

## SPOTLIGHT OPTION TRADE



### Oracle Next Large Cap Tech Breakout

#### TRADE SNAPSHOT

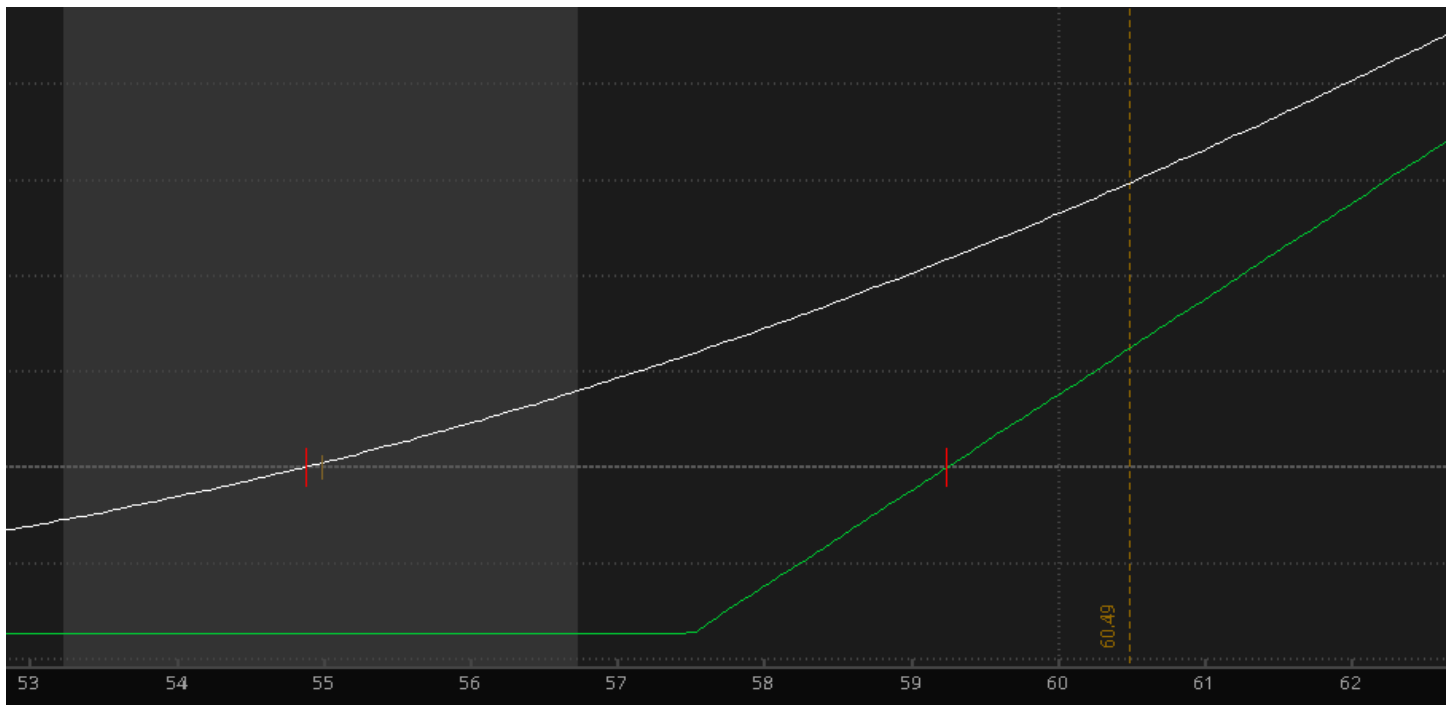
TICKER	ORCL
SECURITY	Oracle Corp.
SECTOR	Tech – Software
CURRENT PRICE	\$55
LONG/SHORT	Long
TARGET	\$60
STOP	\$52.5
TIMEFRAME	4 Months

**Trading Strategy:** Long ORCL June \$57.50 Calls \$1.75 Debit

**Net Debit/Credit:** Debit \$1.75

**Profitability Zone:** ORCL Shares Above \$59.25 on June OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** ORCL shares have been in a choppy range but the longer term monthly chart below shows a long channel up and shares re-testing a prior breakout and holding the mid-channel with RSI looking to clear its pullback trend and ignite a move to new highs.



