

SPOTLIGHT OPTION TRADE



Twitter Pullback Attractive, Position for Eventual Recovery

TRADE SNAPSHOT

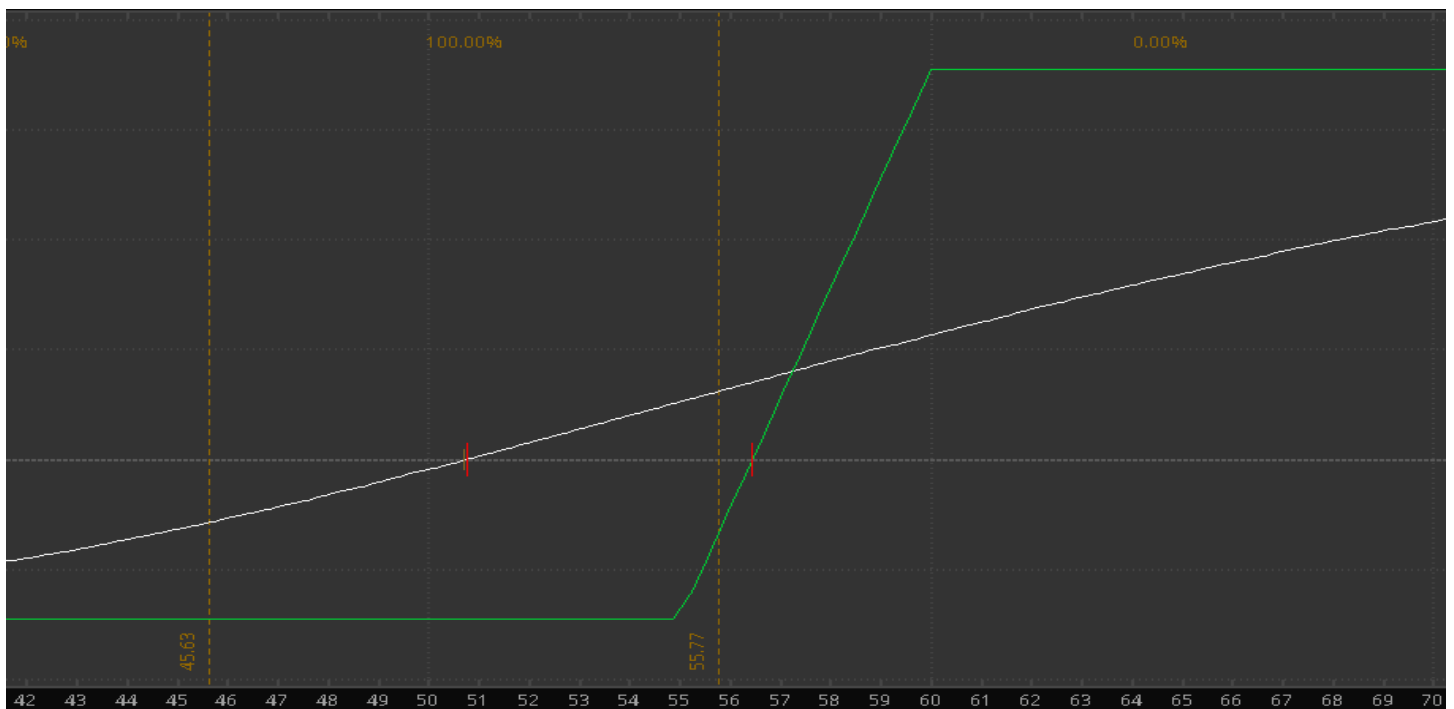
TICKER	TWTR
SECURITY	Twitter
SECTOR	Tech – Internet
CURRENT PRICE	\$50.70
LONG/SHORT	Long
TARGET	\$60+
STOP	\$42.50
TIMEFRAME	4 Months

Trading Strategy: Long the TWTR September \$55/\$60 Call Spreads at \$1.45 Debit

Net Debit/Credit: Debit \$1.45

Profitability Zone: TWTR Above \$56.45 on September OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: TWTR shares are back near the rising 200-day moving average this week, and also at a 50% retrace of the 2020/2021 range. There is potential things get worse before they get better and the \$45 level is VWAP off March 2020 lows that I would want to see hold.



Fundamental Analysis: The \$40.5B social media leader trades 47X Earnings and 7.7X EV/Sales with revenues seen growing steadily above 20% the next few years and EBITDA growth above 30%. TWTR continues to invest in improving its platform and increasing monetization initiatives making the platform more attractive for both users and advertisers. TWTR is growing nicely and very profitable with ample room to continue expanding margins while also accelerating its product and ad tech innovation. TWTR has been active with acquisitions and rolling out new test features like Spaces for audio, Revue for long form newsletter, payments, a recent deal for ad-blocking and reading articles via Scroll and other ways to drive more engagement and new users to the platform. Analysts have an average target of \$65 with short interest at 3.7% of the float. Bloomberg reported on 5/3 that Elliott bought another \$200M of stock into the sell-off. JPM defended shares after the earnings sell-off and has an \$80 target,

