

SPOTLIGHT OPTION TRADE



Upside Calls Attractive in Digital-Focused Energy Service Provider

TRADE SNAPSHOT

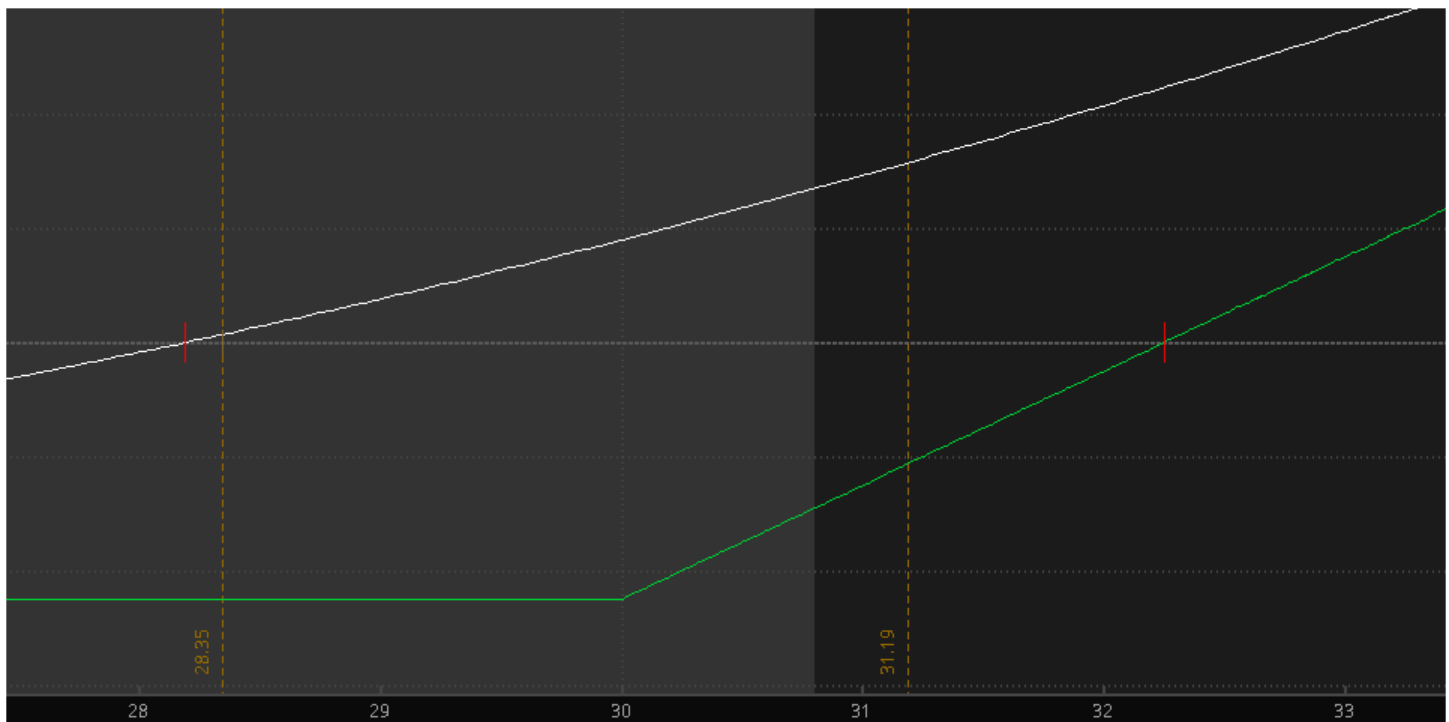
TICKER	SLB
SECURITY	Schlumberger Ltd.
SECTOR	Energy – Oil & Gas Services
CURRENT PRICE	\$28.35
LONG/SHORT	Long
TARGET	\$32
STOP	\$26
TIMEFRAME	4 Months

Trading Strategy: Long SLB January \$30 Calls at \$2.25 or Better

Net Debit/Credit: Debit \$2.25

Profitability Zone: SLB Above \$32.25 on January OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: SLB has pulled back sharply off the June highs and now at a level with plenty of support including the rising 200-day moving average and a retest of the April base breakout. RSI is strengthening and shares have room to run above \$29.15.



