

THE BREAKOUT BULLETIN

Presented by  and 

Last Week's Trade Ideas

The market continues to chop while overall drifting higher. There are many false break outs in this environment, which is the benefit of defined risk. Another leg higher for equities should push to more confirmed break outs, at which point, the leverage of the strategy can kick in.

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
7/17/2018	MDT	8/10 \$90.5 Call	\$0.61	8/8/2018	\$0.83		36%
7/17/2018	LULU	8/10 \$135 Call	\$1.37	8/10/2018	\$0.00		(100%)
7/31/2018	BBY	8/17 \$77.5 - 8/10 \$80 Call Diagonal	\$0.73	8/10/2018	\$2.00		174%
8/7/2018	T	8/10 \$32.5 Call	\$0.09	8/10/2018	\$0.00		(100%)
7/5/2018	GLNG	8/17 \$32.5 Call	\$0.64			\$0.00	(100%)
7/19/2018	CONN	8/17 \$41 Call	\$0.90			\$0.00	(100%)
7/24/2018	TIF	8/17 \$143 Call	\$1.30			\$0.00	(100%)
7/24/2018	HRB	8/17 \$26 Call	\$0.19			\$0.25	32%
7/26/2018	NTRS	8/17 \$115 Call	\$0.81			\$0.00	(100%)
7/26/2018	ADBE	8/17 \$270 Call	\$2.71			\$0.05	(98%)
7/26/2018	CONN	8/17 \$38 Call	\$0.80			\$0.00	(100%)
7/26/2018	COST	8/24 \$225 Call	\$2.84			\$1.20	(58%)
7/30/2018	USB	8/24 \$54.5 Call	\$0.30			\$0.15	(50%)
8/2/2018	ADBE	8/17 \$257.5/\$265 Call Spread	\$1.28			\$1.70	33%
8/2/2018	TRN	8/24 \$39 Call	\$0.45			\$0.25	(44%)
8/6/2018	MRK	8/24 \$67.5 Call	\$0.32			\$0.50	56%
8/6/2018	UAL	8/24 \$84 Call	\$0.91			\$0.70	(23%)
8/8/2018	MDT	8/17 \$92 Call	\$0.33			\$0.35	6%

MDT – July 17th, 2018; August 8th, 2018

I rolled my MDT into strength and like the setup here as it is again testing highs.

LULU – July 17th, 2018; T – August 7th, 2018

These options expired on Friday.

BBY – July 31st, 2018

I exited BBY to take a profit as the diagonal reached \$2.00 while the stock was testing highs but not breaking out to new highs.

GLNG – July 5th, 2018; CONN – July 19th, 2018 and July 26th, 2018; TIF – July 24th, 2018; NTRS – July 26th, 2018

These names need a major rally to be of any interest as these options are very unlikely to perform at this point.

HRB – July 24th, 2018

HRB continues to grind higher and is close to putting my calls in-the-money. I'll be looking to exit this week as the next options term includes earnings.

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

ADBE consolidated for a week after bouncing, and now is testing highs of this consolidation zone. The call spread looks good to me while the far out-of-the-money calls are unlikely to perform. I may look to a new long trade here near the end of the week if the stock firms through the week.

COST – July 26th, 2018

COST has a liquidation but now is bouncing back. I'll need to see a quick rally to confirm, but this does not look bad after the liquidation as there were quick buyers back in this name.

USB – July 30th, 2018

USB pulled back again to form another bull flag – that should lead us to recent highs by the end of the week if the setup confirms.

TRN – August 2nd, 2018

TRN pulled back to the 20-Day Moving Average and seems to be finding support for a bull flag, but it may struggle to press through recent highs. I'll plan to hold for now but re-visit if the stock re-tests highs.

MRK – August 6th, 2018

MRK broke out last week, re-tested the 10-Day Moving Average on Thursday/Friday, and appears set for another leg higher. I like the setup here.

