 CALL	1,043	606	\$3.60	0.44	23.77%	37.61%	\$375,480	.NEE210917C80	\$1.45	2160
4/8/2021	NEE 100 17 SEP 21 75 PUT	542	378	\$3.70	-0.39	23.40%	45.98%	\$205,960	.NEE210917P75	\$4.60	1231
4/7/2021	NEE 100 18 JUN 21 80 CALL	8,335	3,724	\$1.84	0.36	23.11%	32.36%	\$1,583,650	.NEE210618C80	\$0.16	12391
3/30/2021	NEE 100 18 JUN 21 75 CALL	5,632	4,027	\$2.95	0.47	25.21%	42.62%	\$1,745,920	.NEE210618C75	\$0.95	9488
3/18/2021	NEE 100 18 JUN 21 72.5 CALL	5,129	753	\$3.50	0.46	29.25%	40.51%	\$1,795,150	.NEE210618C72.5	\$2.35	4753
2/23/2021	NEE 100 17 SEP 21 70 PUT	2,050	175	\$4.90	-0.37	29.90%	46.63%	\$1,045,500	.NEE210917P70	\$2.30	2812
2/19/2021	NEE 100 21 JAN 22 72.5 PUT	1,038	976	\$6.54	-0.36	30.17%	48.01%	\$678,852	.NEE220121P72.5	\$5.10	2593
2/11/2021	NEE 100 21 JAN 22 82.5 PUT	651	276	\$9.45	-0.434	30.04%	55.71%	\$615,195	.NEE220121P82.5	\$11.30	871
1/27/2021	NEE 100 21 JAN 22 67.5 PUT	3,000	2,071	\$4.00	-0.24	31.60%	35.06%	\$1,200,000	.NEE220121P67.5	\$3.20	5632

Potential Catalysts: Earnings Late July / M&A / Infrastructure Plan / Florida Rate Case (Key events to monitor include intervenor testimony on June 21st and staff testimony on July 6th)

Disclaimer:

Not Investment Advice or Recommendation

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