

# THE BREAKOUT BULLETIN

Presented by  and 

## Last Week's Trade Ideas

The trend seems to be continuing – equity in-flows to start the month are here again in spite of trade war rhetoric. This should be a busier week for me, and I'll be looking to do a number of trades. I'll be looking to add a few new longs, find shorts that seem to be setting up (I'll want to be a bit more aggressive on these than I have been over the last few months), close some of the good movers, and roll some positions back from next week's expiration. With the way VIX is getting hit and the market is marching higher, I expect this should continue to be a bullish week, but I want to be cautious given the wash-outs we've had to end the month's money flow over the past few months.

The following trades were highlighted during the week as trades I was looking at for entries, holding, or considering exits:

Date	Stock	Trade Idea	Highlighted Entry Price	Exit Day	Exit Price	Current Price	% Return
6/1/2018	OAS	7/20 \$15 Call	\$0.43			\$0.05	(88%)
6/8/2018	SIRI	7/13 \$7.5 Call	\$0.09			\$0.01	(89%)
6/12/2018	UTX	7/13 \$131 Call	\$1.12			\$0.05	(96%)
6/12/2018	EPD	7/20 \$30 Call	\$0.45			\$0.05	(89%)
6/13/2018	MOS	7/20 \$31 Call	\$0.53			\$0.05	(91%)
6/19/2018	EXPE	7/20 \$129 - 6/29 \$131 Call Diagonal	\$1.35			\$1.05	(22%)
6/19/2018	PENN	7/20 \$35 - \$37 Call Spread	\$0.35			\$0.80	129%
6/20/2018	FITB	7/20 \$32 - \$34 Call Spread	\$0.27			\$0.08	(70%)
6/20/2018	ADM	7/20 \$47.5 Call	\$0.36			\$0.39	8%
6/22/2018	MDLZ	7/20 \$42 Call	\$0.30			\$0.60	100%
6/26/2018	THC	7/20 \$39.5 Call	\$0.75			\$0.15	(80%)
6/29/2018	EXC	7/20 \$44 Call	\$0.14			\$0.15	7%
6/29/2018	INCY	7/20 \$72.5 - \$77.5 Call Spread	\$0.55			\$1.10	100%
7/2/2018	WPM	7/20 \$23 Call	\$0.18			\$0.19	6%
7/5/2018	KMX	7/20 \$77.5 Call	\$0.65			\$1.05	62%
7/5/2018	GLNG	8/17 \$32.5 Call	\$0.64			\$0.65	2%

**OAS – June 1<sup>st</sup>, 2018; SIRI – June 8<sup>th</sup>, 2018; UTX – June 12<sup>th</sup>, 2018; EPD – June 12<sup>th</sup>, 2018; THC – June 26<sup>th</sup>, 2018**

OAS, SIRI, UTX, EPD, and THC need a run to matter – I'll re-visit if the calls gain premium later this week.

**MOS – June 13<sup>th</sup>, 2018**

MOS may be setting up a bull flag here – I'll look at potential rolls here tomorrow or Wednesday if needed.

**EXPE – June 19<sup>th</sup>, 2018**

EXPE set up the call diagonal and broke out today. I'll let this position run for now.

***PENN – June 19<sup>th</sup>, 2018***

PENN is re-testing highs. Since IV is a bit higher, I'll wait before looking to roll up to an outright long call.

***FITB – June 20<sup>th</sup>, 2018***

FITB looks like a bull flag again – if this works, I'll pick up premium quickly on the call spread, so I am willing to continue to hold this.

***ADM – June 20<sup>th</sup>, 2018***

ADM broke out this morning. I will look for roll opportunities this week.

***MDLZ – June 22<sup>nd</sup>, 2018***

MDLZ broke out at the end of last week. I will look for roll opportunities this week.

***EXC – June 29<sup>th</sup>, 2018***

EXC continues to grind higher. With IV exceptionally cheap, I am happy to hold for now.

