

## SPOTLIGHT OPTION TRADE



### Sea Ltd. Setting Up for New Highs as a Top Winner on Online Shift

#### TRADE SNAPSHOT

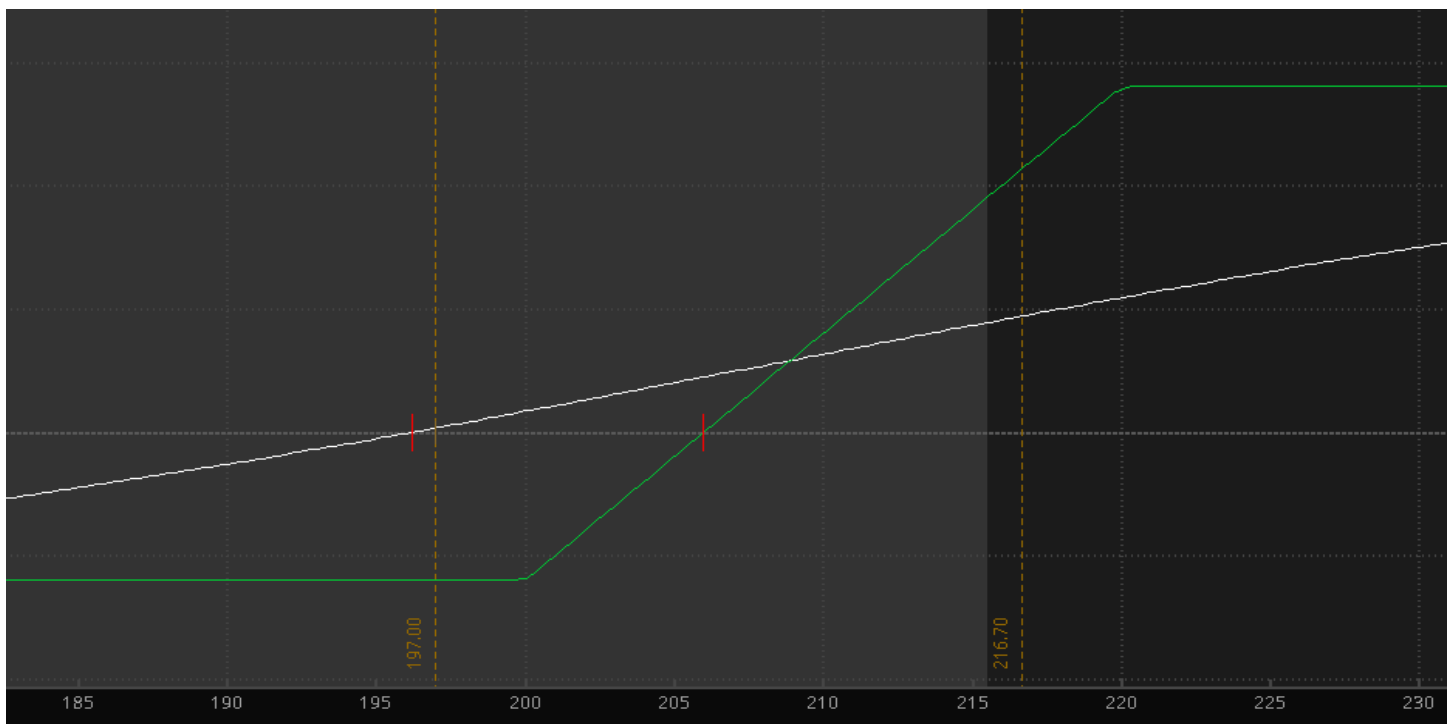
TICKER	SE
SECURITY	Sea Ltd.
SECTOR	Tech – Internet
CURRENT PRICE	\$197
LONG/SHORT	Long
TARGET	\$220
STOP	\$184
TIMEFRAME	1 Month

**Trading Strategy:** Long the SE January \$200/\$220 Call Spreads at \$6 Debit or Better

**Net Debit/Credit:** Debit of \$6

**Profitability Zone:** SE Above \$206 on January OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** SE shares consolidating after a recent move to new highs stalled and looking at a narrow weekly rising channel giving room for a run to \$220 by January and accumulation remains very strong.



**Fundamental Analysis:** SE has a \$99B market cap and is one of the strongest growth stories in the market with ecommerce, online gaming, and fintech themes driving growth. SE currently trades 11.8X FY21 EV/Sales with revenues seen rising 43% in 2021 after a 144.5% rise in 2020 but 1H21 expecting major Y/Y growth before comps toughen in 2H. Shopee is the market leader and further asserting its position over peers. In gaming - Free Fire continues to perform well (#1 grossing game in key markets) and shows no sign of fading. Sea's digital payments platform and recent Singapore digital banking license offer further sources of upside. SE has built a huge base of customers and now focus turns to monetization efforts which should accelerate sustainable profitability and topline growth despite any volatility in the macro outlook. Analysts have an average target of \$200 with short interest at 7.3% of the float. HSBC with a \$215 target recently noting SE's strong positioning in Indonesia. UBS raised its target to \$215 after results, and Piper to \$200 noting a secular rising tide in its core verticals. Hedge Fund ownership fell 1.5% in Q3 filings, Tiger Global with a big position.

