

SPOTLIGHT OPTION TRADE



Expecting NVIDIA to Hold Support as Semiconductor Demand Surges

TRADE SNAPSHOT

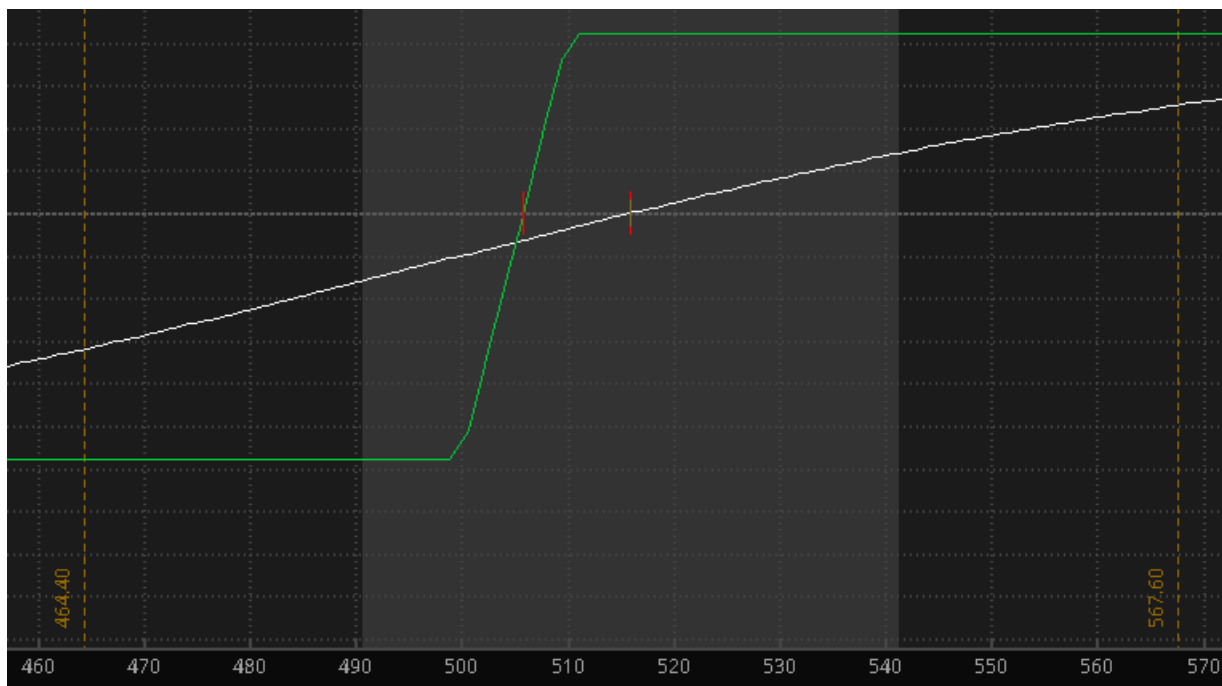
TICKER	NVDA
SECURITY	Nvidia Corp.
SECTOR	Tech – Semiconductors
CURRENT PRICE	\$516
LONG/SHORT	Long
TARGET	Above \$510
STOP	None – Defined Risk
TIMEFRAME	3 Weeks

Trading Strategy: Sell the NVDA February \$510/\$500 Put Spread for \$4.20 Credit or Better (Bull Put Spread)

Net Debit/Credit: Credit \$4.20

Profitability Zone: NVDA Above \$505.80 on February OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: NVDA shares are squeezing tightly on multiple timeframes and touched the rising 21-week moving average this week which it has been above since March, also right above an anchored VWAP from a July low reversal move and trend support of a triangle pattern forming.

Nvidia Corp, Weekly, Nasdaq + Cboe BZX O 551.27 H 553.14 L 511.41 C 516.00 Change -6.40% Market closed



