

Buy the Tesla (TSLA) *December* \$250-\$260 in-the-money vertical bull call debit spread at \$8.70 or best

Opening Trade

11-16-2024

expiration date: December 20, 2024

Portfolio weighting: 10% weighting

Number of Contracts = 12 contracts

It is easy to pick the one company that benefits the most from a Trump presidency and that is Tesla. With great earnings behind us, it is hard to see any negative announcements affecting the stock over the next 29 trading days.

One of the most regulated companies in the country is now looking at an absence of regulation. For example, that will bring a much earlier introduction of Full Self Driving in the US, or FSD, already used in China. That can be sold in the US for \$15,000 a car. It is unlikely that a Harris administration was *ever* going to approve FSD for the US.

We also have an enormous advantage with this trade in that the options are sporting a sky-high 58% implied volatility.

Today, Tesla Topped \$1 Trillion in Market Cap, at \$316 a share riding on the coattails of the Trump win, probably the biggest election payoff in history. Since the election, the shares have risen by a spectacular \$80, or 33%, increasing the value of Elon Musk's holdings by an incredible \$65 billion.

It is the most money made by an individual in the shortest amount of time history and Musk will likely get all of this tax-free

Therefore, I am buying the **Tesla (TSLA) *December 2024* \$250-\$260 in-the-money vertical bull call debit spread at \$8.70 or best.**

DO NOT USE MARKET ORDERS UNDER ANY CIRCUMSTANCES.

Don't pay more than \$9.20 or you will be chasing.

Simply enter your limit order, wait five minutes, and if you don't get done cancel your order and increase your bid by 10 cents with a second order.

If you live in a foreign time zone when the US stock market is closed, such as Australia, or don't want to sit in front of a screen all day, simply enter a spread of **Good-Until-Canceled** orders overnight, like \$8.70, \$8.80, \$8.90, \$9.10 and \$9.20. You should get done on some or all of these.

For the first time ever, Tesla is not trading off their monthly vehicle sales, which this year have been flat. Instead, the stock is focusing on the company's long-term goals, many of which are finally starting to kick off profits.

Those would include Full self-driving software (FSD), the global electric charging network, roll out of the Cybertruck and semis trucks, lithium processing, and recycling, solar energy, industrial-scale battery storage, and other moonshots we haven't heard about. Wireless charging should go mainstream next year.

These were always the basis of my long-term forecast for the shares of \$1,000.

Elon Musk recently revealed the Tesla Robotaxi, bringing 50 with him to give rides to party guests in a Warner Brothers simulated city. Musk, who arrived at the stage in one of the robotaxis - called Cybercab - said production will start in 2027. They will cost 20 cents a mile to operate.

The vehicle will eventually be for sale for under \$30,000. Optimus robots served drinks, and the entire event was covered by video drones. The Robotaxis uses Inductive charging where they just park over the pad and it gets wirelessly recharged. Elon certainly can put on a show, but the stock less so.

Elon Musk really checkmated the rest of the EV industry with his massive price cuts and buyer incentives, which is 35% after adding in newly qualifying government subsidies.

With this trade, I am willing to bet that Tesla shares will not fall below \$240 by the December 20 option expiration in 20 trading days.

Tesla will easily remain the top EV maker for the next decade.

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

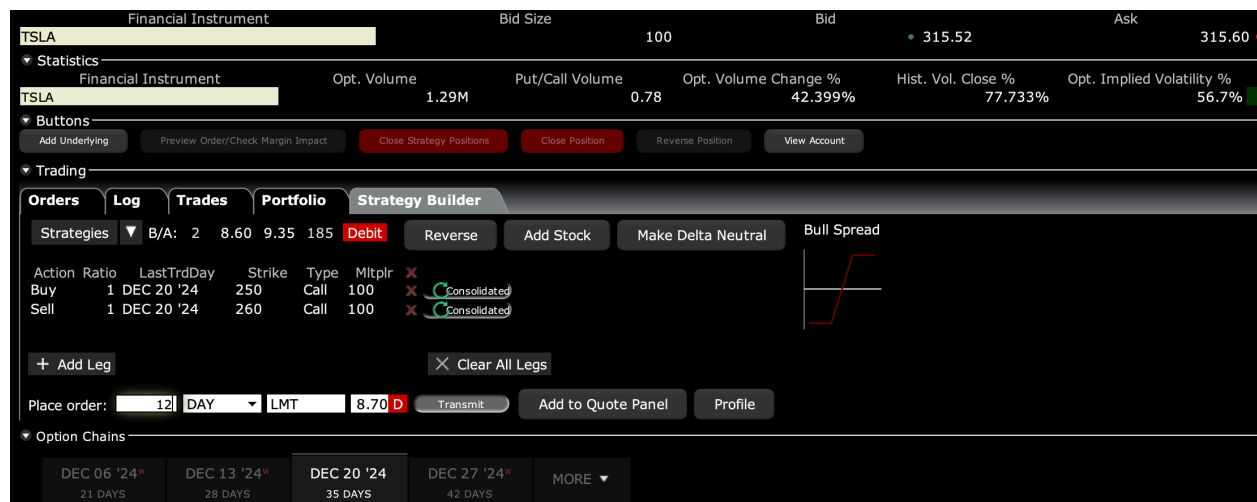
Buy 12 December 2024 (TSLA) \$250 calls at.....\$70.00

