

SPOTLIGHT OPTION TRADE



China EV Maker with Explosive Chart into Upside Catalyst

TRADE SNAPSHOT

TICKER	NIO
SECURITY	NIO
SECTOR	Consumer – Automakers
CURRENT PRICE	\$41.50
LONG/SHORT	Long
TARGET	\$53
STOP	\$37
TIMEFRAME	2 Months

Trading Strategy: Long the NIO January \$40/\$50 Call Spreads for \$3 or Better

Net Debit/Credit: Debit of \$3

Profitability Zone: NIO Above \$43 on January OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: NIO is showing signs of life with this long bull wedge forming on the weekly and RSI back over 50 and MACD moving positive while shares are trapped under VWAP off the highs at \$44.40. Shares can explode higher on a move above \$48.70.



Fundamental Analysis: NIO has a \$65B market cap as the leading EV-maker in China and has seen revenues rise 51% in 2019, 108% in 2020 and due to rise 140% in 2021 with a long runway of strong growth while profitability also seen starting in 2022. NIO is trading at 7.8X FY22 EV/Sales (Tesla is 16.5X for reference) and should see a strong recovery as Automotive supply chain issues ease. NIO has a clear catalyst on 12-18 at NIO Day 2021 and expect it to unveil new products and talk more about its plans in autonomous. NIO has very strong demand with 1-2 months for customers waiting right now for the ES8, ES6 and EC6 while capacity and battery sourcing has been the limitation. Management has planned for 3 new product launches based on the NT 2.0 platform in 2022. This includes ET7 with delivery seen in Q1 2022. Analysts have an average target near \$57 with short interest at 4% of the float. Deutsche Bank out positive on 11/4 with a \$70 target and Citi raised its target to \$87 on 11/11.

Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vo	Prob.ITV	Premium Paid	Symbol	Current Price	Current OI
11/12/2021	NIO 100 17 DEC 21 45 PUT	10,445	6,529	\$4.55	-0.567	61.51%	64.10%	\$4,752,475	.NIO211217P45	\$7.20	16140
11/11/2021	NIO 100 (Weeklys) 31 DEC 21 43 CALL	1,316	0	\$3.15	0.495	58.39%	40.92%	\$414,540	.NIO211231C43	\$1.73	1811
11/10/2021	NIO 100 (Weeklys) 3 DEC 21 42 PUT	1,725	524	\$3.25	-0.54	62.70%	60.05%	\$560,625	.NIO211203P42	\$3.96	2220
11/5/2021	NIO 100 16 SEP 22 25 PUT	2,000	1,302	\$1.68	-0.112	60.98%	25.87%	\$336,000	.NIO220916P25	\$2.09	3402
11/1/2021	NIO 100 19 JAN 24 40 PUT	1,002	172	\$11.85	-0.34	51.11%	64.26%	\$1,277,550	.NIO240119P40	\$12.86	4934
10/25/2021	NIO 100 17 DEC 21 50 PUT	3,540	2,299	\$9.78	-0.76	59.68%	83.08%	\$3,522,300	.NIO211217P50	\$11.84	12681
10/7/2021	NIO 100 18 FEB 22 35 PUT	5,252	4,915	\$4.10	-0.392	56.36%	52.72%	\$2,153,320	.NIO220218P35	\$2.78	15218
9/29/2021	NIO 100 20 MAY 22 40 CALL	2,847	290	\$4.80	0.49	53.79%	32.25%	\$1,366,560	.NIO220520C40	\$6.05	4481
9/29/2021	NIO 100 20 MAY 22 35 PUT	2,806	172	\$5.35	-0.39	52.86%	55.78%	\$1,557,330	.NIO220520P35	\$4.40	5393
9/22/2021	NIO 100 18 FEB 22 40 CALL	2,024	2,482	\$3.40	0.44	55.82%	30.79%	\$708,400	.NIO220218C40	\$4.10	8626
9/21/2021	NIO 100 20 MAY 22 30 PUT	16,283	7,174	\$3.65	-0.282	56.74%	45.49%	\$5,943,295	.NIO220520P30	\$2.35	19742
9/21/2021	NIO 100 19 JAN 24 25 CALL	1,205	56	\$16.70	0.8	60.10%	46.55%	\$2,006,325	.NIO240119C25	\$20.05	2080
9/20/2021	NIO 100 20 MAY 22 30 PUT	8,245	1,964	\$3.60	-0.27	57.30%	44.76%	\$3,050,650	.NIO220520P30	\$2.35	19742
9/17/2021	NIO 100 20 MAY 22 30 PUT	2,517	5	\$3.15	-0.25	56.30%	40.99%	\$830,610	.NIO220520P30	\$2.35	19742
8/26/2021	NIO 100 18 MAR 22 45 CALL	2,031	2,465	\$4.95	0.46	62.92%	28.53%	\$1,025,655	.NIO220318C45	\$3.40	12291
8/24/2021	NIO 100 16 SEP 22 30 PUT	5,791	1,443	\$4.90	-0.23	65.63%	47.70%	\$3,271,915	.NIO220916P30	\$3.70	10168
8/11/2021	NIO 100 16 SEP 22 35 PUT	900	346	\$6.40	-0.25	63.83%	49.38%	\$580,500	.NIO220916P35	\$6.00	12014
8/4/2021	NIO 100 17 JUN 22 70 CALL	2,232	191	\$4.50	0.34	65.95%	15.26%	\$1,071,360	.NIO220617C70	\$1.86	3684
7/21/2021	NIO 100 18 MAR 22 55 CALL	2,520	2,670	\$6.60	0.47	61.90%	28.31%	\$1,675,800	.NIO220318C55	\$1.86	9620
7/12/2021	NIO 100 17 JUN 22 65 CALL	2,414	553	\$6.25	0.41	68.30%	19.01%	\$1,557,030	.NIO220617C65	\$2.04	4333
7/9/2021	NIO 100 17 JUN 22 45 PUT	1,026	929	\$11.10	-0.366	65.77%	62.08%	\$1,138,860	.NIO220617P45	\$10.93	3689
7/8/2021	NIO 100 18 MAR 22 45 PUT	2,000	979	\$9.35	-0.38	66.58%	59.98%	\$1,870,000	.NIO220318P45	\$9.69	3797
7/8/2021	NIO 100 17 JUN 22 40 PUT	3,283	1,790	\$8.15	-0.3	66.79%	54.85%	\$2,675,645	.NIO220617P40	\$7.55	7496
7/6/2021	NIO 100 16 SEP 22 40 PUT	1,068	274	\$8.10	-0.24	70.45%	52.75%	\$1,003,920	.NIO220916P40	\$8.90	4137
6/23/2021	NIO 100 16 DEC 22 65 CALL	2,507	1,884	\$8.75	0.483	65.93%	19.88%	\$2,193,625	.NIO221216C65	\$3.89	5310
6/14/2021	NIO 100 16 SEP 22 45 PUT	1,692	28	\$12.25	-0.33	64.81%	62.03%	\$2,191,140	.NIO220916P45	\$12.95	2514
4/23/2021	NIO 100 18 FEB 22 60 CALL	1,524	606	\$5.19	0.388	70.48%	17.73%	\$790,956	.NIO220218C60	\$1.05	6702
3/26/2021	NIO 100 18 MAR 22 50 CALL	1,536	510	\$7.40	0.48	78.00%	21.00%	\$1,136,640	.NIO220318C50	\$2.44	15390
3/24/2021	NIO 100 18 MAR 22 70 CALL	8,787	12,653	\$4.60	0.34	74.35%	12.56%	\$4,173,825	.NIO220318C70	\$0.97	38469

Potential Catalysts: NIO Day 2021 on 12-18-2021

Disclaimer:

Not Investment Advice or Recommendation

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