

## SPOTLIGHT OPTION TRADE



### Bull Put Spreads in Digital Finance Leader into Orderly Pullback

#### TRADE SNAPSHOT

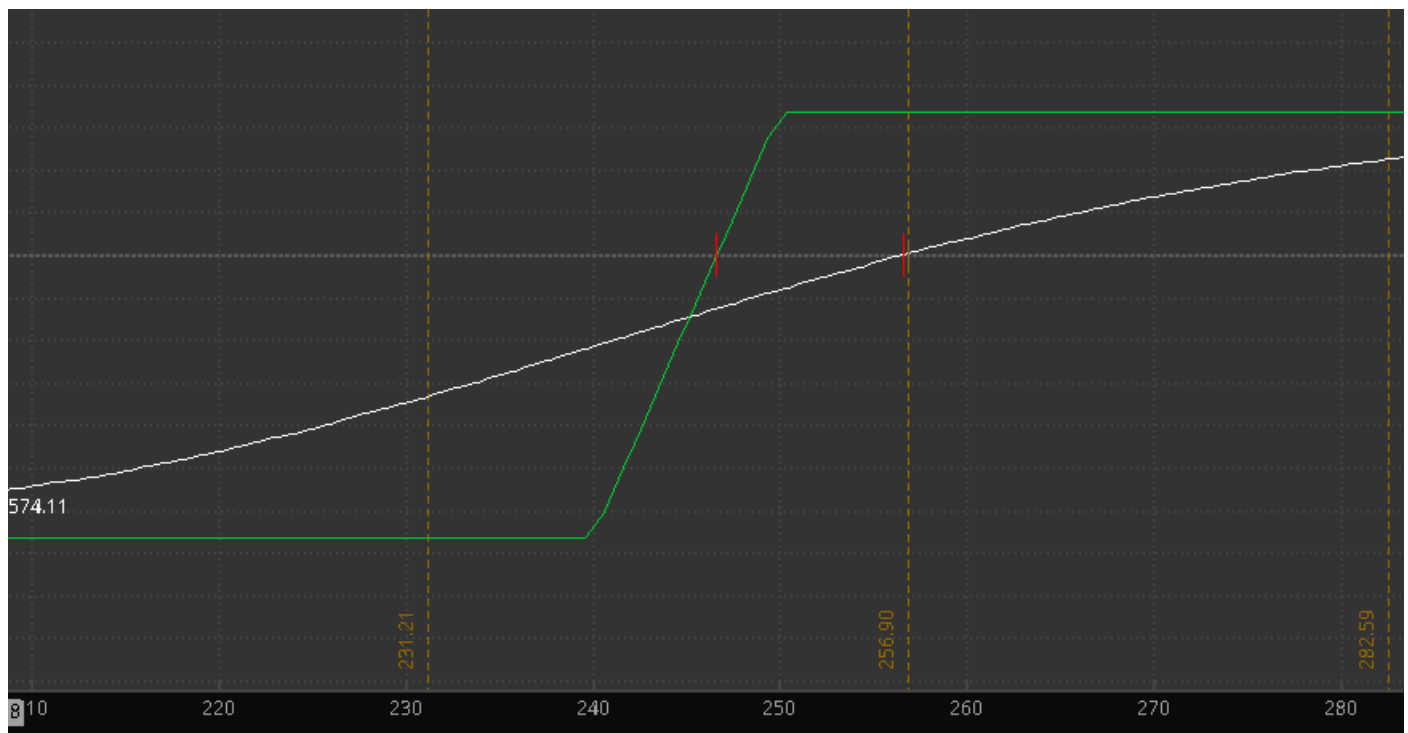
TICKER	SQ
SECURITY	Square
SECTOR	Financial – Fintech
CURRENT PRICE	\$257.35
LONG/SHORT	Long
TARGET	> \$250
STOP	\$242.50
TIMEFRAME	1 Month

**Trading Strategy:** Sell the SQ September \$250/\$240 Put Spreads for \$3.30 Credit (Bull Put Spreads)

**Net Debit/Credit:** Credit of \$3.30

**Profitability Zone:** SQ Above \$246.70 on September OpEx

**Options Volatility / Trade Simulator View:**





**Fundamental Analysis:** The \$118B Financial is becoming the future of Banks as it builds itself into a Super App. SQ continues to launch new initiatives including Square Banking while becoming a key player in crypto. SQ did a large deal for Afterpay at \$29B as it positions itself in another emerging trend of BNPL. SQ has a massive emerging opportunity in Defi that could disrupt a number of traditional payment companies. SQ currently trades 110X Earnings, 6.2X EV/Sales and sees revenues rising 100% this year. Analysts have an average target of \$300 with short interest at 8.3% of the float. JPM raised its target to \$320 this week and Barclays recently to \$345. Bernstein called the Afterpay deal game-changing as it addresses almost all major challenges Square faces in its ambitions to become a dominant payments ecosystem.

