

THE BREAKOUT BULLETIN

Presented by  and 

Last Week's Trade Ideas

The market worked through an end-of-month liquidation (which was minor) and is now working through start-of-month positive money flow. It took a bit of time, but now the bull setups look like we will continue to the trend and work for 1-2 weeks, after which we may be more likely to chop barring a shift in macro fundamentals (ie, progress in trade rhetoric). I'll keep an eye out for new long liquidation setups in case the trend flips, but for now, I am more inclined to look for short squeezes and clean break outs.

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
7/9/2018	CIEN	8/3 \$28.5 Call	\$0.28	8/3/2018	\$0.00		(100%)
7/10/2018	NTAP	8/3 \$82.5 Call	\$0.89	8/3/2018	\$0.00		(100%)
7/5/2018	GLNG	8/17 \$32.5 Call	\$0.64			\$0.00	(100%)
7/17/2018	LULU	8/10 \$135 Call	\$1.37			\$0.10	(93%)
7/17/2018	MDT	8/10 \$90.5 Call	\$0.61			\$0.70	15%
7/19/2018	CONN	8/17 \$41 Call	\$0.90			\$0.00	(100%)
7/24/2018	TIF	8/17 \$143 Call	\$1.30			\$0.20	(85%)
7/24/2018	HRB	8/17 \$26 Call	\$0.19			\$0.35	84%
7/26/2018	NTRS	8/17 \$115 Call	\$0.81			\$0.25	(69%)
7/26/2018	ADBE	8/17 \$270 Call	\$2.71			\$0.35	(87%)
7/26/2018	CONN	8/17 \$38 Call	\$0.80			\$0.30	(63%)
7/26/2018	COST	8/24 \$225 Call	\$2.84			\$2.10	(26%)
7/30/2018	USB	8/24 \$54.5 Call	\$0.30			\$0.25	(17%)
7/31/2018	BBY	8/17 \$77.5 - 8/10 \$80 Call Diagonal	\$0.73			\$0.90	23%
8/2/2018	ADBE	8/17 \$257.5/\$265 Call Spread	\$1.28			\$2.05	60%
8/2/2018	TRN	8/24 \$39 Call	\$0.45			\$0.50	11%

CIEN – July 9th, 2018; NTAP – July 10th, 2018

These calls expired on Friday.

GLNG – July 5th, 2018

GLNG needs a major rally to be of any interest as these options are very unlikely to perform at this point.

LULU – July 17th, 2018

LULU set up the bull flag but didn't show great rolling opportunities relative to other names. While these are outliers, there's a chance that a major rally brings them into play, so I'll watch these into a bigger rally.

MDT – July 17th, 2018

MDT is trading at highs. I'll be looking to roll this position into a new high.

CONN – July 19th, 2018 and July 26th, 2018

CONN appears to be setting up a bull flag. Since I have already tried this one twice, I'll let the remaining position see if it can work rather than add again, but I do like the technical setup here.

TIF – July 24th, 2018

TIF chopped last week. Into a rally, these calls will pick up more value and I can look at rolls to play a bull flag.

HRB – July 24th, 2018

HRB is making a new high again. I still like letting this run as the 10-Day Moving Average has proven to be strong support.

NTRS – July 26th, 2018

NTRS pulled back after the break out, but is now setting up a bull flag. I'll re-evaluate this for a roll if we get a bigger rally on the bull flag.

ADBE – July 26th, 2018 and August 2nd, 2018

ADBE has been marching higher after the liquidation. The call spread looks very good, and if this pushes toward recent highs, I can then take off the call spread and turn focus to the break out trade.

COST – July 26th, 2018

COST looks ready to break out to new highs again while IV remains cheap. I am happy to hold for a bit here.

USB – July 30th, 2018

USB pulled back and set up the bull flag on the re-test of the 10-Day Moving Average. Looks good to me.

BBY – July 31st, 2018

BBY is working through the chop to see if it can re-test highs, at which point I'll need to re-position for a break out.

TRN – August 2nd, 2018

TRN continues to grind higher and look strong here. I'll hold.

