

SPOTLIGHT OPTION TRADE



Roku Bull Put Spreads on Triple-Support Holding

TRADE SNAPSHOT

TICKER	ROKU
SECURITY	Roku
SECTOR	Communication – Media – Streaming Platforms
CURRENT PRICE	\$362.92
LONG/SHORT	Long Biased
TARGET	Above \$350
STOP	None – Defined Risk
TIMEFRAME	4 Months

Trading Strategy: Sell the **ROKU** July \$350/\$340 Put Spreads for a \$5 Credit (Bull Put Spreads)

Net Debit/Credit: Credit of \$5

Profitability Zone: ROKU Above \$345 on July OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: ROKU broke a parabolic trend move with the late February sell-off but now is finding support at the VWAP off the November low, the 21-week moving average, and a 50% retracement of the November/February range and shares are showing signs of basing at this key support.



Fundamental Analysis: The \$47B streaming platform leader trades 17X FY21 EV/Sales and 13X FY22 EV/Sales with revenue growth seen at 44% and 38% respectively, one of the top growth names in the market and also seeing a long runway for ramping profitability. ROKU is coming off another very strong quarter and has clearly established itself as the leader in the Connected TV theme taking advantage of the major advertising shift to OTT and also having a large untapped International opportunity. Analysts have an average target of \$475 and short interest is 3.3% of the float. KeyBanc out positive on 3/3 after ROKU's deal for Nielsen's video advertising business expanded its addressable market. On 2/22 Needham raised its target to \$550 after a very strong Q4 report. DA Davidson raised its target to \$560 on the increase in advertising load and pricing while 5G is a potential upside driver for the future.

Options Activity:

