

## SPOTLIGHT OPTION TRADE



### NXP Semi a Favored Name in Beat-Up Group

#### TRADE SNAPSHOT

TICKER	NXPI
SECURITY	NXP Semiconductors
SECTOR	Tech – Semiconductor
CURRENT PRICE	\$91.8
LONG/SHORT	Long
TARGET	\$110
STOP	\$88
TIMEFRAME	2 Months

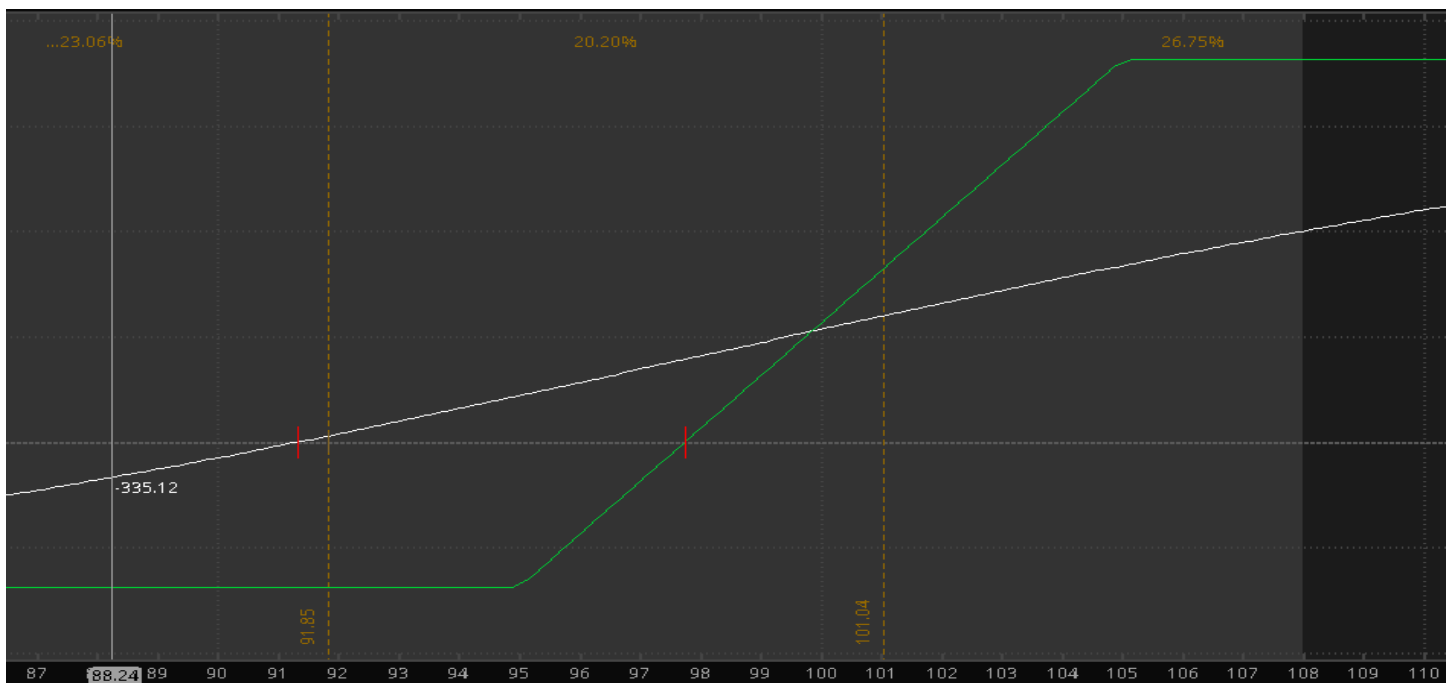
**Trading Strategy:** Long NXPI July \$95/\$105 Call Spreads at \$2.75 Debit

**Net Debit/Credit:** Debit \$2.75

**Profitability Zone:** NXPI Above \$97.75 on July OpEx

**Greeks:** Delta 24; Gamma 1; Vega 4; Theta -2

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** NXPI shares have pulled back to the 38.2% retracement and high volume node as well as a retest of its former breakout, and the large base breakout still has a much higher measured move to \$120 yet to play out.



**Fundamental Analysis:** The \$30.2B Semi trades 10X Earnings, 9X FCF and 3.27X Sales with a 1.1% dividend yield. NXPI expects revenue growth to pick back up in 2020 at 6.5% and sees double digit EPS growth each of the next three years. NXPI is focused on Automotive, Industrial/IoT, Mobile, and Communications verticals as growing markets, 48% exposed to Automotive with a focus on ADAS/radar, vehicle networks, electrification, and connected infotainment. Analysts have an average target of \$115 on shares and short interest is 3.4% of the float. CSFB has a \$125 target on shares and sees multiple drivers of growth and a growing pipeline of design wins, also a path to margin leverage. It trades cheap to peers on EV/FCF and has M&A optionality. BAML added NXPI to the US1 List in early May seeing the margin recovery on track and management buying back stock aggressively.

