

Trade Alert - (AMZN) – BUY

BUY the Amazon (AMZN) August 2024 \$150-\$160 in-the-money vertical Bull Call spread at \$9.00 or best

Opening Trade

7-31-2024

expiration date: August 16, 2024

Portfolio weighting: 10%

Number of Contracts = 12 contracts

With only 16 days until the August 16 option expiration, there isn't much to do here, especially in the midst of summer. But I don't mind nibbling on (AMZN) with a very low risk, conservative trade.

I love Amazon for the long term and if nothing else, you should buy the stock. I think (AMZN) has another 39% of upside from here to \$250 until yearend. This trade also gets massive support from the 200-day moving average at the 200-day moving average at \$167.58.

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 have been among the top two big technology stocks in 2024. And now, we have the gift of a 12.80% pullback.

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) August 2024 \$150-\$160 in-the-money vertical Bull Call spread at \$9.00 or best.**

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

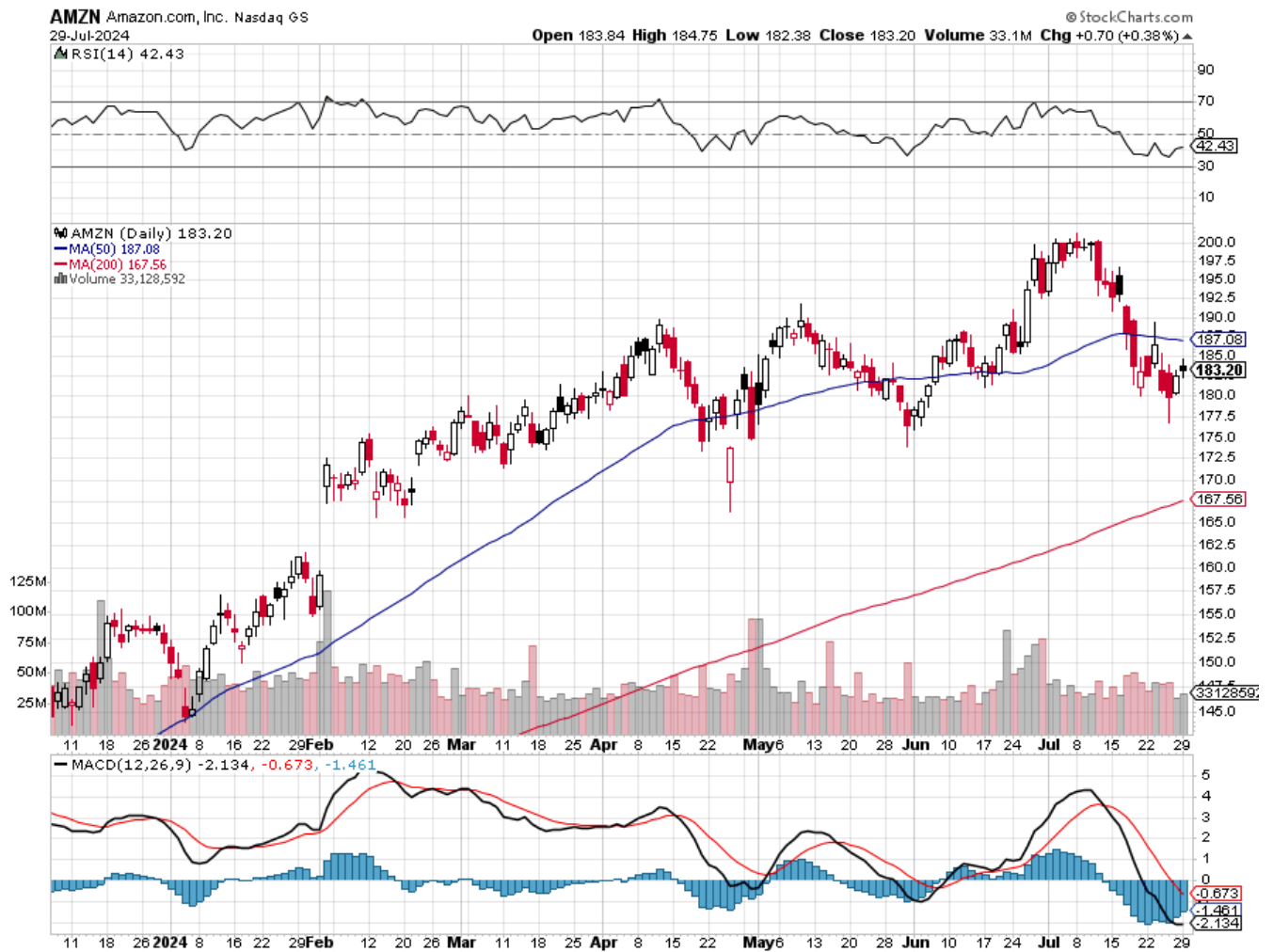
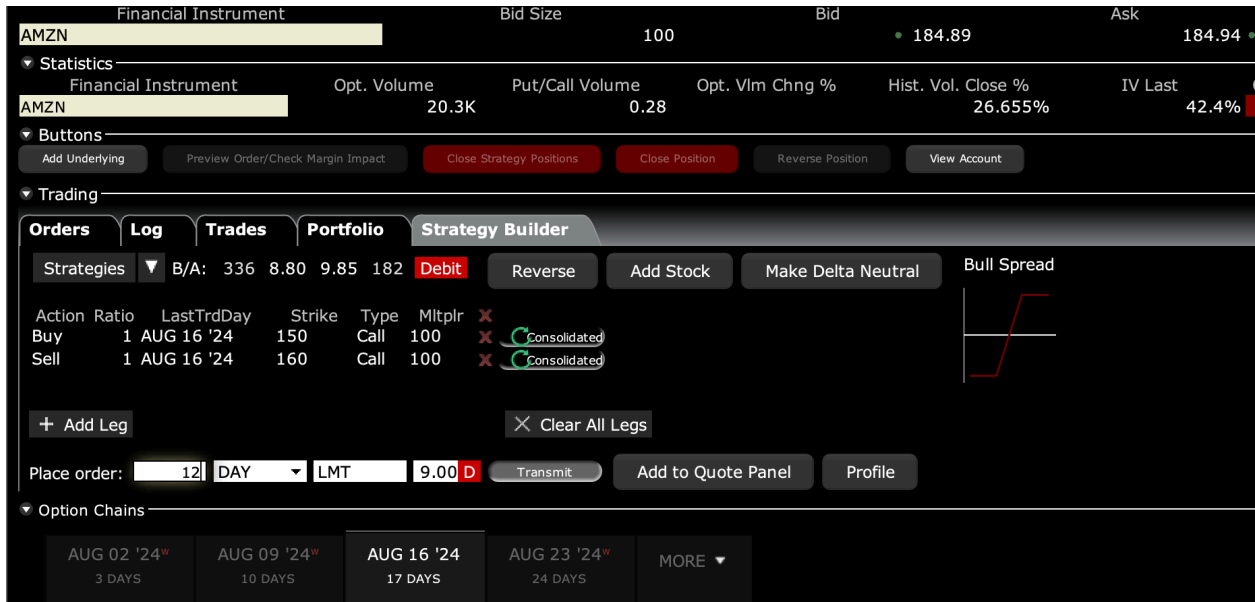
This is a bet that Amazon will not fall below **\$160** by the August 16 option expiration in 12 trading days.

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

Buy 12 August 2024 (AMZN) \$150 calls at.....	\$35.00
Sell short 12 August 2024 (AMZN) \$160 calls at.....	<u>\$26.00</u>
Net Cost:.....	\$9.00

Potential Profit: $\$10.00 - \$9.00 = \$1.00$

$(12 \times 100 \times \$1.00) = \$1,200$ or 11.11% in 12 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 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.