Sell short 12 December 2024 (TSLA) \$260 calls at.....\$61.30

Net cost:.....\$8.70

Potential Profit: $\$10.00 - \$8.70 = \$1.30$

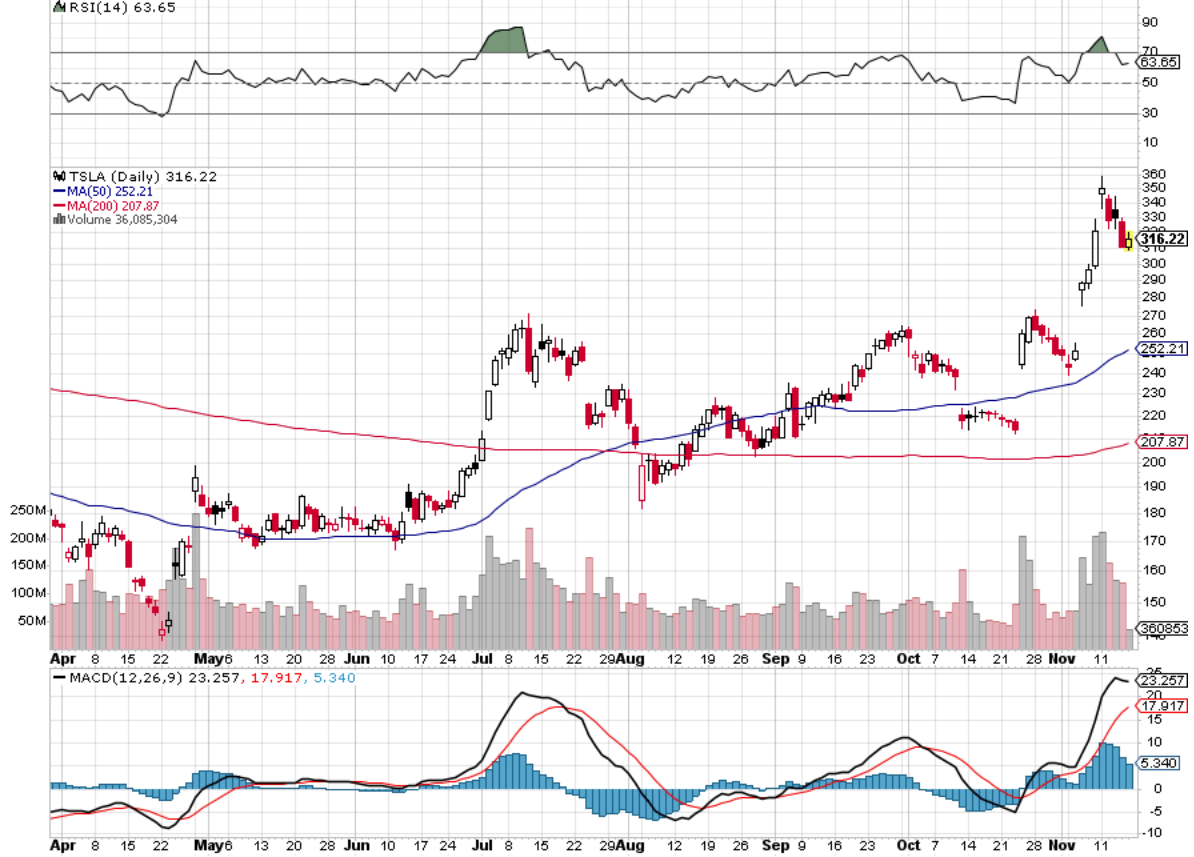
$(12 \times 100 \times \$1.30) = \$1,560$ or 15.94%



TSLA Tesla Inc. Nasdaq GS + BATS
15-Nov-2024 10:35 am
RSI(14) 63.65

Open 310.57 High 320.66 Low 309.22 Last 316.22 Volume 36.1M Chg +5.04 (+1.62%)

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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.

This is not a solicitation to buy or sell securities

The Mad Hedge Fund Trader is not an Investment advisor

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Futures trading involves a high degree of risk and may not be suitable for everyone.