

SPOTLIGHT OPTION TRADE



Looking for Solar to get Hot Again, Sunrun Size Bullish Open Interest

TRADE SNAPSHOT

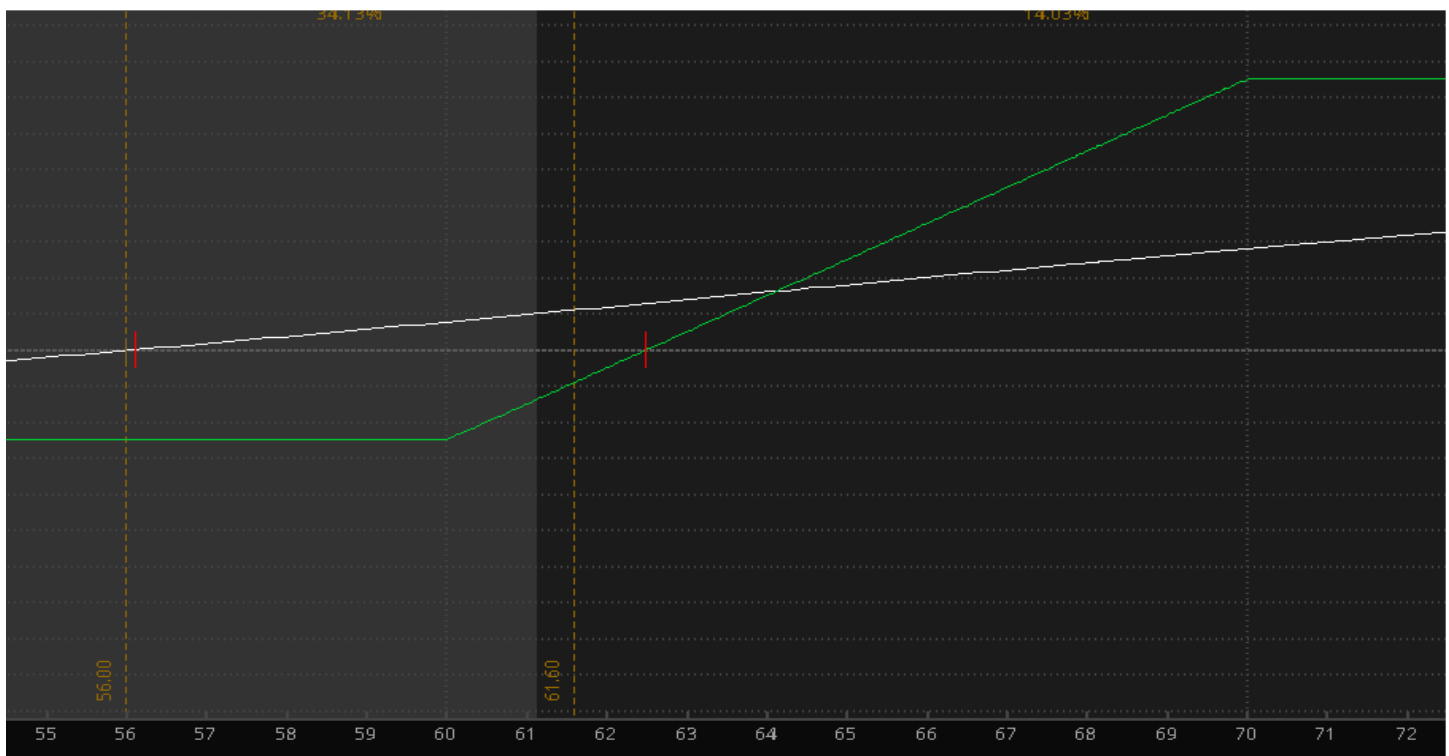
| | |
|---------------|--------------|
| TICKER | RUN |
| SECURITY | Sunrun |
| SECTOR | Tech – Solar |
| CURRENT PRICE | \$55.53 |
| LONG/SHORT | Long |
| TARGET | \$75 |
| STOP | \$50 |
| TIMEFRAME | 2 Months |

