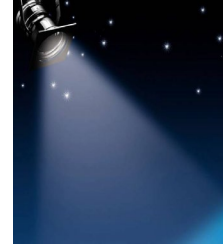


SPOTLIGHT OPTION TRADE



Bull Put Spreads in Best in Class Value-Based Care Play

TRADE SNAPSHOT

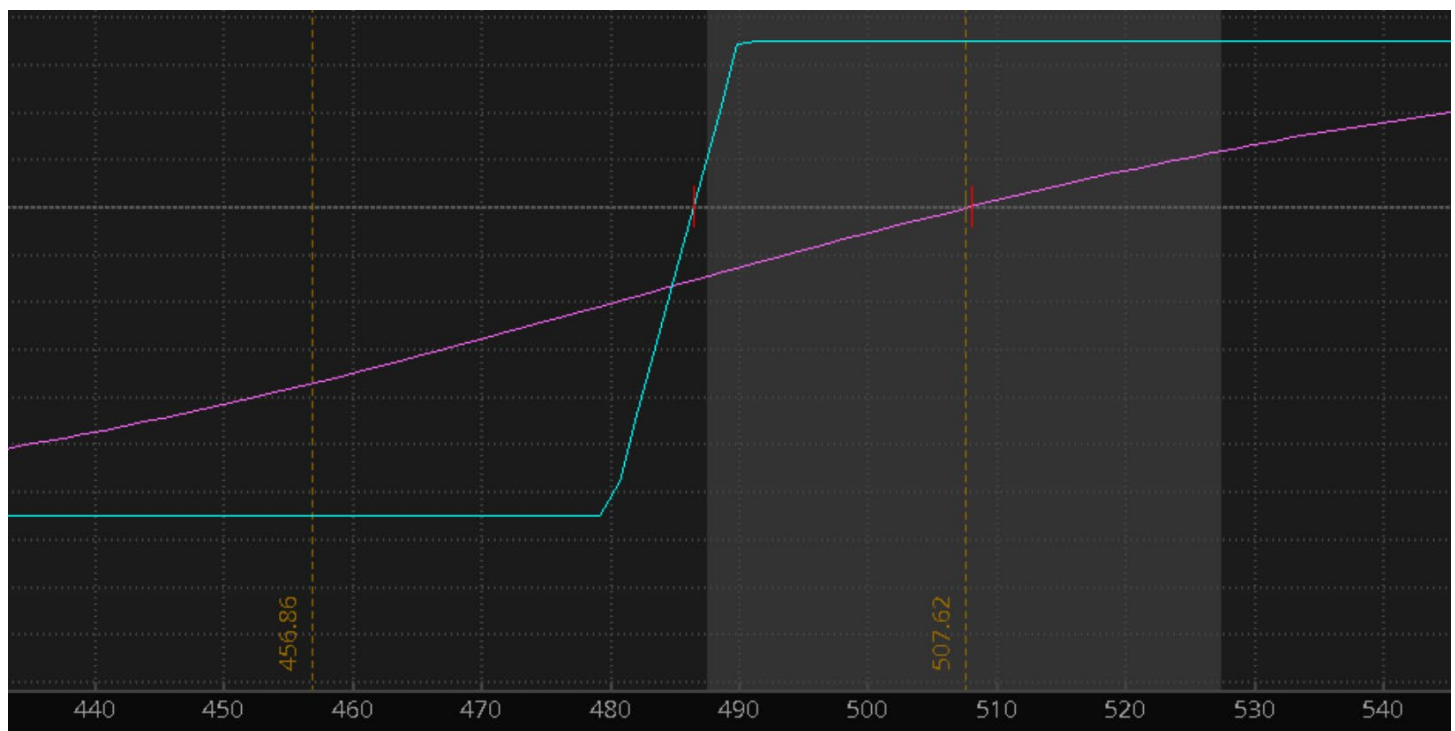
TICKER	UNH
SECURITY	United Healthcare
SECTOR	Healthcare – Managed Care
CURRENT PRICE	\$507.6
LONG/SHORT	Long Bias
TARGET	> \$490 on June OpEx
STOP	None – Risk Defined
TIMEFRAME	1.5 Months

Trading Strategy: Sell the UNH June \$490/\$480 Put Spreads for a \$3.50 Credit

Net Debit/Credit: Credit of \$3.50

Profitability Zone: UNH Shares Above \$486.50 on June OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: UNH put in a nice reversal candle at the level it formerly broke out and has solid support touching the key rising 21-week EMA this week and also managed to close today above VWAP from the February low.

