

SPOTLIGHT OPTION TRADE



Nike Pullback Attractive on Consumer Spending Recovery

TRADE SNAPSHOT

TICKER	NKE
SECURITY	Nike, Inc.
SECTOR	Consumer – Footwear & Apparel
CURRENT PRICE	\$140.70
LONG/SHORT	Long
TARGET	\$155
STOP	\$134
TIMEFRAME	2 Months

Trading Strategy: Long NKE March \$145 Calls \$4.50 or Better

Net Debit/Credit: Debit \$4.50

Profitability Zone: NKE Above \$149.50 on March OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: NKE shares pulled back to the 34-day MA for the first time in weeks and has a nice supportive volume shelf while the 55-MMA is a bit lower at \$135.75. NKE is also coming back to one-month trend support, an ideal level for a best-in-class name to base and recover.



Fundamental Analysis: The \$222.75B leading global apparel & footwear company is trading 36X Earnings and 5.1X FY21 EV/Sales. NKE forecasts see revenue growth of 15.6% in 2021 and 11% in 2022 with EBITDA seen growing 60% and 21% respectively, very impressive growth for a large cap. NKE has a ton of brand momentum and with a return of Sports, including NBA, it should continue to generate plenty of buzz around its key brands. NKE's investments into digital insulated it more from the pandemic with DTC sales surging while its Jordan brand continues to perform well and it remains a major player in International markets. Nike's thriving DTC business is also growing its operating margins. Analysts have an average target of \$162 and short interest low at 1.1% of the float. On 12/30 Guggenheim name it a top 2021 idea noting pent-up demand for apparel and sees material market share gains for Nike. UBS with a Buy rating and \$183 target as a top 2021 pick sees earnings momentum continuing. Argus raised its target to \$165 citing Nike's brand power and ability to raise prices and increase sales. Hedge Fund ownership rose 4.9% in Q3 filings.

Options Activity:

Date	Description	Volume	Open.In	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change	O/D
1/15/2021	NKE 100 18 JUN 21 135 PUT	949	369	\$7.50	-0.37	28.76%	44.09%	\$716,495	.NKE210618P135	\$7.50	369	0.00%	
1/11/2021	NKE 100 (Weeklys) 5 FEB 21 140 CALL	2,263	2,890	\$8.26	0.76	26.29%	74.03%	\$1,869,238	.NKE210205C140	\$3.71	1427	-55.08%	
1/8/2021	NKE 100 19 MAR 21 145 CALL	1,875	1,282	\$7.50	0.55	27.09%	50.27%	\$1,406,250	.NKE210319C145	\$4.25	2903	-43.33%	
1/7/2021	NKE 100 19 FEB 21 130 PUT	3,118	1,123	\$0.89	-0.12	27.76%	14.18%	\$277,502	.NKE210219P130	\$1.14	4472	28.09%	
1/6/2021	NKE 100 16 APR 21 145 CALL	4,644	2,817	\$7.74	0.49	29.55%	42.52%	\$3,594,456	.NKE210416C145	\$6.30	6626	-18.60%	
1/6/2021	NKE 100 (Weeklys) 5 FEB 21 150 CALL	3,129	357	\$1.59	0.25	25.50%	22.65%	\$497,511	.NKE210205C150	\$0.66	1588	-58.49%	
1/6/2021	NKE 100 (Weeklys) 5 FEB 21 140 CALL	3,324	31	\$5.79	0.59	27.78%	56.25%	\$1,924,596	.NKE210205C140	\$3.71	1427	-35.92%	
12/30/2020	NKE 100 21 JAN 22 150 CALL	1,027	1,006	\$14.00	0.48	30.99%	35.78%	\$1,437,800	.NKE220121C150	\$13.75	2298	-1.79%	
12/28/2020	NKE 100 19 FEB 21 150 CALL	1,971	982	\$2.68	0.312	25.46%	27.80%	\$528,228	.NKE210219C150	\$1.19	2667	-55.60%	
12/24/2020	NKE 100 19 MAR 21 150 CALL	10,370	974	\$4.25	0.36	27.35%	31.07%	\$4,459,100	.NKE210319C150	\$2.67	6303	-37.18%	
12/15/2020	NKE 100 21 JAN 22 180 CALL	702	213	\$5.85	0.25	31.14%	16.25%	\$410,670	.NKE220121C180	\$5.20	1447	-11.11%	
12/15/2020	NKE 100 19 MAR 21 140 CALL	1,812	767	\$8.78	0.52	32.29%	45.18%	\$1,590,936	.NKE210319C140	\$6.60	5359	-24.83%	
12/10/2020	NKE 100 19 MAR 21 135 CALL	1,370	2,034	\$10.25	0.57	31.98%	50.66%	\$1,404,250	.NKE210319C135	\$10.45	1999	1.95%	
12/9/2020	NKE 100 20 JAN 23 200 CALL	611	12	\$8.00	0.27	31.64%	14.32%	\$488,800	.NKE230120C200	\$8.25	746	3.13%	
12/9/2020	NKE 100 16 JUL 21 140 CALL	1,256	150	\$13.25	0.53	32.70%	42.77%	\$1,664,200	.NKE210716C140	\$12.71	1675	-4.08%	
11/16/2020	NKE 100 19 MAR 21 135 CALL	2,052	230	\$6.90	0.44	29.92%	37.70%	\$1,415,880	.NKE210319C135	\$10.45	1999	51.45%	
11/11/2020	NKE 100 21 JAN 22 125 CALL	1,500	4,075	\$18.95	0.59	32.33%	45.04%	\$2,880,000	.NKE220121C125	\$26.30	6732	38.79%	
11/10/2020	NKE 100 21 JAN 22 125 CALL	1,403	885	\$19.20	0.59	33.01%	44.64%	\$2,693,760	.NKE220121C125	\$26.30	6732	36.98%	
10/19/2020	NKE 100 16 APR 21 130 PUT	402	126	\$11.80	-0.47	31.36%	55.45%	\$474,360	.NKE210416P130	\$3.80	1378	-67.80%	

Potential Catalysts: No Events Scheduled (Adidas Investor Day March 10th)

Disclaimer:

Not Investment Advice or Recommendation

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