End Market	Percent 2018 Revenue	2018A – 2021E 3-yr. CAGR
Automotive	48%	Up 7 to 10%
Industrial & IoT	19%	Up 8 to 11%
Mobile	12%	Up 4 to 6%
Comm. Infra. & Other	19%	0 to up 2%
<b>Total</b>		<b>Up 5 - 7%</b>

### Options Activity:

Date	Description	Volume	Open.Int	Price	%Change	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol
5/23/2019	NXPI 100 15 JAN 21 95 CALL	429	42	\$15.10	-4.49%	0.56	35.62%	38.92%	\$647,790	.NXPI210115C95
5/23/2019	NXPI 100 19 JUL 19 100 CALL	2,337	13,978	\$2.47	-14.53%	0.31	35.96%	25.87%	\$577,239	.NXPI190719C100
5/23/2019	NXPI 100 21 JUN 19 100 CALL	4,098	1,485	\$1.06	-36.90%	0.2	36.51%	16.92%	\$438,486	.NXPI190621C100
5/22/2019	NXPI 100 18 OCT 19 95 CALL	4,000	1,089	\$9.40	1.62%	0.56	37.25%	46.70%	\$3,860,000	.NXPI191018C95
5/20/2019	NXPI 100 21 JUN 19 95 CALL	1,601	182	\$2.48	-40.81%	0.38	36.00%	33.81%	\$397,048	.NXPI190621C95
5/20/2019	NXPI 100 21 JUN 19 90 PUT	569	225	\$3.20	59.20%	-0.39	39.05%	43.47%	\$187,770	.NXPI190621P90
5/17/2019	NXPI 100 21 JUN 19 100 CALL	1,002	809	\$2.63	-11.15%	0.4	31.60%	36.23%	\$269,538	.NXPI190621C100
5/15/2019	NXPI 100 18 OCT 19 100 CALL	1,050	5,792	\$10.00	26.74%	0.55	34.28%	46.78%	\$1,050,000	.NXPI191018C100
5/14/2019	NXPI 100 19 JUL 19 100 CALL	3,524	10,388	\$4.40	51.20%	0.47	32.29%	41.19%	\$1,621,040	.NXPI190719C100
5/14/2019	NXPI 100 18 OCT 19 85 PUT	900	364	\$4.05	73.08%	-0.25	37.47%	33.64%	\$364,500	.NXPI191018P85
5/14/2019	NXPI 100 18 OCT 19 120 CALL	900	60	\$1.70	19.72%	0.19	31.22%	13.69%	\$178,200	.NXPI191018C120
5/10/2019	NXPI 100 18 OCT 19 90 PUT	785	196	\$5.25	27.43%	-0.294	35.83%	38.09%	\$412,125	.NXPI191018P90
5/7/2019	NXPI 100 17 JAN 20 80 PUT	2,255	2,607	\$3.35	17.54%	-0.18	38.25%	27.56%	\$845,625	.NXPI200117P80
5/7/2019	NXPI 100 17 JAN 20 130 CALL	2,287	12,295	\$2.56	-30.81%	0.2	30.33%	13.89%	\$617,490	.NXPI200117C130
5/7/2019	NXPI 100 19 JUN 20 130 CALL	400	0	\$4.92	N/A	0.3	30.33%	20.08%	\$196,800	.NXPI200619C130
5/3/2019	NXPI 100 15 JAN 21 110 CALL	2,600	79	\$17.00	8.97%	0.568	30.94%	41.65%	\$4,420,000	.NXPI210115C110
5/3/2019	NXPI 100 15 JAN 21 135 CALL	2,600	100	\$7.75	9.15%	0.36	29.93%	23.33%	\$2,015,000	.NXPI210115C135
5/3/2019	NXPI 100 21 JUN 19 115 CALL	1,054	819	\$1.47	2.80%	0.25	25.59%	22.00%	\$154,938	.NXPI190621C115
5/1/2019	NXPI 100 21 JUN 19 105 PUT	1,055	27	\$3.30	-13.16%	-0.39	27.53%	43.47%	\$348,150	.NXPI190621P105
4/30/2019	NXPI 100 17 JAN 20 130 CALL	5,282	7,334	\$3.35	39.58%	0.24	28.46%	17.52%	\$1,795,880	.NXPI200117C130
4/29/2019	NXPI 100 18 OCT 19 105 CALL	4,002	247	\$6.30	1.61%	0.43	33.12%	34.77%	\$2,601,300	.NXPI191018C105

**Potential Catalysts:** Bernstein Conference 5-29; Cowen Conference 5-30; BAML Conference 6-4;

**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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