Fundamental Analysis: The \$40B oil services leader is trading 16X Earnings, 3.1X Book and 10.8X EBITDA with revenues/EBITDA seen growing 12.8%/18.6% in 2022. SLB is expecting a strong 2H with accelerated activity in the Middle East as OPEC+ supply constraints ease and SLB has significant operating leverage to activity increases in these markets. SLB is operating in a new era and already showing strengthening margins while double digit FCF margins and revenue growth are seen for the next few years while also deleveraging to 2X Debt/EBITDA. A recovery in international onshore activity the key growth driver into 2022, but SLB noted that longer cycle activity, including offshore, could potentially accelerate meaningfully in 2023 onward. This would be margin accretive for SLB. Analysts have an average target of \$36 and short interest is low at 1.7% of the float. Goldman started shares at Buy in May with a \$38 target noting the challenging backdrop but sees meaningful growth opportunities with SLB's digital business underappreciated. Stephens upgraded to Overweight in April on a demand-led upcycle with earnings power reset and sees dividend raises and buybacks on the horizon.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob. ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
8/5/2021	SLB 100 20 JAN 23 32.5 CALL	2,153	788	\$3.64	0.45	41.65%	27.04%	\$785,845	.SLB230120C32.5	\$3.85	4906	5.77%
8/2/2021	SLB 100 19 NOV 21 30 CALL	1,525	1,036	\$2.00	0.45	43.03%	36.47%	\$314,150	.SLB211119C30	\$1.67	2507	-16.50%
7/30/2021	SLB 100 20 AUG 21 28 PUT	2,086	931	\$0.77	-0.367	40.72%	40.50%	\$160,622	.SLB210820P28	\$0.40	4803	-48.05%
7/29/2021	SLB 100 20 AUG 21 33 CALL	2,845	300	\$0.25	0.16	41.76%	13.42%	\$71,125	.SLB210820C33	\$0.02	3118	-92.00%
7/27/2021	SLB 100 17 SEP 21 27.5 CALL	2,394	4,087	\$2.71	0.66	45.27%	59.22%	\$677,502	.SLB210917C27.5	\$1.72	3854	-36.53%
7/22/2021	SLB 100 17 JUN 22 25 PUT	12,605	0	\$2.65	-0.32	39.21%	46.46%	\$3,340,325	.SLB220617P25	\$2.51	18652	-5.28%
7/20/2021	SLB 100 20 AUG 21 26 CALL	1,023	392	\$2.40	0.64	49.14%	58.88%	\$224,037	.SLB210820C26	\$3.04	1708	26.67%
7/20/2021	SLB 100 17 SEP 21 27.5 CALL	2,573	1,993	\$2.09	0.53	47.82%	45.86%	\$548,049	.SLB210917C27.5	\$1.72	3854	-17.70%
7/19/2021	SLB 100 20 AUG 21 24 PUT	4,056	0	\$0.72	-0.26	51.98%	31.64%	\$292,032	.SLB210820P24	\$0.03	7316	-95.83%
7/19/2021	SLB 100 18 FEB 22 22.5 PUT	1,735	60	\$1.72	-0.27	41.48%	38.62%	\$314,035	.SLB220218P22.5	\$1.06	2086	-38.37%
7/16/2021	SLB 100 15 OCT 21 27.5 PUT	3,014	895	\$2.28	-0.45	41.67%	53.72%	\$687,192	.SLB211015P27.5	\$1.56	10293	-31.58%
7/15/2021	SLB 100 19 NOV 21 32.5 CALL	10,028	11,096	\$1.38	0.34	41.12%	26.13%	\$1,383,864	.SLB211119C32.5	\$0.95	23530	-31.16%
