

SPOTLIGHT OPTION TRADE



Calls in Dual Beneficiary of Aero Recovery and Rising Defense Spending

TRADE SNAPSHOT

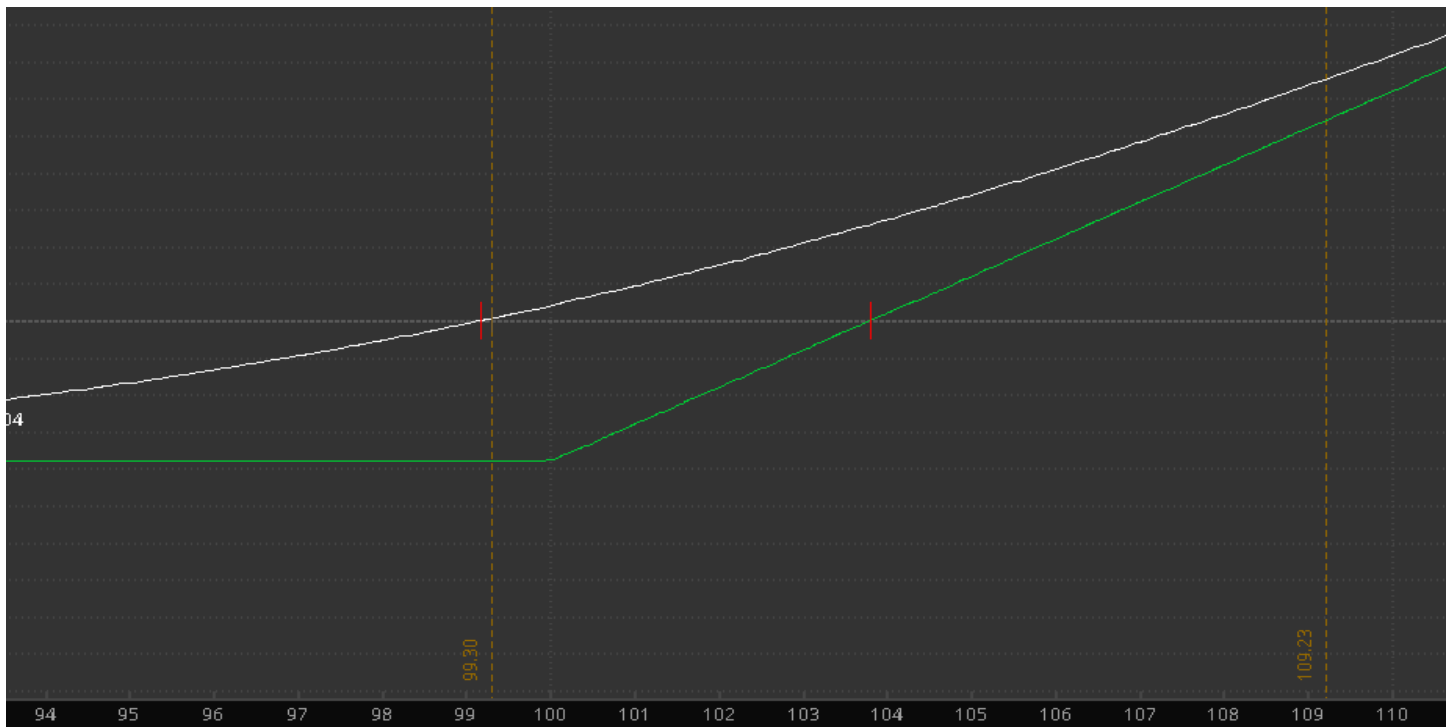
TICKER	RTX
SECURITY	Raytheon Tech
SECTOR	Industrial – Aerospace & Defense
CURRENT PRICE	\$99.31
LONG/SHORT	Long
TARGET	\$110
STOP	\$94
TIMEFRAME	2 Months

Trading Strategy: Long RTX June \$100 Calls at \$3.80 or Better

Net Debit/Credit: Debit of \$3.80

Profitability Zone: RTX Shares Above \$103.80 on June OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: RTX has a strong trend of higher lows since December and recently pulled back nicely to the 21-day moving average with the \$103 level acting as resistance. Shares set up for a potential breakout move that measures to a \$110 target.



Fundamental Analysis: RTX has a market cap of \$146B and trades 17X Earnings, 2.27X Sales and 14.6X EBITDA with topline growth seen at 7% and EBITDA growth seen back to double digits 2023-2026. Raytheon Technologies Corporation is an aerospace and defense company that provides advanced systems and services for commercial, military and government customers worldwide. Collins Aerospace Systems, Pratt & Whitney, Raytheon Intelligence & Space and Raytheon Missiles & Defense are its four operating segments. The Biden administration on March 28th released its FY23 budget that came in at a 4% increase from FY22. Management remains confident the company will reach its goal of \$10B in FCF by 2025. Analysts have an average target of \$107 with short interest at 0.9% of the float. Wolfe called RTX the top pick in Aerospace given its underappreciated aftermarket opportunity and strong cash flows.

Options Activity:

Date	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium	Last	Current OI	▲ Price	▲ OI	Current Value
08-11-2021	RTX	RTX 100 17 JUN 22 85 CALL	2,500	389	\$8.9	0.58	25.01%	\$2,212,500	\$14.9	4,611	▲ 67.42%	▲ 59.61%	\$6,870,390
02-09-2022	RTX	RTX 100 17 JUN 22 95 CALL	8,324	1,006	\$5.4	0.54	23.7%	\$4,619,820	\$6.5	9,264	▲ 20.37%	▼ 0.71%	\$6,021,600
12-16-2021	RTX	RTX 100 17 JUN 22 80 CALL	2,000	378	\$8	0.62	27.38%	\$1,630,000	\$19.91	2,506	▲ 148.88%	▲ 5.38%	\$4,989,446
02-10-2022	RTX	RTX 100 20 JAN 23 100 CALL	1,527	1,885	\$6.95	0.44	26.34%	\$1,061,265	\$8.16	4,615	▲ 17.41%	▲ 35.26%	\$3,765,840
07-13-2021	RTX	RTX 100 20 JAN 23 80 CALL	800	685	\$12.75	0.61	27%	\$1,016,000	\$21.54	997	▲ 68.94%	▼ 32.86%	\$2,147,538
11-18-2021	RTX	RTX 100 20 MAY 22 100 CALL	1,356	346	\$1.32	0.19	22.32%	\$178,992	\$2.87	7,335	▼ 117.42%	▲ 330.96%	\$2,105,145
11-26-2021	RTX	RTX 100 20 MAY 22 85 CALL	570	162	\$5.1	0.44	29.44%	\$290,700	\$14.5	1,266	▲ 184.31%	▲ 72.95%	\$1,835,700
03-23-2022	RTX	RTX 100 14 APR 22 100 PUT	3,521	2,853	\$1.97	-0.41	25.58%	\$707,721	\$1.77	6,393	▼ 10.15%	▲ 0.3%	\$1,131,561
03-04-2022	RTX	RTX 100 14 APR 22 100 CALL	913	822	\$4.1	0.51	32.37%	\$374,330	\$1.14	8,309	▼ 72.2%	▲ 378.9%	\$947,226
03-09-2022	RTX	RTX 100 14 APR 22 100 CALL	1,320	1,664	\$3.2	0.44	33.41%	\$435,600	\$1.14	8,309	▼ 64.38%	▲ 178.45%	\$947,226

Potential Catalysts: Earnings Late April

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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