

THE BREAKOUT BULLETIN

Presented by  and 

Last Week's Trade Ideas

We are at an important time in the month for equity markets. Earnings are beginning and will set the tone for the next quarter of price action. Within the monthly cycle, we often see some sideways trade in the indexes at this point with a pull back near the end of the month. Of course, this script could get thrown out with changes to Chinese trade, Russian commentary, earnings results, or any other number of fundamental inputs. With VIX falling, more ideas are appearing, but I want to be cautious about overly adding to longs until I can find better setups on the short side to pair off, and so that will be in the back of my mind throughout this week as I roll/close winners and add new positions.

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
6/19/2018	PENN	7/20 \$35 - \$37 Call Spread	\$0.35	7/12/2018	\$1.07		206%
6/22/2018	MDLZ	7/20 \$42 Call	\$0.30	7/12/2018	\$0.76		153%
6/8/2018	SIRI	7/13 \$7.5 Call	\$0.09	7/13/2018	\$0.00		(100%)
6/12/2018	UTX	7/13 \$131 Call	\$1.12	7/13/2018	\$0.00		(100%)
6/1/2018	OAS	7/20 \$15 Call	\$0.43			\$0.00	(100%)
6/12/2018	EPD	7/20 \$30 Call	\$0.45			\$0.00	(100%)
6/13/2018	MOS	7/20 \$31 Call	\$0.53			\$0.00	(100%)
6/19/2018	EXPE	7/20 \$129 - 6/29 \$131 Call Diagonal	\$1.35			\$0.50	(63%)
6/20/2018	FITB	7/20 \$32 - \$34 Call Spread	\$0.27			\$0.02	(93%)
6/20/2018	ADM	7/20 \$47.5 Call	\$0.36			\$0.40	11%
6/26/2018	THC	7/20 \$39.5 Call	\$0.75			\$0.00	(100%)
6/29/2018	EXC	7/20 \$44 Call	\$0.14			\$0.00	(100%)
6/29/2018	INCY	7/20 \$72.5 - \$77.5 Call Spread	\$0.55			\$1.00	82%
7/2/2018	WPM	7/20 \$23 Call	\$0.18			\$0.03	(83%)
7/5/2018	KMX	7/20 \$77.5 Call	\$0.65			\$0.70	8%
7/5/2018	GLNG	8/17 \$32.5 Call	\$0.64			\$0.15	(77%)
7/9/2018	CIEN	8/3 \$28.5 Call	\$0.28			\$0.30	7%
7/10/2018	NTAP	8/3 \$82.5 Call	\$0.89			\$1.60	80%
7/12/2018	MDLZ	7/20 \$43 Call	\$0.21			\$0.15	(29%)
7/12/2018	COST	8/3 \$217.5 Call	\$1.54			\$2.00	30%

PENN – June 19th, 2018

I closed PENN last week as it tested highs.

MDLZ – June 22nd, 2018

I rolled MDLZ to play for continued upside with IV low.

SIRI – June 8th, 2018; UTX – June 12th

SIRI and UTX expired last week.

OAS – June 1st, 2018; 2018; EPD – June 12th, 2018; MOS – June 13th, 2018; FITB – June 20th, 2018; THC – June 26th, 2018; EXC – June 29th, 2018; WPM – July 3rd, 2018; GLNG – July 5th, 2018

OAS, EPD, MOS, FITB, THC, EXC, WPM, and GLNG need a run to matter – I'll re-visit if the calls gain premium later this week.

EXPE – June 19th, 2018

EXPE is forming a tight triangle after a break out last week. This should resolve this week and so I will look to exit my position late this week if this resolution is to the upside.

ADM – June 20th, 2018

ADM looks to be setting up a bull flag after the initial break out last week. If confirmed, I will look to roll my position mid-week.

INCY – June 29th, 2018

INCY is creating a wedge after a minor pull back. It is testing the upper end of the wedge today and if it breaks out, I will still be looking for a move toward \$75 to take profits.

KMX – July 5th, 2018

KMX continues to firm. I will look to roll into continued strength as IV remains low.

CIEN – July 9th, 2018

CIEN appears to be setting up a bull flag. If confirmed, I will consider roll opportunities near highs.

NTAP – July 10th, 2018

NTAP is having a minor pull back today after a break out – no adjustment is necessary at this point for me.

COST – July 12th, 2018

COST continues to create higher highs and higher lows. I will continue to look at roll opportunities once my options are in-the-money as long as the trend holds.

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.

AMBA

AMBA has been one of the weakest names in the semi-conductor sector. My Breakdown Level will be the July 2nd low at \$37.17:



Screenshot from Sterling Vol Trader

As long as IV is under 44%, I like executing the trade with 3-week out, 30-Delta Puts:



Screenshot from Sterling Vol Trader

HRB

HRB continues to trade between my break out and break down levels. My Breakout Level will be a close above the June 13th high of \$24.72 while my Breakdown Level will be the July 5th low of \$23.15:



Screenshot from Sterling Vol Trader

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



Screenshot from Sterling Vol Trader

MDT

MDT is approaching a break out here. My Breakout Level will be the May 24th high of \$88.65:



Screenshot from Sterling Vol Trader

As long as IV is under 15%, I like executing the trade with 3-week out, 30-Delta Calls:



Screenshots from Sterling Vol Trader

SRPT

SRPT exploded on good drug news and has been consolidating since. My Breakout Level will be the July 9th high at \$141.04 while my Breakdown Level will be the June 29th low of \$130.46:



Screenshot from Sterling Vol Trader

As long as IV is under 56%, I like executing the trade with 3-week out, 30-Delta Options:



Screenshots from Sterling Vol Trader

WDAY

WDAY is again testing highs. My Breakout Level will be the March 13th high of \$140.00:



Screenshot from Sterling Vol Trader

As long as IV is under 28%, I like executing the trade with 3-week out, 30-Delta Calls:



Screenshots from Sterling Vol Trader

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