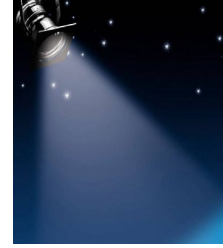


## SPOTLIGHT OPTION TRADE



### Positioning for Upside Move in Smartphone Chip Leader into Auto Catalyst

#### TRADE SNAPSHOT

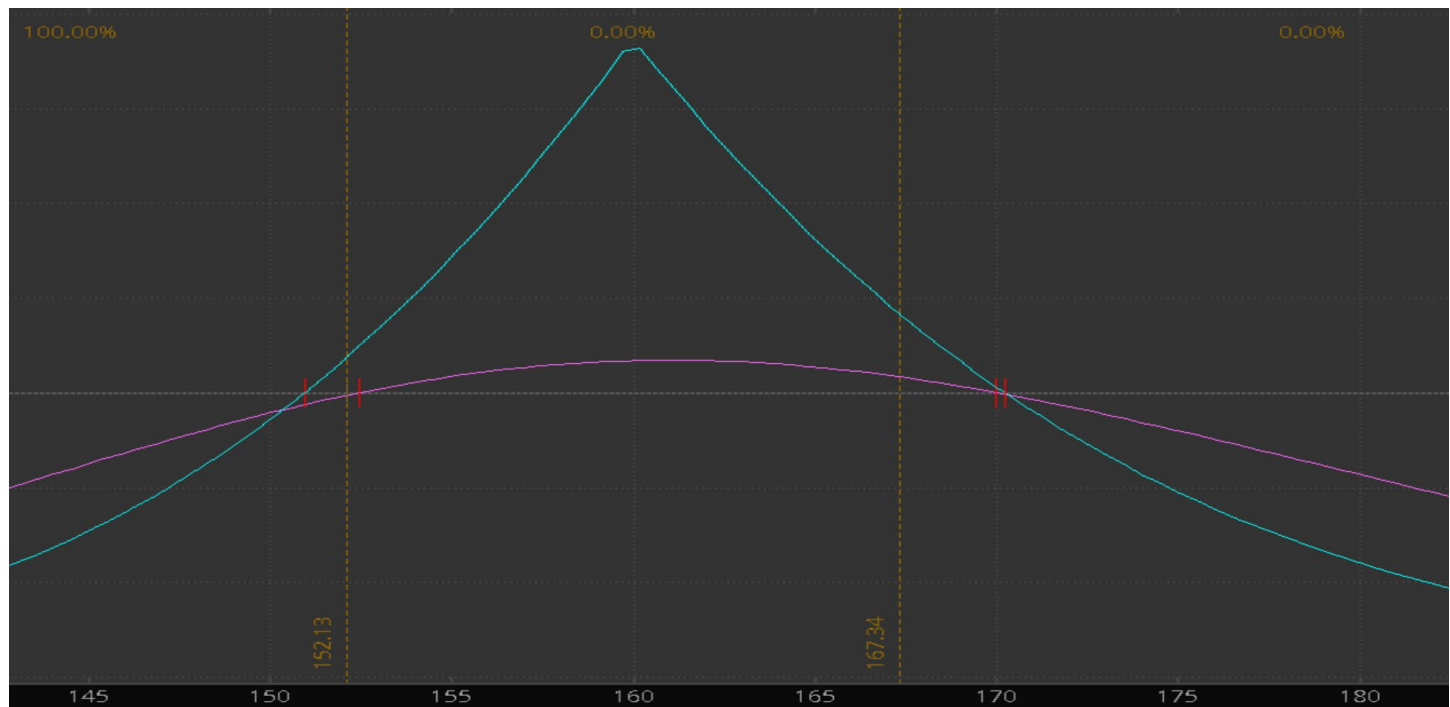
TICKER	QCOM
SECURITY	QUALCOMM
SECTOR	Tech – Semiconductors
CURRENT PRICE	\$152
LONG/SHORT	Long
TARGET	\$160+
STOP	\$140
TIMEFRAME	2 Months

**Trading Strategy:** Long the QCOM September/October \$160 Calendar Call Spread at \$2.95 Debit

**Net Debit/Credit:** Debit of \$2.95

**Profitability Zone:** QCOM \$153-\$167 Range on September OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** QCOM with a great looking bull flag under a rising 200-MA while A/D is making fresh highs, a larger cup and handle pattern can also be seen with the recent move stalling at a 50% retrace and the 61.8% level is at \$165.