***INCY – June 29<sup>th</sup>, 2018***

INCY is doing what I was looking for, and I will look for an exit on a re-test of the ~\$75 level.

***WPM – July 3<sup>rd</sup>, 2018***

WPM broke out last week and still looks good with Gold firm. I'll continue to hold for now.

***KMX – July 5<sup>th</sup>, 2018***

KMX continues to firm after the bull flag. There's no need to adjust anything here as of now.

***GLNG – July 5<sup>th</sup>, 2018***

GLNG is a slower rally but still looking strong for a gap fill, so no adjustment is planned here for now.

## This Week's Watch List

These are some of the Trade Ideas that will be on my Watch List to start the week. If/when the Breakout Level is breached, I will look into the term structure and skew for more precise option entry. As it stands, the technical and option setups look favorable to possibly trigger a trade idea.

### CIEN

CIEN has been marching higher for over a month. At this point, there are two ways for me to play it – for a spike on a move above my Breakout Level of today's high of \$27.27 or a long liquidation on a break below my Breakdown Level at the 10-Day Moving Average (currently \$26.47):



Screenshot from LiveVol X

As long as IV is under 26%, I like executing the trade with 3-week out, 30-Delta Options:



Screenshot from LiveVol X

DLTR

DLTR hasn't been able to squeeze from lows while the market marches higher. My Breakdown Level will be the June 28<sup>th</sup> low at \$82.04:



Screenshot from LiveVol X

As long as IV is under 25%, I like executing the trade with 3-week out, 30-Delta Puts:



Screenshot from LiveVol X

HRB

HRB finally bounced from lows, and this could either be a dead cat bounce that gets faded quickly or set up a squeeze and shot for a gap fill on the post-earnings move. My Breakout Level will be a close above the June 13<sup>th</sup> high of \$24.72 while my Breakdown Level will be the July 5<sup>th</sup> low of \$23.15:



Screenshot from LiveVol X

As long as IV is under 27%, I like executing the trade with 3-week out, 30-Delta Options:



Screenshots from LiveVol X

### NTAP

NTAP has been coiling for about a month. My Breakout Level will be the June 29<sup>th</sup> high at \$79.75 while my Breakdown Level will be the June 25<sup>th</sup> low of \$75.34:



Screenshot from LiveVol X

As long as IV is under 24%, I like executing the trade with 3-week out, 30-Delta Options:



Screenshots from LiveVol X

### NVDA

NVDA is bouncing after China trade tension selling hit the semi-conductor sector. My Breakout Level will be the 20-Day Moving Average (currently at \$251.20) while my Breakdown Level will be the July 2<sup>nd</sup> low at \$233.26:



Screenshot from LiveVol X

As long as IV is under 29%, I like executing the trade with 3-week out, 30-Delta Options:



Screenshots from LiveVol X

**All Services and Content Are Provided for Educational and Information Purposes Only and Are Not Intended as Legal or Financial Advice.**

The information and content provided in or through these Services is for educational and informational purposes only. By accessing and/or using the Services you acknowledge that the Services are not intended to be a substitute for legal, investment, or financial advice that can be provided by an attorney, accountant, and/or financial advisor. You further acknowledge that you should not rely solely on the Services in making any investment or financial decision, and should always check with your financial advisor and tax advisor to determine the suitability of any investment.

All information provided in or through these Services is strictly informational and is not to be construed as advocating, promoting or advertising registered or unregistered investments of any kind whatsoever. The information is provided “as-is” and is not guaranteed to be correct, complete, or current. Option Pit and Trade Academy do not guarantee that you will attain a particular result, outcome, or earnings, and you accept and understand that each individual’s results will vary and depend on numerous factors.

Option Pit and Trade Academy are not investment advisors and are not registered with the U.S. Securities and Exchange Commission (“SEC”) or the Financial Industry Regulatory Authority (“FINRA”). Further, owners, employees, agents or representatives of Option Pit and Trade Academy are not acting as investment advisors and might not be registered with the SEC or FINRA.