

Trade Alert - (AAPL) – BUY

BUY the Apple (AAPL) *August* 2021 \$115-\$120 in-the-money vertical Bull Call spread at \$4.45 or best

Opening Trade

6-24-2021

expiration date: August 20, 2021

Portfolio weighting: 10%

Number of Contracts = 24 contracts

If you don't do options, stand aside, buy the shares for a short-term pop. WE COULD BE ONLY WEEKS AWAY FROM APPLE TOPPING ITS OLD ALL-TIME HIGH OF \$144.

The Big Rotation is on, with traders moving out of inflation plays and into big tech. That is the outcome of the shocking bond market spike that came out of last week's 5% print for the Consumer Price Index.

The Fed is telling the world that any inflation is temporary, and the world is buying

it, hook, line, and sinker. It could give us a bond and tech rally that lasts a couple of months.

Apple is in the midst of a generational upgrade to 5G iPhones. Some one billion worldwide need to be replaced to take advantage of the latest high-speed apps.

Apple is also far and away the largest buyer of its own stock. Some \$250 billion has been earmarked for this in 2020. Apple is dedicated to shrinking its float by 6% a year.

Apple has just seen nine months when earnings were allowed to catch up with the share price. The time for the next leg up in the shares has begun.

I am therefore buying the Apple (AAPL) *August* 2021 \$115-\$120 in-the-money vertical Bull Call spread at \$4.45 or best.

Don't pay more than \$4.60 or you will be chasing.

This is a bet that Apple (AAPL) will not trade below \$120 by the August 20 option expiration day in 40 trading days.