**Fundamental Analysis:** QCOM is a global chip leader in the wireless industry that has expanded from mobile to IoT, Automotive and Industrial while being a prime beneficiary of the upcoming 5G ramp cycle. QCOM continues to see momentum from their key customers with Oppo, Vivo, Xiaomi, and others all gaining market share, especially around the premium tier, which is creating positive momentum for QCOM. Recent industry reports suggest Apple has delayed deployment of their internal iPhone 5G baseband, once again relying on Qualcomm to supply the component for 5G units released through YE 2023. QCOM's automotive design win pipeline is now over \$19 billion, up approximately \$3 billion since fiscal Q2. I like positioning around the 9/22 Auto Investor Day with these spreads as excitement builds for the Auto opportunity. QCOM has a market cap of \$167B and trades cheap at 11.75X Earnings, 47.3X FCF and a 2% dividend yield and large buyback in place. Analysts have an average target of \$190 with short interest at 1.5% of the float. Piper lowered its target to \$185 citing some inventory build in China but strong execution and a new seven year agreement with Samsung.

### Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI ▾
06-02-2022	QCOM	QCOM 100 21 OCT 22 165 CALL	2,000	\$6.25	1,144	0.32	37.92%	\$1,280,000	\$4	46,176
06-28-2022	QCOM	QCOM 100 21 OCT 22 165 CALL	4,097	\$3.25	2,773	0.21	41.49%	\$1,331,525	\$4	46,176
06-29-2022	QCOM	QCOM 100 21 OCT 22 165 CALL	25,068	\$2.9	7,125	0.19	42.32%	\$7,269,720	\$4	46,176
06-30-2022	QCOM	QCOM 100 21 OCT 22 165 CALL	30,227	\$2.05	41,969	0.14	44.77%	\$6,196,535	\$4	46,176
04-28-2022	QCOM	QCOM 100 21 OCT 22 130 CALL	25,066	\$25.35	454	0.71	45.88%	\$72,816,730	\$23.29	23,565
06-28-2022	QCOM	QCOM 100 16 SEP 22 150 CALL	14,096	\$3.62	748	0.26	40.65%	\$5,145,040	\$7	12,998
06-13-2022	QCOM	QCOM 100 19 AUG 22 135 CALL	1,180	\$7.95	474	0.45	46.94%	\$938,100	\$17.62	9,936
07-01-2021	QCOM	QCOM 100 20 JAN 23 180 CALL	2,324	\$9.35	621	0.31	32.01%	\$2,172,940	\$5.05	8,622
08-09-2021	QCOM	QCOM 100 20 JAN 23 145 PUT	738	\$21.3	403	-0.43	29.76%	\$1,586,700	\$11.05	8,165
07-27-2022	QCOM	QCOM 100 20 JAN 23 145 PUT	5,000	\$14.55	2,617	-0.39	42.18%	\$7,300,000	\$11.05	8,165
07-14-2022	QCOM	QCOM 100 21 OCT 22 150 CALL	2,262	\$9.96	4,879	0.44	46.79%	\$2,252,952	\$10.4	7,826
07-20-2021	QCOM	QCOM 100 20 JAN 23 145 CALL	5,000	\$17.2	1,136	0.51	31.85%	\$9,050,000	\$19.2	7,475
03-25-2022	QCOM	QCOM 100 21 OCT 22 130 PUT	3,514	\$7.65	227	-0.22	40.64%	\$2,688,210	\$2.3	6,925
01-15-2021	QCOM	QCOM 100 20 JAN 23 140 PUT	400	\$25.05	46	-0.33	38.4%	\$1,002,000	\$9.25	6,920
06-07-2022	QCOM	QCOM 100 16 SEP 22 140 CALL	1,125	\$12.7	311	0.55	42.55%	\$1,445,625	\$14.1	5,821
07-14-2022	QCOM	QCOM 100 16 SEP 22 140 CALL	3,414	\$9	3,360	0.49	47.88%	\$3,072,600	\$14.1	5,821
07-15-2022	QCOM	QCOM 100 20 JAN 23 125 PUT	3,318	\$9.45	4,827	-0.27	45%	\$3,152,100	\$5.25	5,612
07-28-2022	QCOM	QCOM 100 20 JAN 23 160 CALL	3,231	\$11.05	3,416	0.43	38.45%	\$3,570,255	\$11.65	4,988
06-29-2022	QCOM	QCOM 100 19 JAN 24 135 PUT	2,170	\$26.25	646	-0.42	39.07%	\$5,696,250	\$17.45	4,898
06-30-2022	QCOM	QCOM 100 19 JAN 24 135 PUT	2,290	\$28.62	4,163	-0.49	35.65%	\$6,553,980	\$17.45	4,898

**Potential Catalysts:** 9/22 Auto Investor Day Meeting

## **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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