

SPOTLIGHT OPTION TRADE



Chip Supplier at Optimal Entry as Trend Shifts

TRADE SNAPSHOT

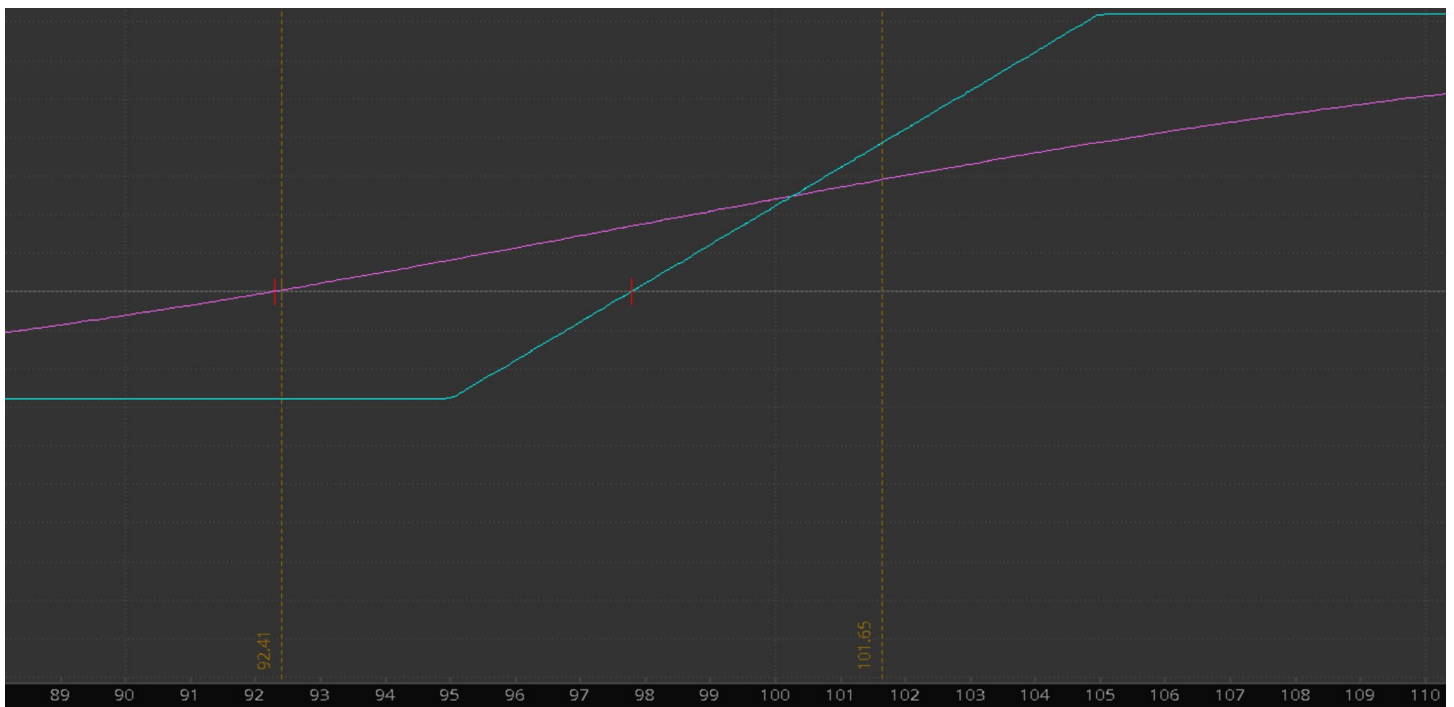
TICKER	TSM
SECURITY	Taiwan Semi
SECTOR	Tech – Semiconductors
CURRENT PRICE	\$92.40
LONG/SHORT	Long
TARGET	\$105
STOP	\$85
TIMEFRAME	2.5 Months

Trading Strategy: Long TSM January \$95/\$105 Call Spreads at \$2.80 Debit

Net Debit/Credit: Debit \$2.80

Profitability Zone: TSM Above \$97.80 on January OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: TSM put in a multi-week base at the 50% retracement level and 200-week EMA while a ton of converging weekly moving averages and AVWAPs would allow for a major breakout over \$95 into a large volume pocket as MACD starts to work on crossing bullish and weekly RSI nears a move over 50.



Fundamental Analysis: TSM is a foundry leader in the chip industry offering a comprehensive range of wafer fabrication processes, including processes to manufacture complementary metal-oxide-semiconductor logic, mixed-signal, radio frequency, embedded memory, bipolar complementary metal-oxide-semiconductor and more. TSM also offer design, mask making, TSMC 3DFabric™ advanced packaging and silicon stacking technologies and testing services. TSM has a \$480B market cap and trades cheap at 15.9X Earnings and 9.4X EBITDA with a 1.95% yield. TSM’s Q3 looks to have been the low in the cycle and shares can re-rate higher into 2024 with expected 21% topline growth and 17.8% EPS growth. Analysts have an average target of \$113 with short interest less than 1% of the float. Barclays started coverage at Overweight with a \$105 target recently citing cheap valuation and sees geopolitical as the only real risk. Goldman moved to Conviction Buy on 10/19 noting the company citing the end of the inventory correction and signs of stabilization in PC/Smartphone key endmarkets.

Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI ▾	▲ Price %
10-19-2023	TSM	TSM 100 16 FEB 24 80 CALL	21,006	\$16.54	157	0.81	36.49%	\$35,185,050	\$14.75	26,054	▼ 10.82%
05-30-2023	TSM	TSM 100 19 JAN 24 95 PUT	2,180	\$6.6	2,610	-0.32	34.61%	\$1,515,100	\$5.6	20,240	▲ 15.15%
06-23-2023	TSM	TSM 100 15 DEC 23 95 PUT	1,141	\$4.95	1,251	-0.31	30.64%	\$564,795	\$4.35	16,500	▲ 12.12%
07-17-2023	TSM	TSM 100 15 DEC 23 95 PUT	5,980	\$3.7	2,854	-0.27	30.93%	\$2,242,500	\$4.35	16,500	▼ 17.57%
07-19-2023	TSM	TSM 100 15 DEC 23 95 PUT	5,008	\$3.85	10,935	-0.28	30.86%	\$1,978,160	\$4.35	16,500	▲ 12.99%
07-25-2023	TSM	TSM 100 15 MAR 24 80 PUT	2,395	\$1.87	58	-0.13	31.38%	\$455,050	\$1.77	15,106	▲ 5.61%
09-21-2023	TSM	TSM 100 15 MAR 24 80 PUT	3,742	\$3.7	6,686	-0.30	29.15%	\$1,403,250	\$1.77	15,106	▼ 52.3%
08-11-2023	TSM	TSM 100 21 JUN 24 70 PUT	1,367	\$2.3	528	-0.13	34.56%	\$321,245	\$1.48	13,408	▲ 35.43%
09-01-2023	TSM	TSM 100 21 JUN 24 70 PUT	3,000	\$1.87	2,044	-0.12	34.13%	\$579,000	\$1.48	13,408	▲ 20.59%
10-20-2023	TSM	TSM 100 21 JUN 24 70 PUT	5,821	\$2.02	9,198	-0.13	36.19%	\$1,210,768	\$1.48	13,408	▼ 26.49%
02-03-2023	TSM	TSM 100 19 JAN 24 80 PUT	4,228	\$4.6	2,378	-0.22	32.9%	\$1,966,020	\$0.96	12,830	▼ 79.13%
04-12-2023	TSM	TSM 100 21 JUN 24 65 PUT	1,000	\$3.65	9	-0.16	37.8%	\$380,000	\$1.03	12,462	▲ 71.92%
11-03-2023	TSM	TSM 100 21 JUN 24 65 PUT	7,883	\$1.08	5,825	-0.08	36.74%	\$890,779	\$1.03	12,462	▼ 5.09%
09-21-2023	TSM	TSM 100 21 JUN 24 80 PUT	4,301	\$5.2	3,162	-0.31	29.73%	\$2,215,015	\$3.1	10,496	▼ 40.38%
10-06-2023	TSM	TSM 100 19 JAN 24 90 CALL	6,504	\$6.1	8,395	0.53	31.29%	\$3,934,920	\$6.38	9,922	▲ 4.51%
11-06-2023	TSM	TSM 100 19 JAN 24 95 CALL	3,968	\$3.45	7,074	0.44	28.02%	\$1,428,480	\$3.7	9,669	▲ 7.25%
07-20-2023	TSM	TSM 100 15 MAR 24 90 PUT	1,308	\$5.1	26	-0.29	30.31%	\$667,080	\$4.48	6,454	▼ 12.25%
10-19-2023	TSM	TSM 100 15 MAR 24 90 PUT	2,820	\$4.95	3,698	-0.37	30.31%	\$1,424,100	\$4.48	6,454	▼ 9.6%
04-14-2023	TSM	TSM 100 21 JUN 24 105 CALL	704	\$6.8	146	0.38	31.84%	\$496,320	\$4.3	6,255	▲ 36.76%
05-15-2023	TSM	TSM 100 21 JUN 24 105 CALL	1,900	\$4.8	946	0.33	29.35%	\$950,000	\$4.3	6,255	▼ 10.42%
07-24-2023	TSM	TSM 100 17 NOV 23 95 PUT	1,916	\$4.4	1,705	-0.38	28.26%	\$852,620	\$3.05	5,852	▼ 30.57%
11-03-2023	TSM	TSM 100 15 MAR 24 70 PUT	3,001	\$0.75	2,762	-0.08	36.09%	\$228,076	\$0.68	5,761	▲ 10%
10-20-2023	TSM	TSM 100 21 JUN 24 130 CALL	1,353	\$1.05	371	0.11	28.56%	\$142,065	\$0.65	5,072	▼ 38.57%

Potential Catalysts: Monthly Sales Numbers; January Earnings

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.