### Options Activity:

Date	Description	Volum	Open.In	Price	Delt	Impl Vo	Prob.ITW	Premium Paid	Symbol	Current Price	Current OI	Price Change
12/21/2020	SE 100 17 SEP 21 250 CALL	1,036	2,401	\$24.20	0.43	60.08%	24.30%	\$2,507,120	.SE210917C250			
12/21/2020	SE 100 (Weeklys) 31 DEC 20 215 CALL	1,594	337	\$1.48	0.17	48.40%	15.27%	\$235,912	.SE201231C215			
12/18/2020	SE 100 19 FEB 21 200 CALL	1,600	1,274	\$17.90	0.54	55.34%	44.49%	\$2,864,000	.SE210219C200	\$18.30	2645	2.23%
12/15/2020	SE 100 21 MAY 21 180 PUT	500	155	\$25.10	-0.38	60.65%	54.11%	\$1,255,000	.SE210521P180	\$20.10	658	-19.92%
12/11/2020	SE 100 17 SEP 21 300 CALL	455	9	\$14.09	0.285	60.18%	13.66%	\$641,095	.SE210917C300	\$14.20	379	0.78%
12/10/2020	SE 100 (Weeklys) 31 DEC 20 180 PUT	1,337	52	\$4.00	-0.21	54.21%	25.45%	\$488,005	.SE201231P180	\$1.09	1377	-72.75%
12/9/2020	SE 100 21 MAY 21 185 PUT	701	33	\$23.10	-0.34	60.25%	49.21%	\$1,619,310	.SE210521P185	\$22.79	759	-1.34%
12/9/2020	SE 100 (Weeklys) 31 DEC 20 240 CALL	2,610	10	\$2.10	0.15	57.12%	11.85%	\$683,820	.SE201231C240	\$0.32	2642	-84.76%
12/7/2020	SE 100 21 MAY 21 200 PUT	550	9	\$32.75	-0.43	59.38%	59.15%	\$1,801,250	.SE210521P200	\$31.00	680	-5.34%
12/7/2020	SE 100 20 JAN 23 240 PUT	500	0	\$88.00	-0.43	53.65%	74.17%	\$4,400,000	.SE230120P240	\$88.00	500	0.00%
12/3/2020	SE 100 15 JAN 21 210 CALL	1,298	908	\$7.26	0.33	56.64%	26.15%	\$942,348	.SE210115C210	\$7.71	2548	6.20%
12/3/2020	SE 100 (Weeklys) 31 DEC 20 215 CALL	1,333	11	\$3.85	0.23	56.63%	18.62%	\$519,870	.SE201231C215	\$2.25	337	-41.56%
12/3/2020	SE 100 (Weeklys) 31 DEC 20 170 PUT	1,358	45	\$4.52	-0.28	52.39%	32.81%	\$613,816	.SE201231P170	\$0.27	1371	-94.03%
11/23/2020	SE 100 21 MAY 21 170 PUT	383	75	\$22.49	-0.34	58.73%	50.28%	\$861,367	.SE210521P170	\$16.02	971	-28.77%
11/20/2020	SE 100 21 JAN 22 175 PUT	1,080	459	\$39.60	-0.35	57.27%	59.98%	\$4,276,800	.SE220121P175	\$33.03	1597	-16.59%
11/20/2020	SE 100 17 SEP 21 180 PUT	200	3	\$36.50	-0.38	58.45%	59.65%	\$730,000	.SE210917P180	\$31.80	253	-12.88%
11/13/2020	SE 100 21 MAY 21 250 CALL	916	86	\$13.78	0.316	62.84%	17.57%	\$1,262,248	.SE210521C250	\$15.60	2307	13.21%
11/13/2020	SE 100 21 JAN 22 180 PUT	1,110	9	\$44.20	-0.364	59.13%	62.13%	\$4,906,200	.SE220121P180	\$36.50	1019	-17.42%
11/13/2020	SE 100 17 SEP 21 250 CALL	1,301	807	\$20.62	0.386	60.98%	19.76%	\$2,682,662	.SE210917C250	\$24.51	2401	18.87%
11/13/2020	SE 100 15 JAN 21 185 CALL	733	271	\$18.57	0.528	66.25%	41.84%	\$1,361,181	.SE210115C185	\$20.36	1095	9.64%

**Potential Catalysts:** No Scheduled Events – Technical + Flow Trade

**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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