

SPOTLIGHT OPTION TRADE



Bull Put Spreads as a Notable Divergence Forms in Connected TV Leader

TRADE SNAPSHOT

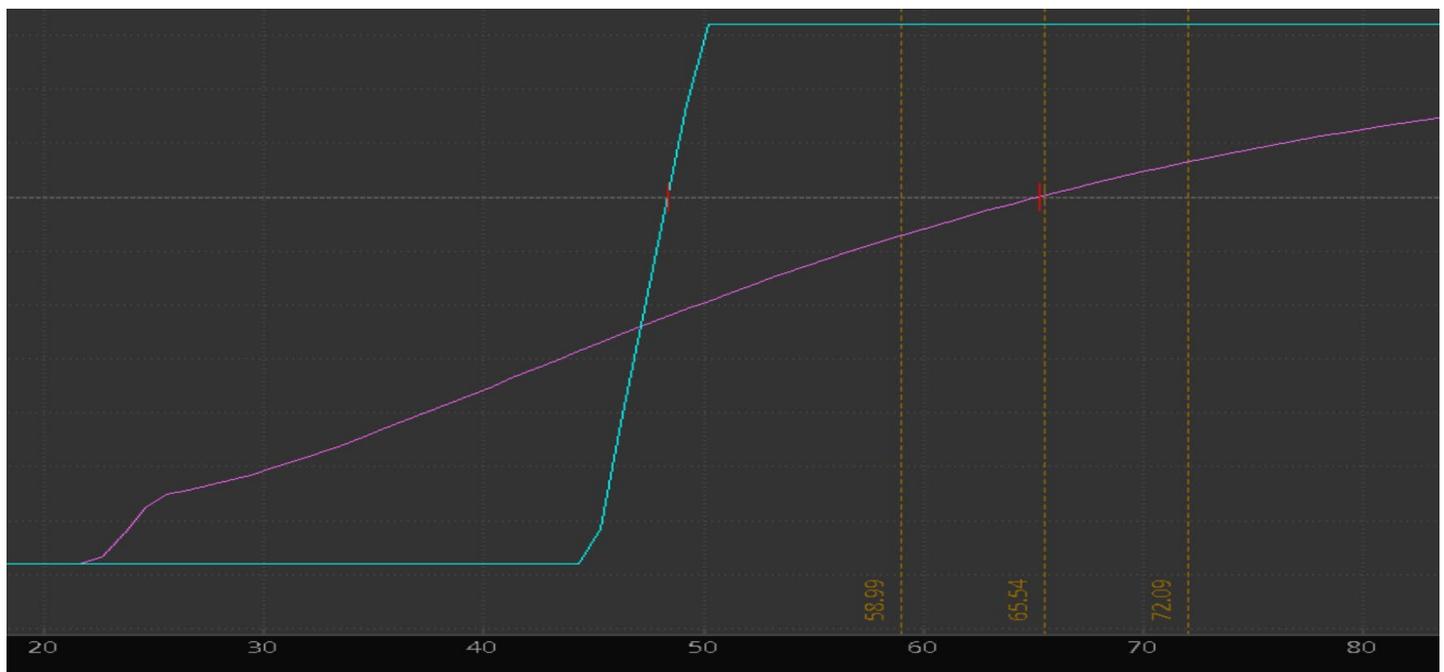
TICKER	ROKU
SECURITY	Roku, Inc.
SECTOR	Communications – Streaming Media
CURRENT PRICE	\$65.55
LONG/SHORT	Long Bias
TARGET	> \$50
STOP	None – Risk Defined
TIMEFRAME	3-4 Months

Trading Strategy: Sell the **ROKU** January \$50/\$45 Put Spreads for \$1.60 Credit (Bull Put Spread)

Net Debit/Credit: Credit of \$1.60

Profitability Zone: ROKU Above \$48.40 on January OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: ROKU shares back near lows where massive puts sold to open and this falling wedge pattern is seeing a bullish RSI divergence while MACD stays stubborn in bull zone.



Fundamental Analysis: ROKU continues to have a significant growth opportunity in International markets. ROKU has also been building out original content and enhancing the Roku Flywheel. As viewership and these dollars shift to streaming, Roku's ARPU has the potential, in the L/T, to grow multiple times of where it is now. Roku has been able to grow its U.S. smart TV market share to almost 35% in six years and relationships with TV OEMs (including TCL) and distributors (including Walmart) remain strong. Roku's new App will allow Shopify merchants to easily build, buy and measure TV streaming advertising campaigns. ROKU now has a \$9.35B market cap and trades less than 2X FY23 EV/Sales though profitability remains the question while its large scale makes it a potential attractive takeover target for Comcast or others. Revenues are seen growing 13% this year and accelerating through 2024. Analysts have an average target of \$88 with short interest at 6% of the float.

Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI	Price %
08-23-2022	ROKU	ROKU 100 21 OCT 22 50 PUT	3,844	\$1.64	1,526	0.13	81.02%	\$630,416	\$1.61	6,420	▲ 1.83%
07-29-2022	ROKU	ROKU 100 16 JUN 23 45 PUT	3,349	\$7	49	0.18	76.34%	\$2,361,045	\$6.9	6,101	▲ 1.43%
08-11-2022	ROKU	ROKU 100 16 JUN 23 45 PUT	3,022	\$4.2	3,178	0.11	76.16%	\$1,269,240	\$6.9	6,101	▼ 64.29%
07-29-2022	ROKU	ROKU 100 20 JAN 23 50 PUT	3,780	\$6	1,314	0.22	77.36%	\$2,211,300	\$5.3	5,622	▲ 11.67%
07-29-2022	ROKU	ROKU 100 20 JAN 23 45 PUT	4,256	\$4.17	1,733	0.17	78.36%	\$1,766,240	\$4.02	5,592	▲ 3.6%
07-29-2022	ROKU	ROKU 100 16 JUN 23 50 PUT	4,306	\$9.2	8	0.23	74.75%	\$3,875,400	\$8.75	5,171	▲ 4.89%
06-14-2022	ROKU	ROKU 100 18 NOV 22 65 PUT	1,072	\$12.15	393	0.31	92.83%	\$1,356,080	\$9.38	4,996	▼ 22.8%
07-29-2022	ROKU	ROKU 100 18 NOV 22 65 PUT	2,256	\$12.37	1,624	0.43	82.96%	\$2,853,840	\$9.38	4,996	▼ 24.17%
08-29-2022	ROKU	ROKU 100 17 MAR 23 35 PUT	1,082	\$2.22	446	0.08	85.8%	\$245,614	\$2.48	4,465	▲ 11.71%
03-02-2022	ROKU	ROKU 100 21 OCT 22 100 PUT	2,007	\$13.8	30	0.22	74.44%	\$2,819,835	\$37	4,422	▼ 168.12%
03-17-2022	ROKU	ROKU 100 21 OCT 22 100 PUT	1,000	\$17.95	2,133	0.29	75.61%	\$1,840,000	\$37	4,422	▼ 106.13%
05-24-2022	ROKU	ROKU 100 16 SEP 22 55 PUT	1,532	\$5.9	616	0.19	99.33%	\$934,520	\$0.36	4,325	▲ 93.9%
08-17-2022	ROKU	ROKU 100 (Weekly) 9 SEP 22 75 PUT	4,020	\$4.1	102	0.37	75.3%	\$1,708,500	\$9.5	4,162	▲ 131.71%
08-02-2022	ROKU	ROKU 100 18 NOV 22 75 PUT	3,000	\$11.75	385	0.37	81.44%	\$2,405,550	\$15.5	3,785	▲ 31.91%
08-26-2022	ROKU	ROKU 100 18 NOV 22 75 PUT	3,652	\$14.55	4,491	0.51	82.59%	\$5,386,700	\$15.5	3,785	▲ 6.53%
03-31-2022	ROKU	ROKU 100 21 OCT 22 75 PUT	400	\$5.05	124	0.11	74.8%	\$202,000	\$12.93	3,539	▲ 156.04%
08-02-2022	ROKU	ROKU 100 21 OCT 22 75 PUT	1,893	\$9.3	1,660	0.38	77.03%	\$1,788,885	\$12.93	3,539	▲ 39.03%
08-16-2022	ROKU	ROKU 100 21 OCT 22 75 PUT	2,086	\$5.69	4,030	0.29	73.63%	\$1,220,310	\$12.93	3,539	▼ 127.24%
06-10-2022	ROKU	ROKU 100 20 JAN 23 60 PUT	1,388	\$8.25	815	0.20	80.66%	\$1,145,100	\$10.25	3,509	▼ 24.24%
07-29-2022	ROKU	ROKU 100 16 JUN 23 55 PUT	3,022	\$11.67	7	0.27	74.07%	\$3,414,860	\$11.6	3,313	▲ 0.6%

Potential Catalysts: Earnings in October

Disclaimer:

Not Investment Advice or Recommendation

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