Fundamental Analysis: The \$323B Semiconductor leader trades 44.25X Earnings and 19X FY21 EV/Sales with revenues seen growing 51% in 2021 and 20.5% in 2022. NVDA is positioned well for a blowout quarter with peer read-throughs showing strength in Auto, Data Center, and Gaming markets and NVDA has been ramping its RTX 30 Series. NVDA has also been ramping Ampere in data center which is likely a growth driver for several years. NVDA is also looking to secure its massive acquisition deal for ARM Holdings. NVDA is also a leader in AI and sees a huge opportunity opening up in Healthcare markets. Analysts have an average target of \$595 and short interest low at 1.1% of the float. Barclays raised its target to \$600 this week expecting further beat and raises. Truist raised its target to \$672 as a top idea for 2021 with many growth opportunities like server acceleration, AI, gaming and eventual autonomous driving. SIG raised its target to \$625 noting an extremely strong demand backdrop resulting in supply shortages. Hedge Fund ownership fell 3.6% in Q3 filings, Edgewood a notable top holder.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change	OI Differential
1/27/2021	NVDA 100 18 JUN 21 520 PUT	1,065	852	\$63.81	-0.46	46.56%	57.80%	\$6,795,765	.NVDA210618P520				
1/27/2021	NVDA 100 17 JUN 22 500 CALL	333	154	\$117.93	0.62	46.63%	41.29%	\$3,991,005	.NVDA220617C500				
1/27/2021	NVDA 100 (Weeklys) 5 FEB 21 550 CALL	4,050	1,484	\$8.20	0.32	47.33%	29.03%	\$3,335,770	.NVDA210205C550				
1/20/2021	NVDA 100 19 MAR 21 425 PUT	1,023	424	\$4.95	-0.09	47.07%	13.03%	\$506,385	.NVDA210319P425	\$5.05	1393	2.02%	-3.73%
1/20/2021	NVDA 100 (Weeklys) 29 JAN 21 550 CALL	4,425	1,211	\$5.45	0.28	37.11%	25.91%	\$2,411,625	.NVDA210129C550	\$4.45	4753	-18.35%	-15.67%
1/14/2021	NVDA 100 21 JAN 22 540 PUT	1,033	318	\$92.40	-0.43	41.37%	59.57%	\$9,544,920	.NVDA220121P540	\$92.40	871	0.00%	-35.53%
1/11/2021	NVDA 100 19 MAR 21 475 PUT	1,073	570	\$13.91	-0.2	46.18%	26.56%	\$1,492,543	.NVDA210319P475	\$13.60	1247	-2.23%	-24.10%
1/11/2021	NVDA 100 (Weeklys) 29 JAN 21 550 CALL	1,629	480	\$21.05	0.51	42.44%	47.30%	\$3,429,045	.NVDA210129C550	\$4.45	4753	-78.86%	125.37%
1/6/2021	NVDA 100 19 FEB 21 535 PUT	7,285	169	\$47.60	-0.61	43.34%	66.65%	\$36,206,450	.NVDA210219P535	\$22.23	7834	-53.30%	5.10%
1/6/2021	NVDA 100 19 FEB 21 535 CALL	7,504	1,091	\$17.48	0.38	40.90%	32.74%	\$14,482,720	.NVDA210219C535	\$25.30	8113	44.74%	-5.61%
1/6/2021	NVDA 100 19 FEB 21 510 PUT	1,034	763	\$23.95	-0.41	40.33%	46.46%	\$2,486,770	.NVDA210219P510	\$12.20	3031	-49.06%	68.67%
1/5/2021	NVDA 100 (Weeklys) 22 JAN 21 520 PUT	1,758	132	\$12.97	-0.38	39.61%	41.33%	\$2,280,126	.NVDA210122P520	\$0.00	0	-99.92%	-2.28%
1/4/2021	NVDA 100 19 FEB 21 600 CALL	3,604	3,176	\$7.76	0.2	40.53%	15.78%	\$2,796,704	.NVDA210219C600	\$6.03	10801	-22.29%	59.31%
12/31/2020	NVDA 100 19 MAR 21 580 PUT	1,500	182	\$78.30	-0.68	40.75%	74.78%	\$11,745,000	.NVDA210319P580	\$62.05	1717	-20.75%	2.08%
12/31/2020	NVDA 100 19 MAR 21 580 CALL	1,629	1,423	\$19.06	0.32	41.73%	25.58%	\$3,104,874	.NVDA210319C580	\$22.45	3481	17.79%	14.06%
12/30/2020	NVDA 100 18 JUN 21 535 PUT	1,002	56	\$66.27	-0.48	40.88%	59.06%	\$6,640,254	.NVDA210618P535	\$58.00	1109	-12.48%	4.82%
12/30/2020	NVDA 100 18 JUN 21 535 CALL	1,004	348	\$54.30	0.52	42.21%	40.86%	\$5,486,860	.NVDA210618C535	\$62.37	1508	14.86%	11.54%
12/30/2020	NVDA 100 17 SEP 21 450 CALL	2,005	124	\$112.40	0.72	43.90%	58.35%	\$22,536,200	.NVDA210917C450	\$128.75	2118	14.55%	-5.2%
12/29/2020	NVDA 100 21 JAN 22 510 PUT	509	213	\$81.50	-0.405	40.70%	57.17%	\$4,148,350	.NVDA220121P510	\$76.22	857	-6.48%	18.70%
12/29/2020	NVDA 100 19 MAR 21 560 CALL	1,780	885	\$24.78	0.381	42.32%	30.78%	\$4,410,840	.NVDA210319C560	\$29.32	1744	18.32%	-34.56%
12/29/2020	NVDA 100 19 FEB 21 650 CALL	1,823	1,086	\$3.05	0.088	42.05%	6.54%	\$556,015	.NVDA210219C650	\$2.16	3442	-29.18%	18.32%
12/24/2020	NVDA 100 (Weeklys) 22 JAN 21 500 CALL	1,004	23	\$32.65	0.66	36.21%	62.32%	\$3,303,160	.NVDA210122C500	\$0.00	0	60.46%	-31.16%
12/23/2020	NVDA 100 (Weeklys) 29 JAN 21 520 CALL	1,102	39	\$25.60	0.527	37.93%	47.84%	\$2,821,120	.NVDA210129C520	\$19.97	1762	-21.99%	54.43%
12/23/2020	NVDA 100 (Weeklys) 29 JAN 21 500 CALL	1,080	86	\$37.50	0.648	39.21%	60.01%	\$4,050,000	.NVDA210129C500	\$37.00	1080	-1.33%	-7.38%

Potential Catalysts: No Company-Specific Catalysts Seen

Disclaimer:**Not Investment Advice or Recommendation**

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