

Weekly Screen – June 29, 2021:

Attractive Call Buys: U.S. equity investors have endured a few moderate yet short-lived selloffs so far this year. But, generally, equity values are on the rise. And with stellar first-quarter earnings results and raised outlooks, valuations seem to have contracted a bit. With meaningful progress on the vaccine front, the economy continuing to reopen, and most signs pointing to a still-supportive Federal Reserve, the S&P 500 index set a new all-time high, at about 4297. Meanwhile, the VIX, a measure of expected S&P 500 volatility, had been oscillating between 20 and 40 in recent months, yet dropped to 16 more recently against the backdrop of a rising market.

Despite equity values reaching fresh all-time highs, there may be additional room to run. And with volatility premiums lower than in prior months, holding long option positions seems relatively more affordable than earlier this year. Purchasing naked calls presents an opportunity to take advantage of potential additional upticks in equity markets.

In this screen, we look for calls with a delta between 30 and 75 to target strikes that are not too far in-the-money, or out-of-the-money. We also searched for options that have a relatively narrow bid/ask spread, are not overvalued, and are ranked 1 for naked call buying, among other criteria. Setting our display so that only one call per underlying stock appeared, our screener came up with 32 results, including **Carvana Co (CVNA)**, **Salesforce.com Inc (CRM)**, and **Alibaba Group Holding Limited (BABA)**.

Investors should carefully consider their own suitability requirements along with company specific details to determine if taking a position in any of the options listed in this report is warranted.

Figure 1 – Screening Criteria

Value Line Option Screener (Prices as of Jun 29 2021 10:39AM)

Create a Saved Screen
 After selecting your screening criteria, click **Save Screen As** and name your screen file.

Open a Saved Screen
 Click **Browse...** to locate and select the saved screen, then click **Open**. Your screening criteria will be loaded.

Open Saved Screen:

Basic Information

Company/Index

Stock Ticker(s) (Separate ticker by spaces)

Industry

ALL
 Advertising
 Aerospace/Defense
 Air Transport
 Apparel

Preset Screens

ALL
 VLIS 1700
 VLIS Small & Mid-Cap
 Calls Only
 Puts Only

Ranks

Common (Stock) (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> Up	<input type="checkbox"/> Down
Technical (Stock) (1=Best)	<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 2	<input checked="" type="checkbox"/> 3	<input checked="" type="checkbox"/> 4	<input checked="" type="checkbox"/> 5		
Naked Call Buyer's (1=Best)	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3				
Naked Put Buyer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3				
Naked Call Writer's (5=Best)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3				
Naked Put Writer's (5=Best)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3				
Covered Call Writer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3				
Married Put Buyer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3				

Additional Option Information [Field Definitions](#)

>> Mouse over here to select a field

#	Selected Fields	Minimum Value	Maximum Value	Remove All
1	Delta (Change Per Point)	<input type="text" value="30"/>	<input type="text" value="75"/>	<== Remove
2	Bid/Ask %	<input type="text"/>	<input type="text" value="0.3"/>	<== Remove
3	Buyer's Under/Over Priced	<input type="text"/>	<input type="text" value="0.1"/>	<== Remove
4	Expiration Date	<input type="text" value="08/01/2021"/>	<input type="text"/>	<== Remove
5	Open Interest	<input type="text" value="100"/>	<input type="text"/>	<== Remove
6	<input type="text"/>	<input type="text"/>	<input type="text"/>	<== Remove
7	<input type="text"/>	<input type="text"/>	<input type="text"/>	<== Remove
8	<input type="text"/>	<input type="text"/>	<input type="text"/>	<== Remove
9	<input type="text"/>	<input type="text"/>	<input type="text"/>	<== Remove
10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<== Remove

[Click here to edit display options](#)