### Options Activity:

Date	Description	Volum	Open_In	Price	Delt	Impl Vo	Prob.ITV	Premium Pai	Symbol	Current Price	Current OI	Price Change
8/19/2021	SQ 100 20 JAN 23 250 PUT	1,005	1,186	\$45.90	-0.37	41.76%	57.29%	\$4,612,950	.SQ230120P250			
8/19/2021	SQ 100 19 NOV 21 260 CALL	2,267	690	\$22.55	0.53	45.79%	44.23%	\$5,112,085	.SQ211119C260			
8/19/2021	SQ 100 16 JUN 23 260 PUT	202	64	\$58.55	-0.39	41.52%	61.56%	\$1,198,870	.SQ230616P260			
8/19/2021	SQ 100 15 OCT 21 300 CALL	3,085	1,223	\$4.50	0.2	41.67%	16.02%	\$1,388,250	.SQ211015C300			
8/13/2021	SQ 100 15 OCT 21 270 PUT	3,080	748	\$19.47	-0.485	40.46%	55.20%	\$5,996,760	.SQ211015P270	\$22.80	3559	17.10%
8/13/2021	SQ 100 15 OCT 21 260 PUT	5,135	1,114	\$14.40	-0.397	40.92%	46.38%	\$7,394,400	.SQ211015P260	\$17.55	6025	21.88%
8/13/2021	SQ 100 15 OCT 21 260 CALL	5,062	323	\$22.10	0.602	41.60%	53.45%	\$11,187,020	.SQ211015C260	\$17.00	5481	-23.08%
8/12/2021	SQ 100 (Weekly) 10 SEP 21 265 PUT	1,024	169	\$11.65	-0.45	40.92%	49.34%	\$1,198,080	.SQ210910P265	\$12.10	3069	3.86%
8/11/2021	SQ 100 20 JAN 23 230 PUT	1,101	726	\$33.16	-0.28	42.96%	47.79%	\$3,704,865	.SQ230120P230	\$35.70	2082	7.66%
8/9/2021	SQ 100 19 NOV 21 320 CALL	501	409	\$11.50	0.32	45.03%	24.29%	\$576,150	.SQ211119C320	\$6.23	1229	-45.83%
8/6/2021	SQ 100 15 OCT 21 300 CALL	1,409	1,268	\$12.35	0.37	43.20%	30.28%	\$1,733,070	.SQ211015C300	\$4.80	1223	-61.13%
8/5/2021	SQ 100 19 NOV 21 290 CALL	2,529	479	\$29.15	0.54	48.16%	43.64%	\$7,409,970	.SQ211119C290	\$12.50	2506	-57.12%
8/5/2021	SQ 100 17 SEP 21 280 CALL	4,353	2,853	\$22.85	0.61	46.91%	54.22%	\$10,053,120	.SQ210917C280	\$4.83	3960	-78.86%
8/5/2021	SQ 100 15 OCT 21 300 CALL	1,516	329	\$19.00	0.47	46.46%	38.51%	\$2,895,560	.SQ211015C300	\$4.80	1223	-74.74%
8/4/2021	SQ 100 20 JAN 23 350 PUT	352	137	\$109.20	-0.62	40.22%	79.27%	\$3,843,840	.SQ230120P350	\$107.65	399	-1.42%
7/27/2021	SQ 100 16 SEP 22 260 CALL	439	320	\$42.65	0.55	44.39%	36.76%	\$1,852,580	.SQ220916C260	\$47.00	622	10.20%
7/22/2021	SQ 100 20 AUG 21 265 CALL	1,061	271	\$12.20	0.48	47.29%	42.86%	\$1,294,420	.SQ210820C265	\$1.35	5241	-88.93%
7/16/2021	SQ 100 18 MAR 22 220 PUT	250	0	\$23.25	-0.35	40.96%	47.99%	\$581,250	.SQ220318P220	\$15.50	737	-33.33%
7/15/2021	SQ 100 19 NOV 21 250 PUT	536	143	\$30.45	-0.52	42.48%	61.98%	\$1,629,440	.SQ211119P250	\$18.05	1128	-40.72%
7/15/2021	SQ 100 16 JUN 23 180 PUT	300	6	\$23.60	-0.22	42.07%	43.17%	\$742,500	.SQ230616P180	\$19.50	1058	-17.37%
7/12/2021	SQ 100 16 JUN 23 290 CALL	1,502	42	\$39.54	0.49	41.27%	27.68%	\$6,045,550	.SQ230616C290	\$49.50	1645	25.19%
7/12/2021	SQ 100 16 JUN 23 250 CALL	1,540	174	\$53.22	0.6	42.07%	36.77%	\$8,339,100	.SQ230616C250	\$68.60	1809	28.90%
7/12/2021	SQ 100 16 JUN 23 200 PUT	302	57	\$30.60	-0.265	41.08%	47.83%	\$924,120	.SQ230616P200	\$27.41	588	-10.42%

**Potential Catalysts:** No Events Scheduled

## **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.