Trading Strategy: Long the RUN January \$60/\$70 Call Spreads at \$2.50 Debit

Net Debit/Credit: Debit \$2.50

Profitability Zone: RUN Shares Above \$62.50 on January OpEx

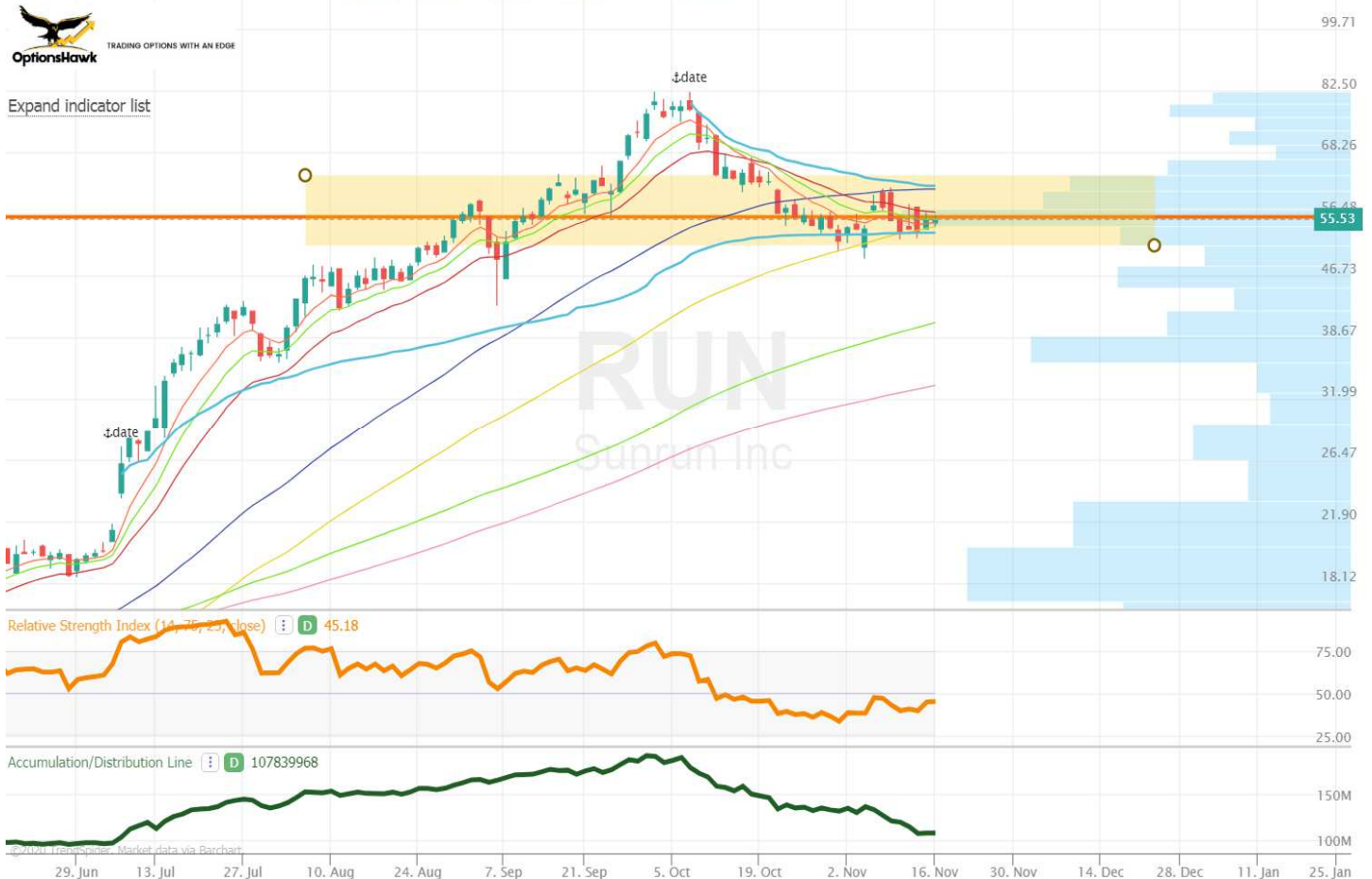
Options Volatility / Trade Simulator View:





Technical Analysis: RUN shares pulled back steadily off October highs and basing at a key VWAP from its July gap move as well as near the 89-day MA and key VPOC. Shares are consolidating in a key zone and RSI starting to turn higher, looking for shares to emerge out of this base and above \$64 would trigger a breakout.

Sunrun Inc, Daily, Nasdaq + Cboe BZX O 55.12 H 56.37 L 54.25 C 55.53 Change +0.74% Market closed



Fundamental Analysis: The \$10.5B provider of solar energy systems trades 99X Earnings and 10X FY21 EV/Sales with revenue growth of 55% forecasted for 2021 along with 121% EBITDA growth. Sunrun has led the industry since 2007 with its solar-as-a-service model, which provides clean energy to households with little to no upfront cost and at a saving compared to traditional electricity. The company designs, installs, finances, insures, monitors and maintains the systems, while families receive predictable pricing for 20 years or more. The company also offers a home solar battery service, Sunrun Brightbox, that manages household solar energy, storage and utility power. The industry is seeing improving cost advantages as cost of solar modules and batteries have declined significantly and the new Biden administration will be pushing strongly for increased solar installations. In top markets like Hawaii and California penetration has grown strong to 32% and 15% respectively while the rest of the US is at 2% with forecasts for 13% penetration by 2030. Analysts have an average target of \$65 and short interest at 16% of the float remains elevated. JMP raised its target to \$78 on 11/6 on a robust rebound in business in Q3 with deployment +40% Q/Q. JPM raised its target to \$79 in September on improving demand trends and cost of capital. Hedge Fund ownership fell 5.4% in Q3 filings, Coatue a 6.3% position and Tiger Global at 3.5%.