Figure 2 – Screener Results

Company/Index	Common Ticker	Industry	Common Rank	Technical Rank	Common Price	Strike Price	Expiration Date	Recent Price Bid	Recent Price Ask	Estimated Normal Price	Stock Down 10%	Stock Up 10%
Smartsheet Inc	SMAR	E-Commerce	1	5	73.91	70.00	2021-08-20	6.70	7.00	8.63	-0.59	0.83
Carvana Co	CVNA	Retail Automotive	1	5	299.29	270.00	2021-08-20	39.70	41.65	48.85	-0.47	0.59
Salesforce Com Inc	CRM	E-Commerce	1	5	244.26	270.00	2021-11-19	7.85	8.15	10.29	-0.69	1.31
Alibaba Group Holding Limited	BABA	Internet	1	4	226.81	225.00	2021-08-06	9.20	10.05	11.21	-0.83	1.74
Cars com Inc	CARS	Internet	2	2	14.83	12.50	2022-01-21	3.60	3.90	5.18	-0.28	0.30
Funko Inc	FNKO	Recreation	1	1	21.57	20.00	2021-08-20	3.00	3.20	3.45	-0.41	0.51
Twitter Inc	TWTR	Internet	1	5	68.50	85.00	2022-01-21	3.80	3.90	4.77	-0.47	0.66
Micron Technology Inc	MU	Semiconductor	1	3	83.23	85.00	2021-08-06	3.30	3.60	4.06	-0.76	1.48
Cheniere Energy Inc	LNG	Oil & Gas Distro	1	4	86.78	95.00	2021-12-17	3.30	3.60	4.23	-0.65	1.16
Square Inc	SQ	Computer Software/Svcs	1	4	249.50	300.00	2021-11-19	11.80	12.15	14.76	-0.52	0.78
KKR and Company Inc	KKR	Public / Private Equity	1	3	60.85	60.00	2021-09-17	3.10	3.30	3.58	-0.76	1.38
Twilio Inc	TWLO	E-Commerce	1	4	398.91	640.00	2023-01-20	33.80	36.00	44.37	-0.32	0.39
Activision Blizzard Inc	ATVI	Entertainment Tech	1	3	94.86	105.00	2022-01-21	4.35	4.50	5.25	-0.60	0.97
Shopify Inc	SHOP	E-Commerce	1	5	1490.26	1500.00	2021-08-20	102.20	105.10	115.53	-0.59	0.91
Zendesk Inc	ZEN	E-Commerce	1	4	147.59	160.00	2021-10-15	6.60	6.90	7.96	-0.63	1.05
Livent Corporation	LTHM	Power	1	2	18.93	20.00	2021-08-20	1.30	1.45	1.63	-0.52	0.74
eXp World Holdings Inc	EXPI	E-Commerce	2	5	40.79	60.00	2022-01-21	4.20	4.50	9.30	-0.31	0.37
Mesa Air Group Inc	MESA	Air Transport	1	1	9.38	12.50	2021-10-15	0.55	0.70	0.84	-0.41	0.53
Amazon com	AMZN	Internet	1	4	3430.82	3600.00	2021-08-20	72.10	73.40	84.98	-0.88	2.50
Workday Inc	WDAY	E-Commerce	1	3	242.52	240.00	2021-08-20	11.85	12.80	13.75	-0.77	1.42
BioNTech SE	BNTX	Biotechnology	2	3	230.96	210.00	2021-08-20	32.20	34.60	44.80	-0.43	0.53
Danaos Corp	DAC	Maritime	2	3	76.24	85.00	2021-10-15	4.00	5.50	9.65	-0.52	0.74
Sea Limited	SE	Foreign Electronics	1	4	279.32	260.00	2021-08-20	30.60	32.70	34.33	-0.52	0.68
Apple Inc	AAPL	Computers/Peripherals	1	4	135.66	141.00	2021-08-06	2.08	2.12	2.42	-0.94	3.67
ConAgra Brands Inc	CAG	Food Processing	2	3	35.92	37.00	2021-08-20	0.70	0.80	1.39	-0.91	2.81
NetEase Inc	NTES	Internet	1	2	111.28	115.00	2021-08-20	4.50	4.80	5.29	-0.73	1.38
Zillow Group Inc	Z	Internet	1	4	123.35	210.00	2023-01-20	11.10	12.00	14.23	-0.30	0.36
ServiceNow Inc	NOW	IT Service	1	4	556.59	540.00	2021-08-20	38.20	38.90	41.09	-0.68	1.08
Five9 Inc	FIVN	E-Commerce	1	4	184.22	185.00	2021-10-15	15.40	16.20	17.45	-0.52	0.74
Netflix Inc	NFLX	Entertainment	1	3	531.96	570.00	2021-08-20	12.45	13.00	14.87	-0.81	1.95
Ferrari NV	RACE	Automotive	1	4	206.58	200.00	2021-08-20	11.10	11.60	12.16	-0.81	1.49
MercadoLibre Inc	MELI	E-Commerce	1	4	1561.21	2100.00	2023-01-20	139.10	148.40	169.82	-0.35	0.44

At the time of this writing, the analyst had no positions in the stocks mentioned above.

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