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
5/12/2021	TWTR 100 21 JAN 22 52.5 CALL	1,372	225	\$6.95	0.54	45.17%	39.28%	\$967,260	.TWTR220121C52.5			
5/12/2021	TWTR 100 17 SEP 21 40 PUT	4,456	5,039	\$1.53	-0.17	49.89%	25.17%	\$704,048	.TWTR210917P40			
5/10/2021	TWTR 100 17 SEP 21 62.5 CALL	1,515	59	\$2.21	0.3	43.99%	21.21%	\$354,510	.TWTR210917C62.5	\$2.42	1570	9.50%
5/7/2021	TWTR 100 (Weekly) 14 MAY 21 54 CALL	5,597	1,663	\$1.45	0.55	38.74%	52.97%	\$800,371	.TWTR210514C54	\$0.49	8550	-66.21%
5/4/2021	TWTR 100 20 JAN 23 45 CALL	1,080	731	\$17.20	0.73	47.74%	49.36%	\$1,933,200	.TWTR230120C45	\$15.62	1788	-9.19%
5/4/2021	TWTR 100 17 SEP 21 45 PUT	4,693	2,192	\$2.24	-0.22	47.43%	31.53%	\$1,088,776	.TWTR210917P45	\$2.33	5555	4.02%
5/3/2021	TWTR 100 20 JAN 23 47 PUT	1,338	945	\$8.00	-0.29	43.99%	51.18%	\$1,103,850	.TWTR230120P47	\$8.15	2911	1.88%
4/30/2021	TWTR 100 20 JAN 23 45 PUT	1,775	1,026	\$7.00	-0.261	44.73%	48.02%	\$1,242,500	.TWTR230120P45	\$7.42	3980	6.00%
4/30/2021	TWTR 100 17 SEP 21 65 CALL	1,541	3,615	\$3.75	0.38	45.42%	27.94%	\$577,875	.TWTR210917C65	\$1.97	5367	-47.47%
4/30/2021	TWTR 100 16 JUL 21 50 PUT	12,093	1,185	\$1.83	-0.24	44.75%	30.91%	\$2,213,019	.TWTR210716P50	\$2.52	10056	37.70%
4/29/2021	TWTR 100 21 MAY 21 67.5 CALL	1,524	276	\$3.25	0.46	61.34%	39.84%	\$502,920	.TWTR210521C67.5	\$0.02	1776	-99.38%
4/29/2021	TWTR 100 17 DEC 21 80 CALL	4,176	534	\$5.05	0.36	47.32%	23.30%	\$2,129,760	.TWTR211217C80	\$1.22	4621	-75.84%
4/27/2021	TWTR 100 21 MAY 21 68 PUT	1,281	738	\$4.65	-0.5	60.78%	55.97%	\$608,475	.TWTR210521P68	\$15.15	1725	225.81%
4/23/2021	TWTR 100 21 MAY 21 67 PUT	2,397	447	\$4.86	-0.494	58.73%	55.97%	\$1,164,942	.TWTR210521P67	\$15.50	2049	218.93%
4/23/2021	TWTR 100 21 MAY 21 66 PUT	1,871	111	\$4.35	-0.457	59.29%	52.41%	\$813,885	.TWTR210521P66	\$13.65	1344	213.79%
4/22/2021	TWTR 100 (Weekly) 7 MAY 21 62.5 PUT	12,267	92	\$2.39	-0.33	71.65%	39.12%	\$2,956,347	.TWTR210507P62.5	\$0.00	0	266.11%
4/21/2021	TWTR 100 20 JAN 23 115 CALL	1,518	25	\$4.55	0.26	43.68%	10.85%	\$698,280	.TWTR230120C115	\$1.50	1396	-67.03%
4/21/2021	TWTR 100 17 SEP 21 80 CALL	2,616	3,316	\$4.00	0.34	48.54%	23.38%	\$1,059,480	.TWTR210917C80	\$0.55	5719	-86.25%
4/21/2021	TWTR 100 17 SEP 21 75 CALL	1,851	2,665	\$5.35	0.42	48.74%	30.25%	\$1,008,795	.TWTR210917C75	\$0.82	3984	-84.67%
4/20/2021	TWTR 100 21 JAN 22 70 CALL	4,098	4,466	\$9.10	0.52	46.82%	35.65%	\$3,647,220	.TWTR220121C70	\$2.65	7601	-70.88%
4/13/2021	TWTR 100 21 MAY 21 80 CALL	2,505	3,293	\$2.51	0.32	57.12%	25.54%	\$638,775	.TWTR210521C80	\$0.01	4897	-99.60%
4/13/2021	TWTR 100 18 JUN 21 70 PUT	10,064	9,340	\$5.01	-0.39	50.63%	47.99%	\$5,082,320	.TWTR210618P70	\$17.15	23433	242.32%
4/12/2021	TWTR 100 (Weekly) 14 MAY 21 80 CALL	1,875	56	\$2.02	0.28	60.35%	21.82%	\$382,500	.TWTR210514C80	\$0.02	1366	-99.01%
4/8/2021	TWTR 100 (Weekly) 7 MAY 21 68.5 CALL	1,026	9	\$6.00	0.6	61.52%	53.28%	\$625,860	.TWTR210507C68.5	\$0.00	0	-99.83%
4/5/2021	TWTR 100 17 SEP 21 65 PUT	1,201	642	\$8.70	-0.45	47.55%	57.67%	\$1,044,870	.TWTR210917P65	\$14.60	2754	67.82%
3/30/2021	TWTR 100 17 SEP 21 40 CALL	802	28	\$24.20	0.91	56.93%	83.14%	\$1,936,830	.TWTR210917C40	\$14.20	953	-41.32%

Potential Catalysts: May 25th JP Morgan Tech Conference

Disclaimer:

Not Investment Advice or Recommendation

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