7/9/2021	SLB 100 18 FEB 22 27.5 PUT	1,000	145	\$2.29	-0.3	42.03%	42.66%	\$229,000	.SLB220218P27.5	\$2.85	1257	24.45%
7/8/2021	SLB 100 18 FEB 22 30 PUT	505	59	\$3.65	-0.42	39.40%	54.49%	\$184,325	.SLB220218P30	\$3.98	536	9.04%
7/8/2021	SLB 100 18 FEB 22 27.5 CALL	368	30	\$5.30	0.66	42.76%	53.52%	\$195,040	.SLB220218C27.5	\$3.46	608	-34.72%
7/7/2021	SLB 100 18 FEB 22 25 PUT	876	35	\$1.62	-0.23	42.11%	34.58%	\$141,912	.SLB220218P25	\$2.05	948	26.54%
6/29/2021	SLB 100 21 JAN 22 32.5 PUT	4,017	3,314	\$3.85	-0.477	37.97%	59.44%	\$1,546,545	.SLB220121P32.5	\$6.06	7318	57.40%
6/25/2021	SLB 100 18 FEB 22 35 CALL	1,012	9	\$3.40	0.488	39.16%	36.63%	\$344,080	.SLB220218C35	\$1.10	1503	-67.65%
6/10/2021	SLB 100 20 AUG 21 37.5 PUT	923	159	\$4.10	-0.64	38.82%	70.63%	\$378,430	.SLB210820P37.5	\$9.15	2179	123.17%
6/10/2021	SLB 100 20 AUG 21 32.5 PUT	1,358	1,126	\$1.23	-0.29	39.56%	34.90%	\$169,750	.SLB210820P32.5	\$3.96	8700	221.95%
6/9/2021	SLB 100 15 OCT 21 35 PUT	835	76	\$3.05	-0.42	39.76%	52.08%	\$258,850	.SLB211015P35	\$6.60	1311	116.39%
6/8/2021	SLB 100 20 JAN 23 27.5 PUT	4,000	2,683	\$2.57	-0.22	37.42%	39.20%	\$1,152,000	.SLB230120P27.5	\$5.10	9658	98.44%
6/4/2021	SLB 100 21 JAN 22 40 PUT	795	334	\$7.07	-0.58	37.95%	69.89%	\$560,475	.SLB220121P40	\$11.55	1597	63.37%
6/2/2021	SLB 100 21 JAN 22 37.5 PUT	1,801	1,265	\$5.60	-0.52	37.64%	64.27%	\$1,026,570	.SLB220121P37.5	\$9.05	3249	61.61%
5/27/2021	SLB 100 15 OCT 21 27.5 CALL	589	0	\$5.40	0.74	40.66%	64.88%	\$318,060	.SLB211015C27.5	\$2.41	998	-55.37%
5/12/2021	SLB 100 21 JAN 22 30 PUT	10,074	5,153	\$3.35	-0.36	42.47%	50.19%	\$3,626,640	.SLB220121P30	\$3.95	26893	17.91%
5/12/2021	SLB 100 20 JAN 23 27.5 PUT	1,500	879	\$3.85	-0.3	44.88%	52.88%	\$975,000	.SLB230120P27.5	\$5.10	9658	32.47%

Potential Catalysts: Q3 Earnings Mid-October; Oil Prices

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.

Content is for informational and educational purposes only, and is not to be construed as specific investment advice or recommendations. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek qualified professional financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, OptionsHawk has not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information does not consider the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors

For example, and, as always, be aware that market timing and conditions may materially affect trades of this nature: The above is an example of a trade idea, but you must be aware of the risks of trading. As we have disclosed, we are not licensed, and we are not giving specific securities advice for your portfolio. We are merely providing examples and education of strategies. We always advise people to get professional advice, and we are not recommending any particular trade or security, or soliciting any trade or security.