UnitedHealth Group Incorporated, Daily, Nasdaq + Nyse BQT O 499.50 H 509.77 L 493.09 C 507.62 Period +1.63% Market closed



TRADING OPTIONS WITH AN EDGE

Expand indicator list



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Fundamental Analysis: UNH has a \$491.5B market cap and has been a consistent strong reporter in the managed care group coming off strong quarters. The Optum business is broadly separating to delivery of health care. UNH has seen strong growth, particularly in the businesses of Medicare Advantage and OptumHealth, Optum Care. The OptumRX business is going through a continued transition period as it builds up new specialty pharmacy businesses, moving further into the delivery of pharmaceuticals, specializing more in oncology and rare disease in complement to the established traditional PBM. UNH is positive on the OptumInsight business which is bringing in Change Healthcare and will create new growth opportunities. OptumHealth lead Q1 outperformance, and there is a path for revenue per customer to triple by 2030 just from conversion of existing MA members. United has been active in the M&A space in the last few months acquiring a wide range of providers across behavioral health (Refresh), home health (LHCG) and multi-specialty (Kelsey Seybold). The upcoming pharma cycle presents accelerated growth opportunity for OptumRx from Biosimilars. Analysts have an average target of \$580 with short interest minimal at less than a percent of the float. BMO raised its target to \$600 recently on growing MA penetration and expansion of value-based care initiatives. Cowen raised its target to \$596 citing multiple expansion with rising earnings, interest rates, midterm elections and a defensive rotation.

Options Activity:

Date	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium	Last	Current OI ▾	▲ Price	▲ OI
04-29-2022	UNH	UNH 100 20 MAY 22 565 CALL	6,350	329	\$0.33	0.04	25.64%	\$209,550	\$0.14	4,779	▲ 57.58%	▼ 28.45%
10-11-2021	UNH	UNH 100 17 JUN 22 250 CALL	1,108	5	\$158.35	0.90	46.65%	\$17,545,180	\$265	3,302	▲ 67.35%	▲ 196.68%
03-29-2022	UNH	UNH 100 19 JAN 24 500 CALL	1,301	103	\$87.8	0.58	32%	\$11,422,780	\$78.27	2,698	▲ 10.85%	▲ 92.17%
03-24-2022	UNH	UNH 100 17 JUN 22 550 CALL	1,442	846	\$10.3	0.30	24.47%	\$1,636,670	\$3.55	1,901	▼ 65.53%	▼ 16.91%
03-18-2021	UNH	UNH 100 20 JAN 23 380 CALL	156	10	\$47.2	0.51	30.8%	\$736,320	\$136.55	1,440	▲ 189.3%	▲ 767.47%
04-20-2021	UNH	UNH 100 20 JAN 23 380 CALL	891	120	\$63.5	0.59	29.54%	\$5,871,690	\$136.55	1,440	▲ 115.04%	▲ 42.43%
07-26-2021	UNH	UNH 100 20 JAN 23 420 PUT	752	3	\$54.3	-0.49	23.37%	\$4,230,000	\$20.4	968	▲ 62.43%	▲ 28.21%
09-30-2021	UNH	UNH 100 17 JUN 22 340 PUT	500	357	\$17.3	-0.26	30.98%	\$865,000	\$0.93	876	▲ 94.62%	▲ 2.22%
04-20-2021	UNH	UNH 100 17 JUN 22 380 CALL	600	8	\$52	0.60	28.05%	\$3,240,000	\$133.27	844	▲ 156.29%	▲ 38.82%

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.

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