Options Activity:

| Date | Description | Volume | Open Int | Price | Delta | Impl Vo | Prob ITV | Premium Paid | Symbol | Current Price | Current OI | Price Change |
|------------|----------------------------|--------|----------|---------|--------|---------|----------|--------------|----------------|---------------|------------|--------------|
| 11/13/2020 | RUN 100 15 JAN 21 50 PUT | 718 | 426 | \$4.20 | -0.308 | 76.85% | 42.89% | \$301,560 | .RUN210115P50 | \$4.20 | 1140 | 0.00% |
| 11/10/2020 | RUN 100 15 JAN 21 55 CALL | 2,050 | 392 | \$6.00 | 0.53 | 74.01% | 40.05% | \$1,230,000 | .RUN210115C55 | \$7.10 | 3994 | 18.33% |
| 11/5/2020 | RUN 100 15 JAN 21 65 CALL | 3,387 | 336 | \$6.42 | 0.48 | 81.84% | 33.59% | \$2,174,454 | .RUN210115C65 | \$3.66 | 3902 | -42.99% |
| 10/30/2020 | RUN 100 20 NOV 20 40 PUT | 1,955 | 247 | \$1.23 | -0.144 | 116.27% | 21.82% | \$240,465 | .RUN201120P40 | \$0.05 | 2115 | -95.93% |
| 10/29/2020 | RUN 100 20 NOV 20 45 PUT | 5,638 | 744 | \$1.80 | -0.19 | 106.88% | 27.59% | \$1,014,840 | .RUN201120P45 | \$0.16 | 6029 | -91.11% |
| 10/29/2020 | RUN 100 19 MAR 21 60 CALL | 1,804 | 78 | \$9.50 | 0.53 | 86.44% | 32.48% | \$1,731,840 | .RUN210319C60 | \$8.10 | 1141 | -14.74% |
| 10/29/2020 | RUN 100 19 MAR 21 100 CALL | 3,676 | 458 | \$2.65 | 0.2 | 87.83% | 8.25% | \$974,140 | .RUN210319C100 | \$1.45 | 2462 | -45.28% |
| 10/28/2020 | RUN 100 15 JAN 21 42 PUT | 2,921 | 41 | \$2.95 | -0.19 | 90.38% | 32.63% | \$861,695 | .RUN210115P42 | \$1.70 | 2970 | -42.37% |
| 10/26/2020 | RUN 100 18 DEC 20 55 CALL | 4,485 | 124 | \$7.74 | 0.58 | 87.71% | 44.90% | \$3,588,000 | .RUN201218C55 | \$5.40 | 4905 | -30.23% |
| 10/22/2020 | RUN 100 21 JAN 22 60 CALL | 202 | 56 | \$18.50 | 0.65 | 78.67% | 31.21% | \$373,700 | .RUN220121C60 | \$15.35 | 203 | -17.03% |
| 10/22/2020 | RUN 100 18 DEC 20 70 CALL | 1,509 | 439 | \$3.60 | 0.31 | 91.36% | 19.67% | \$543,240 | .RUN201218C70 | \$1.40 | 2765 | -61.11% |
| 10/19/2020 | RUN 100 19 MAR 21 90 CALL | 1,047 | 1,774 | \$7.20 | 0.38 | 88.72% | 19.05% | \$785,250 | .RUN210319C90 | \$2.26 | 3594 | -68.61% |
| 10/19/2020 | RUN 100 18 DEC 20 65 CALL | 2,896 | 3,860 | \$9.40 | 0.56 | 94.86% | 40.84% | \$2,780,160 | .RUN201218C65 | \$2.15 | 7904 | -77.13% |
| 10/16/2020 | RUN 100 19 MAR 21 70 PUT | 542 | 17 | \$18.20 | -0.44 | 87.67% | 66.60% | \$986,440 | .RUN210319P70 | \$18.50 | 522 | 1.65% |
| 10/15/2020 | RUN 100 18 DEC 20 65 CALL | 3,356 | 145 | \$9.59 | 0.56 | 95.24% | 39.79% | \$3,255,320 | .RUN201218C65 | \$2.15 | 7904 | -77.58% |
| 10/14/2020 | RUN 100 18 DEC 20 85 CALL | 1,018 | 1,269 | \$3.80 | 0.29 | 90.56% | 17.75% | \$397,020 | .RUN201218C85 | \$0.40 | 1607 | -89.47% |