UAL – August 6th, 2018

UAL also broke out last week, re-tested the 10-Day Moving Average on Friday, and appears set for another leg higher. I like the setup here as well.

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.

GILD has been consolidating for over a month. My Breakout Level will be the July 25th high of \$79.00 while my Breakdown Level will be the July 30th low of \$75.84:



Screenshot from LiveVol Pro

As long as IV is under 20%, I like executing the trade with 3-week out, 30-Delta Options:



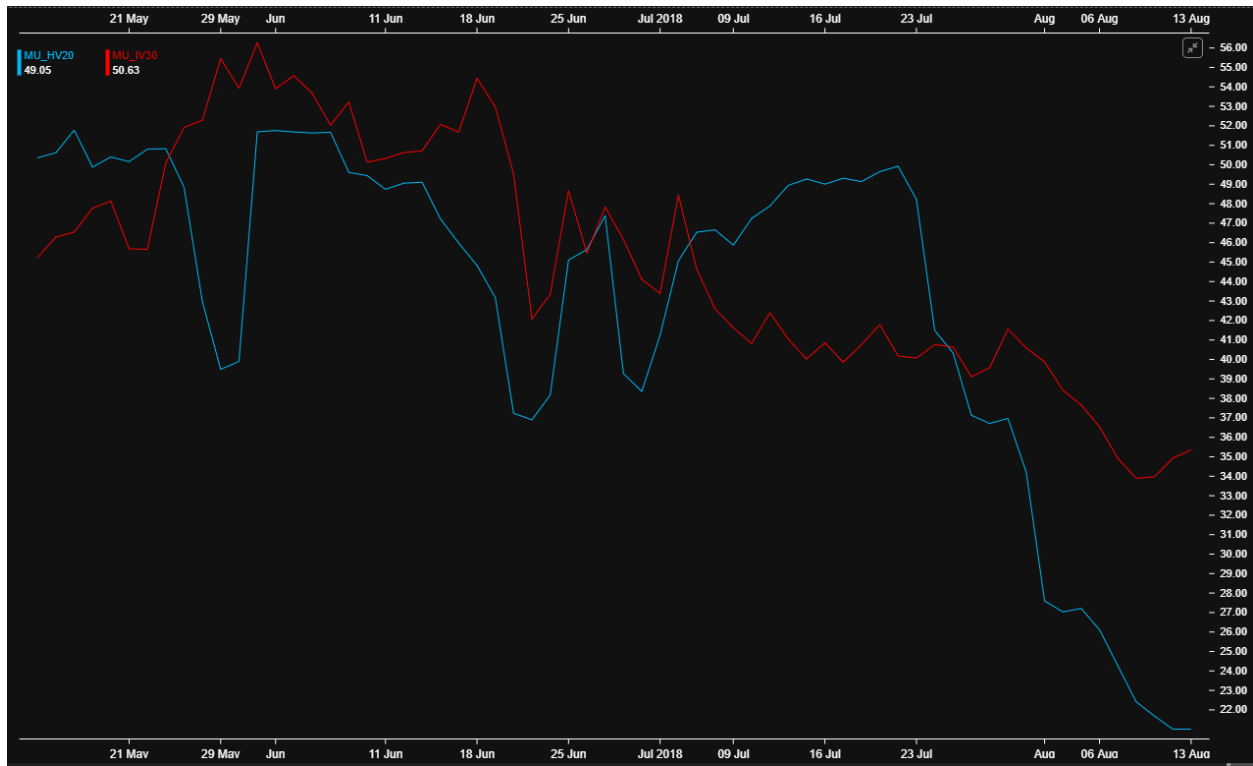
Screenshot from LiveVol Pro

MU was a favorite of bulls earlier in the year and is now showing relative weakness. My Breakdown Level will be the July 3rd low of \$50.10:



Screenshot from LiveVol Pro

As long as IV is under 38%, I like executing the trade with 3-week out, 30-Delta Puts:



Screenshot from LiveVol Pro

NSC has been grinding higher and using the 10-Day Moving Average as support. My Breakout Level will be the August 7th high of \$174.43:



Screenshot from LiveVol Pro

As long as IV is under 19%, I like executing the trade with 3-week out, 30-Delta Calls:



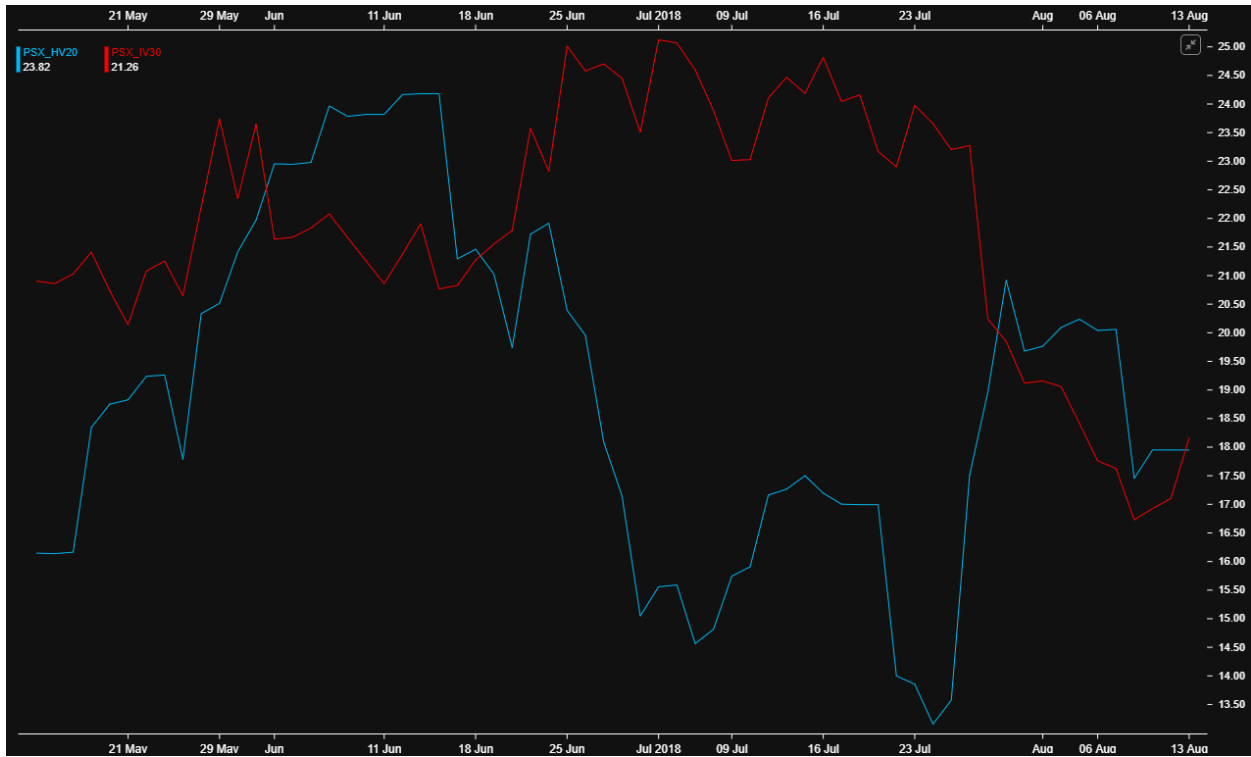
Screenshots from LiveVol Pro

PSX has been one of the best oil names in the market. After 2 weeks of consolidation, I am looking for a break out, with my Breakout Level at the August 7th high of \$123.97:



Screenshot from LiveVol Pro

As long as IV is under 20%, I like executing the trade with 3-week out, 30-Delta Calls:



Screenshots from LiveVol Pro

QCOM has been a leader in semi-conductors and has now consolidated while re-testing the 10-Day Moving Average. My Breakout Level will be the August 6th high of \$66.02:



Screenshot from LiveVol Pro

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



Screenshots from LiveVol Pro

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