

Trade Alert - (AMZN) – BUY

BUY the Amazon (AMZN) *June 2024* \$160-\$170 in-the-money vertical Bull Call spread at \$9.30 or best

Opening Trade

6-6-2024

expiration date: June 21, 2024

Portfolio weighting: 10%

Number of Contracts = 12 contracts

With only 11 days until the June 21 option expiration, there isn't much to do here, especially going into the summer. But I don't mind nibbling on (AMZ).

I love Amazon for the long term and if nothing else, you should buy the stock. I think (AMZN) has another 30% of upside from here to \$150 until yearend.

In the AI world, data is king and nobody has more data than Amazon. It has perhaps tracked half of all the sales of *everything* in the US for the past two decades. And if you want to do *anything* online, you have to execute through Amazon Web Services, the 800-pound gorilla of the hosting world (*Mad Hedge* does for cloud storage.)

As a result, Amazon along with NVIDIA should be among the top two big technology stocks in 2024. Until now, it has lagged. It is about to play catch up. Oh, and if you break it up, as the US government would love to do, the company becomes worth twice as much in pieces. Amazon is certainly the most undervalued AI play in the market.

I am therefore buying the **Amazon (AMZN) June 2024 \$160-\$170 in-the-money vertical Bull Call spread at \$9.30 or best.**

Don't pay more than \$9.50 or you'll be chasing on a risk/reward basis.

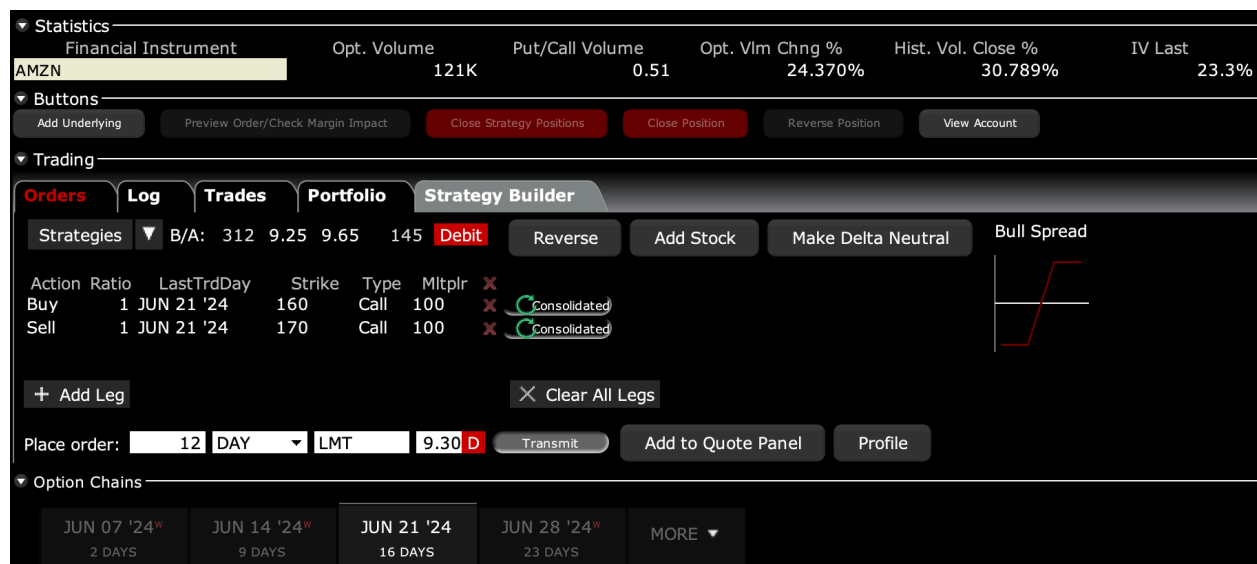
This is a bet that Amazon will not fall below \$170 by the June 21 option expiration in 11 trading days.

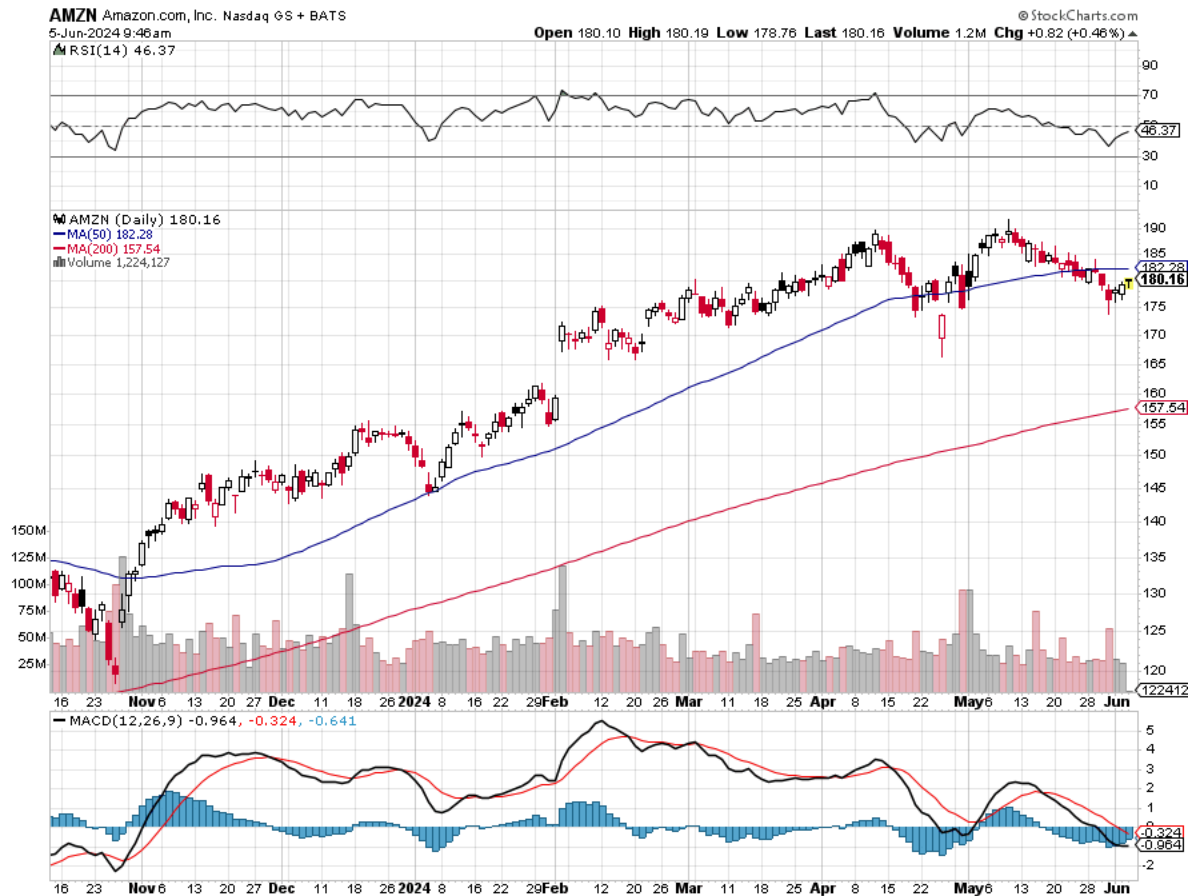
Here are the specific trades you need to execute this position:

Buy 12 June 2024 (AMZN) \$160 calls at.....\$21.00
Sell short 12 June 2024 (AMZN) \$170 calls at.....\$11.70
Net Cost:.....\$9.30

Potential Profit: \$10.00 - \$9.30 = \$0.70

(12 X 100 X \$0.70) = \$840 or 9.68% in 11 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.