This Week’s Watch List

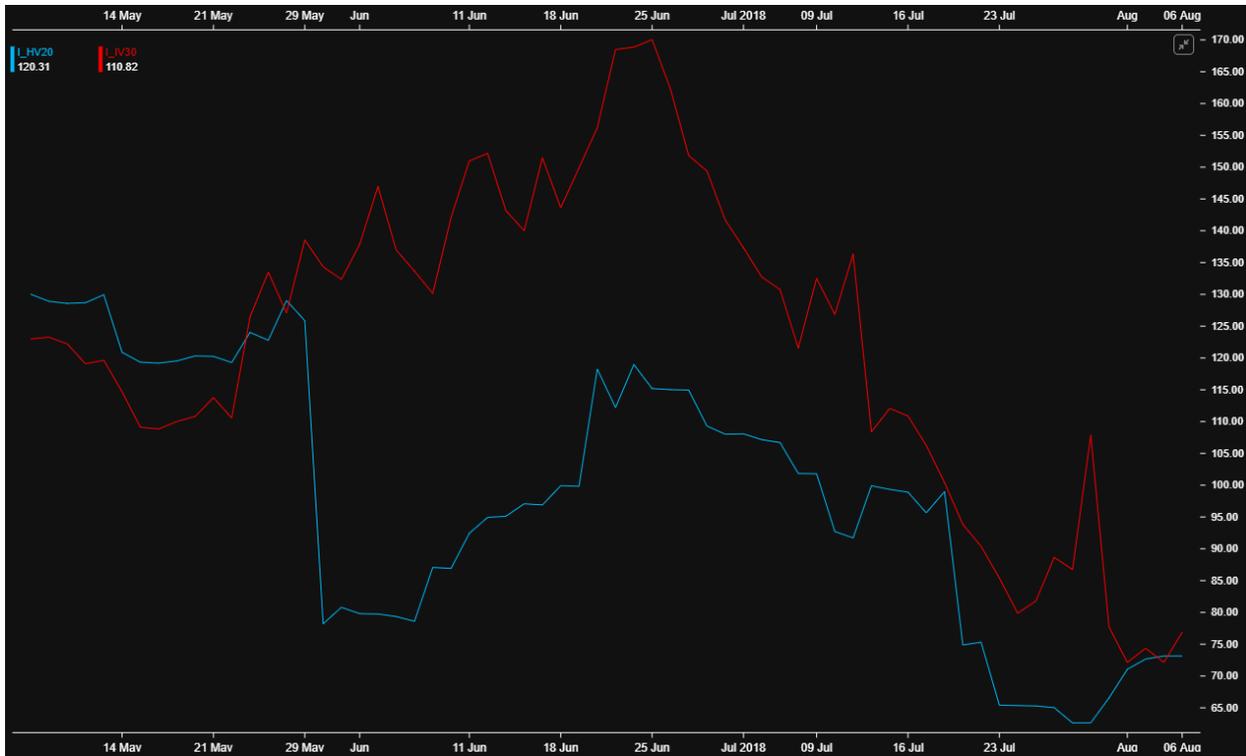
These are some of the Trade Ideas that will be on my Watch List to start the week. If/when the Breakout Level is breached, I will look into the term structure and skew for more precise option entry. As it stands, the technical and option setups look favorable to possibly trigger a trade idea.

/ has had an incredible run this year, from the low single digits up to \$22+ now. My Breakout Level will be a new high above Friday’s high of \$22.49:



Screenshot from LiveVol Pro

As long as IV is under 80%, I like executing the trade with 3-week out, 30-Delta Calls:



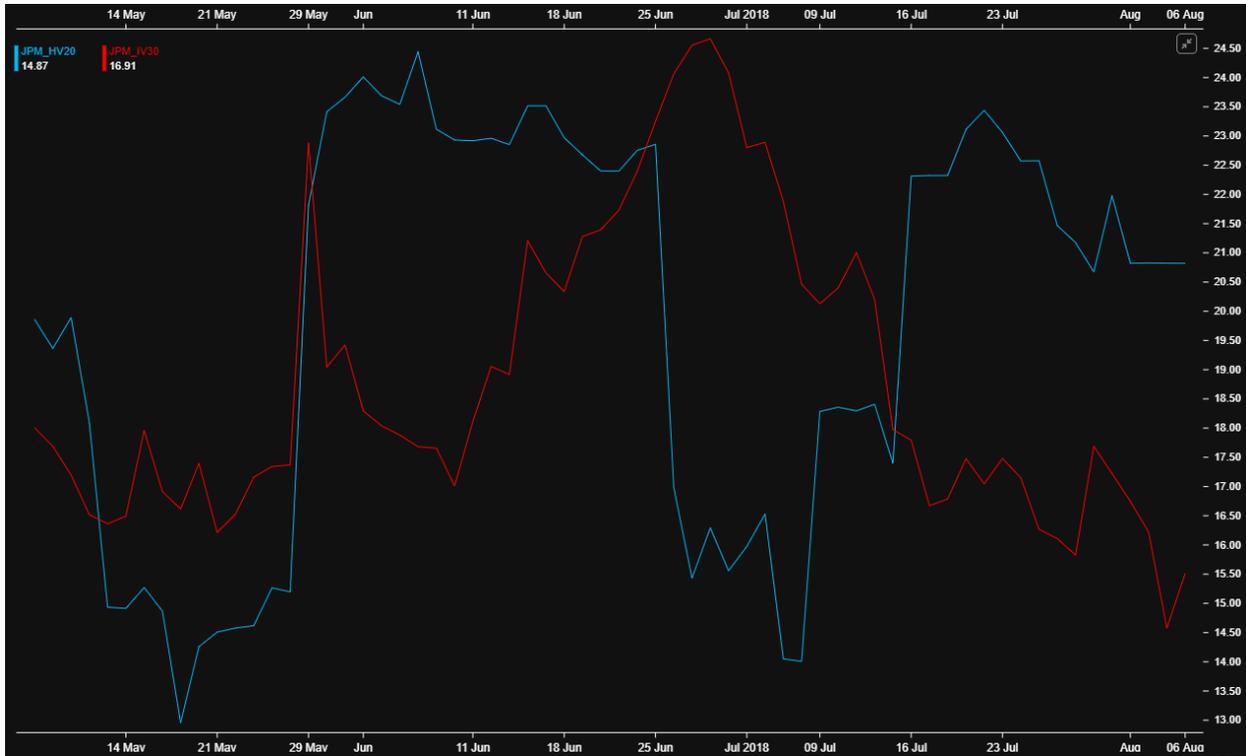
Screenshot from LiveVol Pro

JPM is one of the strongest banks, using the 10-Day Moving Average as support through a long rally. My Breakout Level will be the July 30th high of \$117.61 while my Breakdown Level will be the 10-Day Moving Average (currently at \$115.75):



Screenshot from LiveVol Pro

As long as IV is under 16%, I like executing the trade with 3-week out, 30-Delta Options:



Screenshot from LiveVol Pro

MRK has been consolidating near highs. My Breakout Level will be the August 1st high at \$66.14:



Screenshot from LiveVol Pro

As long as IV is under 16%, I like executing the trade with 3-week out, 30-Delta Calls:



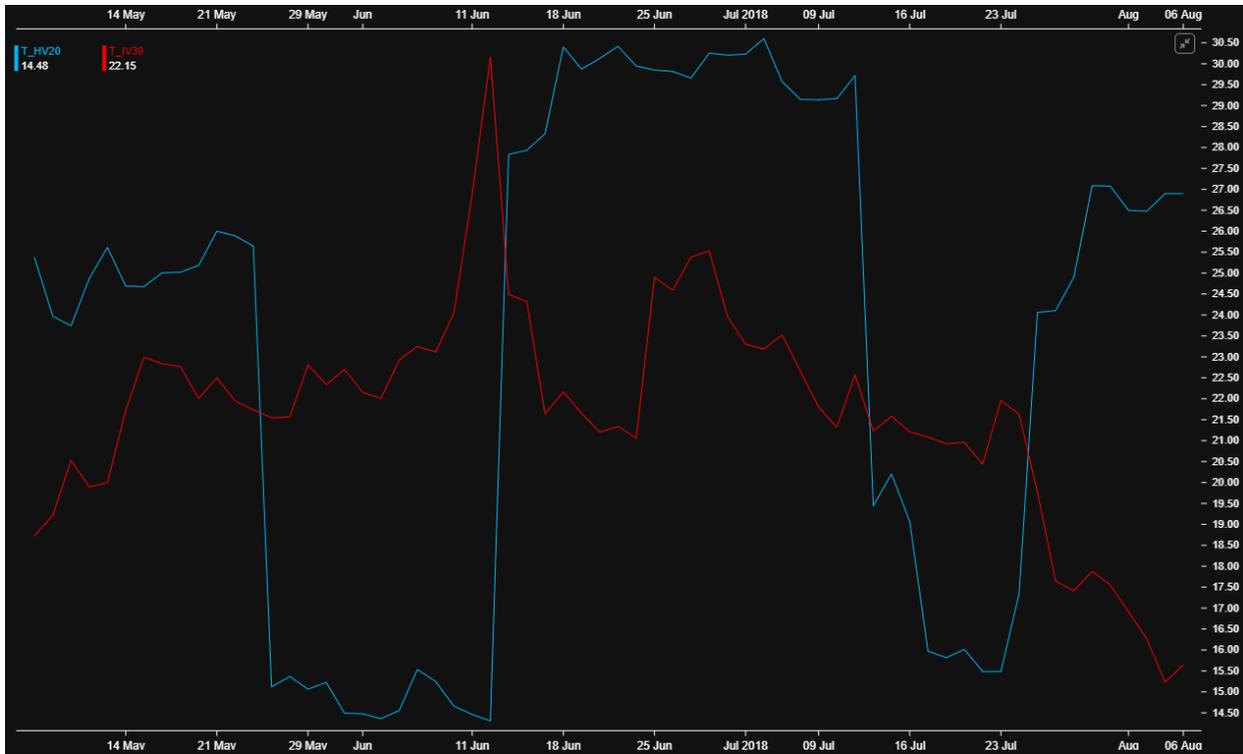
Screenshots from LiveVol Pro

T has been an underperformer that could turn into a short squeeze. My Breakout Level will be the July 31st high at \$32.34 while my Breakdown Level will be the 10-Day Moving Average (currently at \$31.53):



Screenshot from LiveVol Pro

As long as IV is under 16%, I like executing the trade with 3-week out, 30-Delta Options:



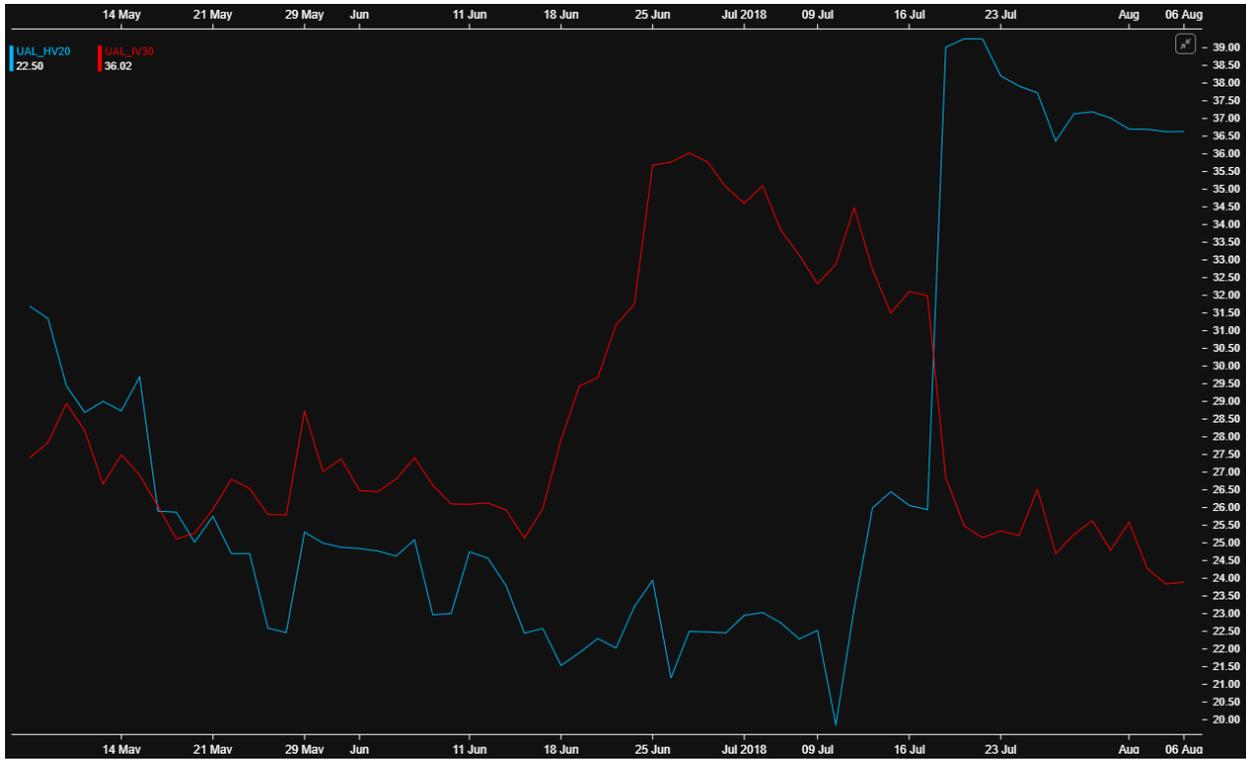
Screenshots from LiveVol Pro

UAL had great earnings and is re-testing highs here after a few weeks of consolidation. My Breakout Level will be the July 26th high at \$82.04:



Screenshot from LiveVol Pro

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



Screenshots from LiveVol Pro

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