

Trade Alert - (SNOW) – BUY

BUY the Snowflake (SNOW) *April 2024* \$135-\$140 in-the-money vertical Bull Call spread at \$4.50 or best

Opening Trade

3-25-2024

expiration date: April 19, 2024

Portfolio weighting: 10%

Number of Contracts = 25 contracts

Not a day goes by without someone asking me for a good cloud company to invest in. Today, we have the best one out there selling at a 20% discount.

Snowflake is the preeminent cloud-based company out there. Yesterday the CEO Frank Sloatman announced he was retiring after delivering better-than-expected earnings but weak guidance. The dive has taken the implied volatility on (SNOW) options up to an incredible 46%, creating rich pickings for traders.

I am therefore buying the **Snowflake (SNOW) April 2024 \$135-\$140 in-the-money vertical Bull Call spread at \$4.50 or best.**

Don't pay more than \$4.70 or you'll be chasing on a risk/reward basis.

Snowflake Inc. is an American cloud computing-based data company based in Bozeman, Montana. It was founded in July 2012 and was publicly launched in October 2014.

The firm offers a cloud-based data storage and analytics service, generally termed "data-as-a-service". It allows corporate users to store and analyze data using cloud-based hardware and software. Snowflake service's main features are separation of storage and compute, on-the-fly scalable compute, data sharing, data cloning, and third-party tools support in order to scale with its enterprise customers.

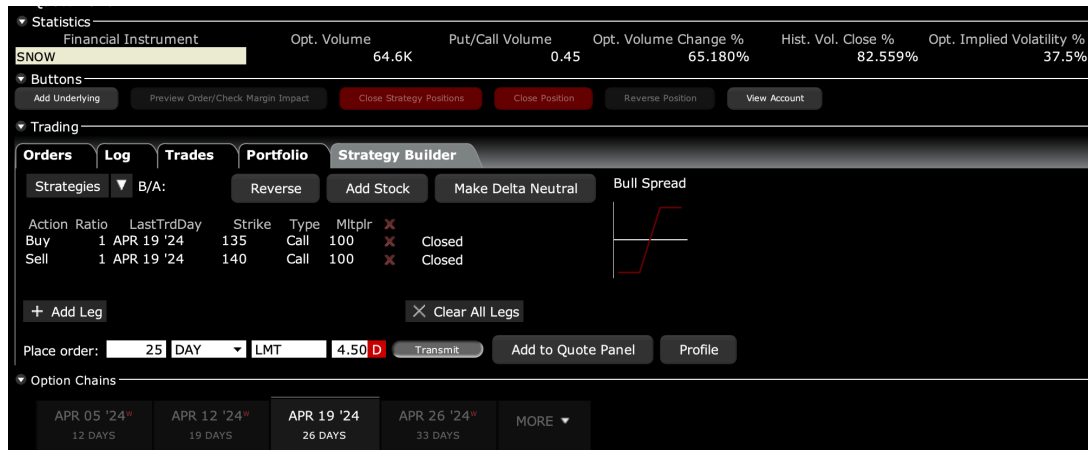
This is a bet that Snowflake will not fall below \$140 by the April 19 option expiration in 15 trading days.

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

Buy 25 April 2024 (SNOW) \$135 calls at.....	\$26.00
Sell short 25 April 2024 (SNOW) \$140 calls at.....	<u>\$21.50</u>
Net Cost:.....	\$4.50

Potential Profit: $\$5.00 - \$4.50 = \$0.50$

$(25 \times 100 \times \$0.50) = \$1,250$ or 12.50% in 15 trading days.



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

If you are uncertain about how to execute an options spread, please watch my training video on “*How to Execute a Vertical Bull Call Spread*” by clicking here at

<https://www.madhedgefundtrader.com/ltt-vbcs/>

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.