| 10/13/2020 | RUN 100 19 MAR 21 90 CALL | 1,700 | 39 | \$7.48 | 0.39 | 85.00% | 19.99% | \$1,309,000 | .RUN210319C90 | \$2.26 | 3594 | -69.79% |
| 10/13/2020 | RUN 100 19 MAR 21 70 CALL | 1,798 | 841 | \$13.02 | 0.57 | 85.33% | 34.72% | \$2,355,380 | .RUN210319C70 | \$5.00 | 2487 | -61.60% |
| 10/13/2020 | RUN 100 19 MAR 21 60 PUT | 851 | 1 | \$11.19 | -0.31 | 86.20% | 53.17% | \$952,269 | .RUN210319P60 | \$12.70 | 876 | 13.49% |
| 10/13/2020 | RUN 100 18 JUN 21 85 CALL | 1,291 | 1,346 | \$11.81 | 0.48 | 82.14% | 23.59% | \$1,524,671 | .RUN210618C85 | \$5.00 | 1351 | -57.66% |
| 10/12/2020 | RUN 100 19 FEB 21 90 CALL | 1,703 | 56 | \$5.70 | 0.34 | 84.10% | 18.18% | \$1,021,800 | .RUN210219C90 | \$1.50 | 1757 | -73.68% |
| 10/12/2020 | RUN 100 19 FEB 21 70 CALL | 1,702 | 220 | \$10.88 | 0.54 | 83.94% | 34.11% | \$1,872,200 | .RUN210219C70 | \$4.00 | 1826 | -63.24% |
| 10/12/2020 | RUN 100 19 FEB 21 60 PUT | 852 | 212 | \$10.50 | -0.33 | 84.23% | 53.07% | \$894,600 | .RUN210219P60 | \$11.00 | 1098 | 4.76% |
| 10/8/2020 | RUN 100 18 DEC 20 85 CALL | 1,010 | 254 | \$7.00 | 0.41 | 87.93% | 27.14% | \$717,100 | .RUN201218C85 | \$0.40 | 1607 | -94.29% |
| 10/1/2020 | RUN 100 18 DEC 20 80 CALL | 449 | 59 | \$12.70 | 0.59 | 84.63% | 43.72% | \$570,230 | .RUN201218C80 | \$0.65 | 2695 | -94.88% |
| 9/25/2020 | RUN 100 18 JUN 21 85 CALL | 1,251 | 86 | \$11.30 | 0.481 | 76.73% | 24.10% | \$1,413,630 | .RUN210618C85 | \$5.00 | 1351 | -55.75% |
| 9/15/2020 | RUN 100 19 MAR 21 70 CALL | 1,000 | 17 | \$9.40 | 0.5 | 78.46% | 28.92% | \$940,000 | .RUN210319C70 | \$5.00 | 2487 | -46.81% |
| 9/10/2020 | RUN 100 19 MAR 21 85 CALL | 1,200 | 0 | \$5.50 | 0.34 | 78.05% | 16.30% | \$660,000 | .RUN210319C85 | \$2.95 | 963 | -46.36% |
| 9/10/2020 | RUN 100 19 MAR 21 45 CALL | 609 | 31 | \$18.54 | 0.75 | 82.45% | 53.06% | \$1,129,086 | .RUN210319C45 | \$15.18 | 379 | -18.12% |
| 8/31/2020 | RUN 100 18 JUN 21 45 PUT | 1,000 | 0 | \$8.10 | -0.259 | 73.75% | 50.72% | \$810,000 | .RUN210618P45 | \$7.00 | 1015 | -13.58% |
| 8/25/2020 | RUN 100 18 DEC 20 60 CALL | 574 | 77 | \$5.82 | 0.44 | 76.36% | 28.16% | \$334,068 | .RUN201218C60 | \$3.40 | 2538 | -41.58% |
| 8/13/2020 | RUN 100 18 JUN 21 55 CALL | 301 | 12 | \$9.60 | 0.54 | 72.11% | 28.52% | \$288,960 | .RUN210618C55 | \$12.16 | 493 | 26.67% |
| 8/4/2020 | RUN 100 19 FEB 21 48 CALL | 1,500 | 0 | \$7.30 | 0.54 | 74.40% | 32.55% | \$1,095,000 | .RUN210219C48 | \$12.54 | 1546 | 71.78% |

Potential Catalysts: No Scheduled Events

Disclaimer:**Not Investment Advice or Recommendation**

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