**Fundamental Analysis:** The \$176B Software Company trades 13X Earnings, 19.25X FCF and 5X EV/Sales with a 1.75% dividend yield. ORCL revenue growth is seen accelerating the next two quarters, albeit low at 2.5% Y/Y, while EPS seen rising 10.5% in 2020. ORCL's cloud business has been overshadowed as it transitions to a subscription business. ORCL's two key product areas in the Cloud will be Cloud ERP applications and the Autonomous Database, the latter seen as a game-changer for the company. Analysts have an average target of \$56 and short interest falling 20% Q/Q to 1.8% of the float. ORCL did see momentum accelerate in 2H and is seen continuing that momentum into 2021, while the passing of its CEO has left some questions, there is potential for an upside catalyst if there is a management shakeup. Hedge Fund ownership fell 8.1% in Q3 filings, Sound Shore with a new position and Vulcan Value added to a large position.

### Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol
2/4/2020	ORCL 100 17 APR 20 55 PUT	2,235	560	\$2.61	-0.54	22.37%	57.80%	\$587,805	.ORCL200417P55
2/4/2020	ORCL 100 17 APR 20 50 PUT	3,019	468	\$0.81	-0.23	24.83%	26.40%	\$244,539	.ORCL200417P50
1/30/2020	ORCL 100 21 JAN 22 45 PUT	1,000	140	\$3.55	-0.27	25.35%	40.81%	\$400,000	.ORCL220121P45
1/27/2020	ORCL 100 19 MAR 21 57.5 CALL	1,800	176	\$3.25	0.4	23.06%	31.07%	\$648,000	.ORCL210319C57.5
1/16/2020	ORCL 100 21 JAN 22 57.5 CALL	672	70	\$6.20	0.5	23.22%	38.06%	\$423,360	.ORCL220121C57.5
1/14/2020	ORCL 100 20 MAR 20 57.5 CALL	7,891	3,133	\$0.87	0.32	19.68%	28.79%	\$686,517	.ORCL200320C57.5
1/13/2020	ORCL 100 15 JAN 21 50 PUT	3,507	7,049	\$3.00	-0.31	24.03%	40.51%	\$1,069,635	.ORCL210115P50
1/9/2020	ORCL 100 15 JAN 21 60 CALL	1,813	2,215	\$2.65	0.36	21.84%	28.49%	\$493,136	.ORCL210115C60
1/9/2020	ORCL 100 21 FEB 20 52.5 CALL	1,094	1,015	\$2.52	0.71	19.07%	68.92%	\$280,064	.ORCL200221C52.5
12/23/2019	ORCL 100 15 JAN 21 45 PUT	3,218	3,704	\$1.94	-0.21	25.70%	29.76%	\$624,292	.ORCL210115P45
12/23/2019	ORCL 100 20 MAR 20 55 CALL	2,714	1,847	\$1.48	0.42	18.93%	38.89%	\$401,672	.ORCL200320C55
12/18/2019	ORCL 100 19 JUN 20 47.5 PUT	3,100	444	\$1.24	-0.22	23.95%	27.26%	\$387,500	.ORCL200619P47.5
12/17/2019	ORCL 100 21 FEB 20 55 PUT	1,201	1,551	\$2.65	-0.7	15.46%	72.04%	\$317,064	.ORCL200221P55
12/13/2019	ORCL 100 20 MAR 20 60 CALL	22,773	2,214	\$0.38	0.151	17.29%	13.16%	\$865,374	.ORCL200320C60
12/13/2019	ORCL 100 20 MAR 20 50 PUT	3,983	924	\$0.78	-0.209	21.90%	24.38%	\$310,674	.ORCL200320P50
12/5/2019	ORCL 100 15 JAN 21 55 PUT	1,000	735	\$5.80	-0.46	24.17%	57.11%	\$590,000	.ORCL210115P55
11/27/2019	ORCL 100 21 FEB 20 60 CALL	1,715	1,070	\$0.77	0.26	18.22%	23.28%	\$132,055	.ORCL200221C60
11/25/2019	ORCL 100 21 FEB 20 52.5 PUT	1,200	1	\$0.96	-0.24	23.11%	27.75%	\$118,800	.ORCL200221P52.5
11/15/2019	ORCL 100 19 JUN 20 55 CALL	3,078	1,205	\$4.75	0.584	24.07%	51.50%	\$1,462,050	.ORCL200619C55
11/12/2019	ORCL 100 19 JUN 20 55 PUT	3,008	720	\$3.25	-0.401	23.41%	47.65%	\$977,600	.ORCL200619P55
9/20/2019	ORCL 100 20 MAR 20 57.5 PUT	608	13	\$5.50	-0.63	22.00%	68.80%	\$337,440	.ORCL200320P57.5

**Potential Catalysts:** Earnings Mid-March

**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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