

The S&P is showing strength today with a nice bounce back and there are a number of bull flags setting up. VIX still needs to drop to get those to be exceptionally cheap vol, but there are a couple of interesting new setups appearing in the market that will allow me to buy into this bounce back to play for the bull flag on the market. Rememer, over the last 3 months, we have seen equity in-flows to start each month, and that can provide a nice tail wind to long ideas.

The ideas that I have on are in re-evaluation mode. There’s nothing to do today with the market just starting to bounce back, but as the stocks show relative strength or weakness to the market on the whole, I will determine whether I will pitch, re-position, or extend my current positions.

I added two new positions today: EXC and INCY.

EXC has been trending higher and IV rarely gets under 15%. And with the upward trend, I bought the July \$44 calls for \$0.14, which is under 15% IV:

OI	Volume	Delta	IV	Vol	Bid	Theo	Ask	SIM	Pos	PnL	Last	Strike
21 days to expiration												
321	55	17.00	13.62		0.10	0.12	0.15		50	-75	0.14	EXC Jul20 44

Screenshot from LiveVol X

INCY was a stock I wanted to enter on the short side, but the break on Monday was too violent to enter. Now it’s setting up a bull flag with a look to re-test \$75. With that, I can buy the July 20th \$72.5/\$77.5 Call Spread for \$0.55 and set myself up very well in the case of that bounce back:

OI	Volume	Delta	IV	Vol	Bid	Theo	Ask	SIM	Pos	PnL	Last	Strike
21 days to expiration												
577	17	22.49	38.52		0.65	0.77	0.90		15	-38	0.80	INCY Jul20 72.5
95	15	7.83	44.00	40.00	0.15	0.22	0.50		-15	-112	0.25	INCY Jul20 77.5

Screenshot from LiveVol X

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