Schaeffer's Midday Options Update Highlights the Following Stocks: Starbucks, 3M Company, Siebel Systems, ADTRAN Inc., Oracle

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CINCINNATI Schaeffer's Tom Godich, 513-589-3800 Email: releases@sir-inc.comToday's Midday Options Update focuses on: Starbucks (NASDAQ:SBUX), 3M Company (NYSE:MMM), Siebel Systems (NASDAQ:SEBL), ADTRAN Inc. (NASDAQ:ADTN), and Oracle (NASDAQ:ORCL).

The Midday Options Update contains a brief commentary on the day's most notable activity and a table listing the most active calls and puts for the day. The Midday Options Update is published every day at www.SchaeffersResearch.com -- the home of Bernie Schaeffer and Schaeffer's Investment Research. To receive observations similar to Midday, please click on the link below: http://www.schaeffersresearch.com/addinfo.

Midday Options Update

Investors heaved a great sigh of relief this morning when employment news turned out to be better than expected. Nonfarm payrolls actually jumped by 57,000 in September, marking the first increase since January. Analysts had anticipated a loss of 15,000. In addition, the unemployment rate stayed firm at 6.1 percent. With that bit of news out of the way, traders are happily diving back into this market, grabbing up shares as quickly as possible.

Elsewhere on the Street, Starbucks (NASDAQ:SBUX) is trading higher by more than two percent after reporting that September same-store sales rose by nine percent. 3M Company (NYSE:MMM) was upgraded from "equal weight" to "overweight" this morning on the belief that it is poised to surpass the consensus earnings estimate.

Speaking of earnings expectations, Siebel Systems (NASDAQ:SEBL) announced that it expects to meet the Street estimate, but sales will fall short of expectations. Two brokerage firms upgraded the security on the news. ADTRAN Inc. (NASDAQ:ADTN) reported that third-quarter earnings and revenue will exceed the consensus estimate of 36 cents per share. The company now anticipates posting a profit of 41-42 cents per share.

At 12:30 p.m. eastern time, the Dow Jones Industrial Average (DJIA - 9630.4) is up 1.51 percent and the S&P 500 Index (SPX - 1036.01) is higher by 1.55 percent. The Nasdaq Composite (COMP - 1884.4) is up 2.62 percent. At 12:32 p.m. in the options pits, 1,572,128 calls and 924,582 puts traded for a composite put/call ratio across all five exchanges of 0.58. The CBOE put/call ratio for equity options weighed in at 0.69.

Oracle (NASDAQ:ORCL) is trading more than four percent higher this afternoon, buoyed by the buying frenzy that has swept over the Street. The equity gapped above former resistance at its declining 10-day moving average, but must still plow through chart resistance at the 12 and 13 levels. This area has successfully tripped up the security since November and is now home to some heavy call accumulation (more than 62,900 contracts residing at these strikes in the October series). This build-up of call contracts could add another layer of resistance.

Sentiment toward ORCL remains complacent, with option activity centered on the stock's in-the-money November 11 call. More than 22,700 contracts have crossed the tape today on open interest only 461 contracts. In fact, its Schaeffer's put/call open interest ratio of 0.50 is higher than 74 percent of those taken over the past 52 weeks. Short interest also sprung 26 percent higher over the past month to 53.8 million shares. However, these short positions can be covered in roughly a day of trading, eliminating the chances of ORCL rallying on a covering rally.

Click the following link to see the Weekly Chart of ORCL since July 2002:
http://www.schaeffersresearch.com/wire?ID=8585.

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