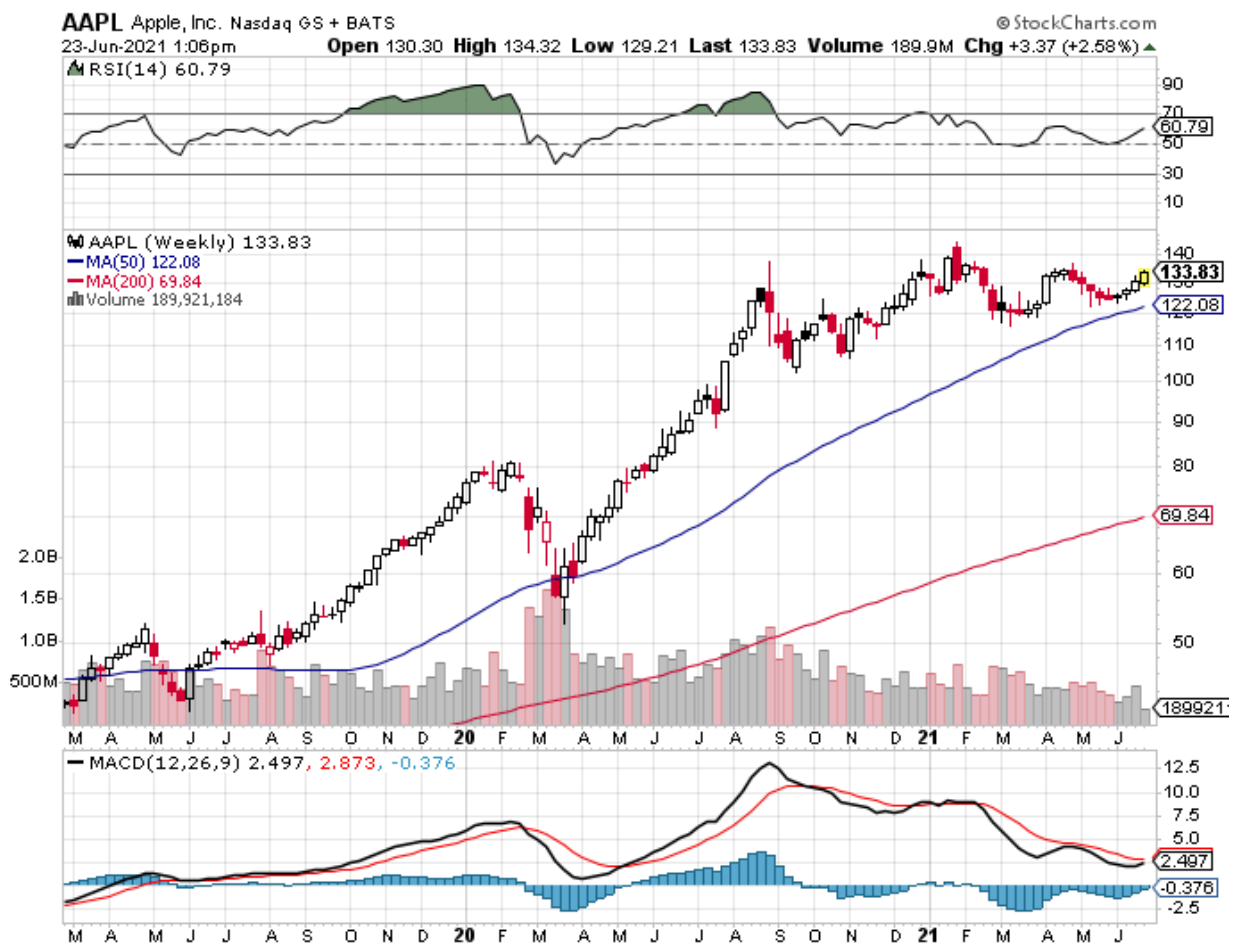
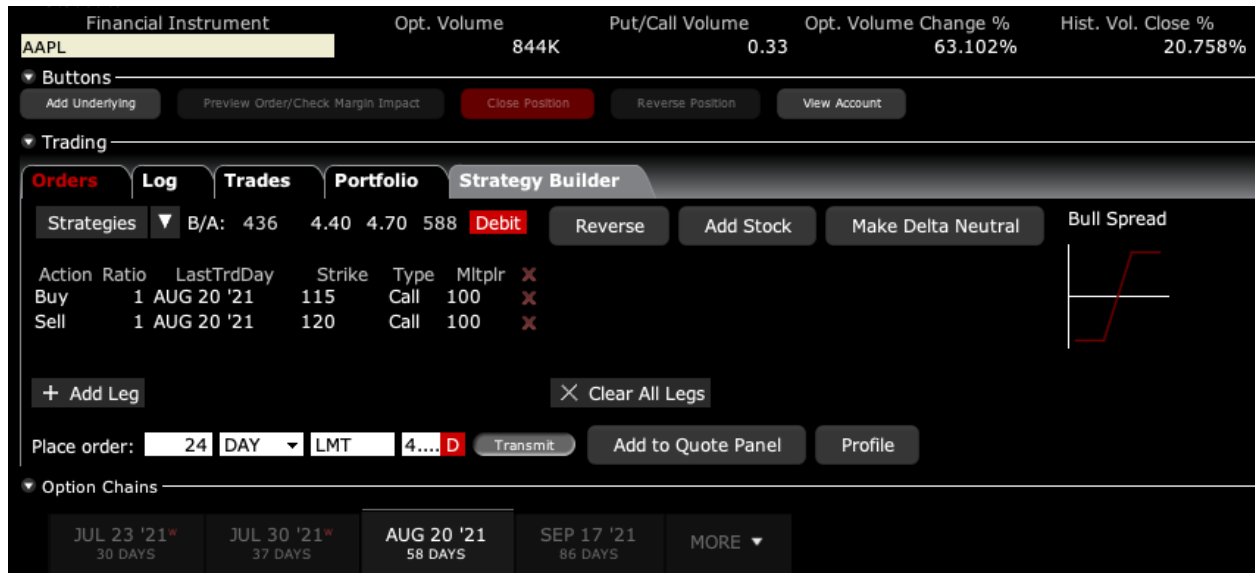
If you don't do options, stand aside, buy the shares for a short-term pop.

Here are the specific trades you need to execute this position:

Buy 24 August 2021 (AAPL) \$115 calls at.....	\$19.00
Sell short 24 August 2021 (AAPL) \$120 calls at.....	<u>\$14.55</u>
Net Cost:.....	\$4.45

Potential Profit: $\$5.00 - \$4.45 = \$0.55$

$(24 \times 100 \times \$0.55) = \$1,320$ or 12.36% in 40 trading days.



To see how to enter this trade in your online platform, please look at the order ticket below, which I pulled off of *Interactive Brokers*.

If you are uncertain on how to execute an options spread, please watch my training video by [clicking here](#).

The best execution can be had by placing your bid for the entire spread in the middle market and waiting for the market to come to you. The difference between the bid and the offer on these deep in-the-money spread trades can be enormous.

Don't execute the legs individually or you will end up losing much of your profit. Spread pricing can be very volatile on expiration months farther out.

Keep in mind that these are ballpark prices at best. After the alerts go out, prices can be all over the map.