Date	Description	Volume	Open.Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI
3/10/2021	ROKU 100 15 OCT 21 320 PUT	105	33	\$48.70	-0.32	64.44%	50.93%	\$529,725	.ROKU211015P320	\$48.70	124
3/8/2021	ROKU 100 16 JUL 21 400 CALL	1,362	440	\$26.85	0.37	64.76%	23.83%	\$3,704,640	.ROKU210716C400	\$37.43	1381
2/25/2021	ROKU 100 16 APR 21 385 CALL	336	30	\$36.25	0.54	65.44%	44.02%	\$1,260,000	.ROKU210416C385	\$17.35	427
2/24/2021	ROKU 100 21 JAN 22 560 CALL	122	28	\$55.75	0.43	64.42%	21.19%	\$719,190	.ROKU220121C560	\$31.22	92
2/23/2021	ROKU 100 16 JUL 21 430 CALL	1,138	1,370	\$64.70	0.55	64.53%	38.85%	\$7,135,260	.ROKU210716C430	\$29.90	2256
2/17/2021	ROKU 100 19 MAR 21 445 CALL	571	143	\$44.25	0.59	74.55%	50.54%	\$2,626,600	.ROKU210319C445	\$0.45	539
2/16/2021	ROKU 100 21 JAN 22 610 CALL	213	1	\$77.65	0.47	65.42%	23.63%	\$1,642,230	.ROKU220121C610	\$22.75	151
2/16/2021	ROKU 100 16 APR 21 485 CALL	292	67	\$47.00	0.52	68.03%	40.96%	\$1,392,840	.ROKU210416C485	\$2.97	446
2/11/2021	ROKU 100 19 MAR 21 460 PUT	400	50	\$42.78	-0.43	78.11%	53.20%	\$1,748,000	.ROKU210319P460	\$100.71	386
2/10/2021	ROKU 100 19 MAR 21 460 CALL	421	278	\$50.44	0.58	76.37%	48.46%	\$2,123,524	.ROKU210319C460	\$0.33	960
2/9/2021	ROKU 100 16 JUL 21 420 PUT	315	154	\$51.58	-0.31	64.56%	47.38%	\$1,624,770	.ROKU210716P420	\$90.80	370
2/9/2021	ROKU 100 16 APR 21 480 PUT	1,805	12	\$57.55	-0.46	67.50%	57.11%	\$10,387,775	.ROKU210416P480	\$129.00	1887
2/9/2021	ROKU 100 19 MAR 21 480 CALL	1,853	130	\$52.00	0.55	68.69%	42.82%	\$9,635,600	.ROKU210416C480	\$3.40	2121
2/9/2021	ROKU 100 (Weeklys) 26 MAR 21 450 CALL	225	50	\$51.60	0.63	69.78%	52.96%	\$1,161,000	.ROKU210326C450	\$1.30	183
2/4/2021	ROKU 100 16 JUL 21 480 CALL	1,541	1,685	\$51.15	0.47	62.76%	31.13%	\$7,990,085	.ROKU210716C480	\$18.00	1389
2/3/2021	ROKU 100 19 MAR 21 370 CALL	1,018	166	\$72.37	0.75	69.74%	67.16%	\$7,441,580	.ROKU210319C370	\$8.50	653
2/3/2021	ROKU 100 16 JUL 21 480 CALL	1,352	347	\$56.30	0.48	65.39%	31.61%	\$7,611,760	.ROKU210716C480	\$18.00	1389
2/2/2021	ROKU 100 16 JUL 21 450 CALL	1,580	2,718	\$60.25	0.52	64.75%	35.19%	\$9,645,900	.ROKU210716C450	\$25.00	1825
2/2/2021	ROKU 100 16 JUL 21 440 CALL	913	204	\$63.05	0.54	64.82%	37.02%	\$5,756,465	.ROKU210716C440	\$26.85	837
2/1/2021	ROKU 100 16 JUL 21 450 CALL	1,535	1,631	\$60.33	0.51	68.63%	33.11%	\$9,279,075	.ROKU210716C450	\$25.00	1825
1/26/2021	ROKU 100 19 MAR 21 410 CALL	515	207	\$40.20	0.53	67.90%	43.17%	\$2,070,300	.ROKU210319C410	\$1.68	738
1/25/2021	ROKU 100 21 JAN 22 380 PUT	150	56	\$77.70	-0.31	63.71%	55.44%	\$1,165,500	.ROKU220121P380	\$91.63	223
1/22/2021	ROKU 100 16 JUL 21 540 CALL	1,005	217	\$38.33	0.371	64.22%	21.94%	\$3,852,165	.ROKU210716C540	\$11.20	1265
1/22/2021	ROKU 100 16 JUL 21 430 CALL	1,016	216	\$71.00	0.572	63.97%	39.64%	\$7,213,600	.ROKU210716C430	\$29.90	2256
1/22/2021	ROKU 100 16 JUL 21 350 PUT	1,034	178	\$37.08	-0.258	63.23%	41.74%	\$3,834,072	.ROKU210716P350	\$47.58	1388
1/20/2021	ROKU 100 20 JAN 23 270 PUT	700	42	\$52.35	-0.17	60.55%	45.67%	\$3,664,500	.ROKU230120P270	\$64.45	751
1/19/2021	ROKU 100 16 SEP 22 490 CALL	229	61	\$114.61	0.6	60.87%	29.84%	\$2,746,855	.ROKU220916C490	\$64.00	130
1/15/2021	ROKU 100 16 JUL 21 500 CALL	938	302	\$44.98	0.42	65.33%	25.17%	\$4,258,520	.ROKU210716C500	\$17.49	1563
1/14/2021	ROKU 100 17 JUN 22 500 CALL	205	73	\$97.61	0.56	63.56%	26.93%	\$2,001,005	.ROKU220617C500	\$58.70	236
1/14/2021	ROKU 100 16 APR 21 450 PUT	153	9	\$73.00	-0.52	63.72%	65.15%	\$1,116,900	.ROKU210416P450	\$95.00	400
1/12/2021	ROKU 100 16 JUL 21 540 CALL	275	22	\$40.75	0.38	65.60%	21.60%	\$1,120,625	.ROKU210716C540	\$11.20	1265
1/7/2021	ROKU 100 16 JUL 21 450 CALL	1,114	2,148	\$41.78	0.43	63.62%	26.29%	\$4,654,292	.ROKU210716C450	\$25.00	1825

Potential Catalysts: Earnings Early May

Disclaimer:**Not Investment Advice or Recommendation**

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