



## Trade Alert - (NFLX) – BUY

**BUY the Netflix (NFLX) *August 2025* \$1,100-\$1,120 in-the-money vertical Bull Call debit spread at \$17.80 or best**

## Opening Trade

**7-22-2025**

**expiration date: August 15, 2025**

**Number of Contracts = 6 contracts**

This is the kind of trade alert I love sending out.

As is often the case, Netflix shares have suffered a selloff on a good earnings report. It is a classic "Buy the rumor, sell the news" type move.

It has a very high growth rate for a \$542 billion company. It has an option implied volatility of 39%. It also just announced blockbuster earnings

yesterday, removing a potential downside risk. With price earnings multiple of 60X, it is one of the most expensive stocks in the market, but in this case, the high multiple is justified.

Revenue for the quarter reached \$11.08 billion, up 16% year over year. But nearly two-thirds of the streamer's sales come from abroad. Much of the strength came from a weak US dollar.

The company reported \$7.19 a share in earnings, ahead of Wall Street's consensus estimate of \$7.08, and up from \$4.88 last year. Revenue for the quarter reached \$11.08 billion, just above expectations of \$11.06 billion, and up 16% on the year. Operating profit margin also exceeded expectations at 34.1%.

The company's outlook for the third quarter was solid. The company's projection of \$6.87 a share in earnings is better than analyst estimates of \$6.69. Netflix guided to revenue of \$11.56 billion versus the expectation of \$11.28 billion.

I am therefore buying the **Netflix (NFLX) August 2025 \$1,100-\$1,120 in-the-money vertical Bull Call debit spread at \$17.80 or best.**

**Don't pay more than \$18.50 or you'll be chasing on a risk/reward basis.**

**DO NOT USE MARKET ORDERS UNDER ANY CIRCUMSTANCES.**

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 that gets you nothing, try raising your strike prices by \$10.00.

If you don't want to sit in front of a screen all day, simply enter a spread of **Good-Until-Cancelled** orders overnight, like \$17.80, \$17.90, \$18.00, \$18.10, and \$18.20. You should get done on some or all of these.

**Netflix** is an American subscription video-on-demand streaming service.

The service primarily distributes original and acquired films and television shows from various genres, and it is available internationally in multiple languages.

Launched in 2007, nearly a decade after Netflix, Inc. began its pioneering DVD by mail order rental service, Netflix is far and away the most popular streaming service today, with 301.6 million paid memberships in more than 190 countries as of today.

By 2022, "Netflix Original" productions accounted for half of its library in the United States, and the namesake company had ventured into other categories, such as video games, mobile games, through its flagship service. As of 2023, Netflix was the 23<sup>rd</sup> most visited website in the world, with 23.66% of its traffic coming from the US, followed by the United Kingdom at 5.84%, and Brazil at 5.64%.

To learn more about the company, please visit their website at <https://about.netflix.com/en>

This is a bet that Netflix will **not** fall below **\$1,120** by the August 15 option expiration in 18 trading days.

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

**Buy 6 August 2025 (NFLX) \$1,100 calls at ..... \$122.00**  
**Sell short 6 August 2025 (NFLX) \$1,120 calls at...\$104.20**  
**Net Cost:.....\$17.80**

Potential Profit: \$20.00 - \$17.80 = \$2.20

(6 X 100 X \$2.20) = \$1,320 or 12.36% in 18 trading days.

Financial Instrument	Bid Size	Bid	Ask
NFLX	100	1212.00	1213.39

Statistics

Financial Instrument	Opt. Volume	Pt/Cll Vlm	Opt. Vlm Ch...	Hst. Vl. Cls %	IV Last	IV Change
NFLX	36.5K	0.82	21.290%	24.959%	26.2%	1.168

Buttons

Add Underlying
Preview Order/Check Margin Impact
Close Position
Close Strategy Positions
Reverse Position
View Account

Trading

Orders

Log

Trades

Portfolio

Strategy Builder

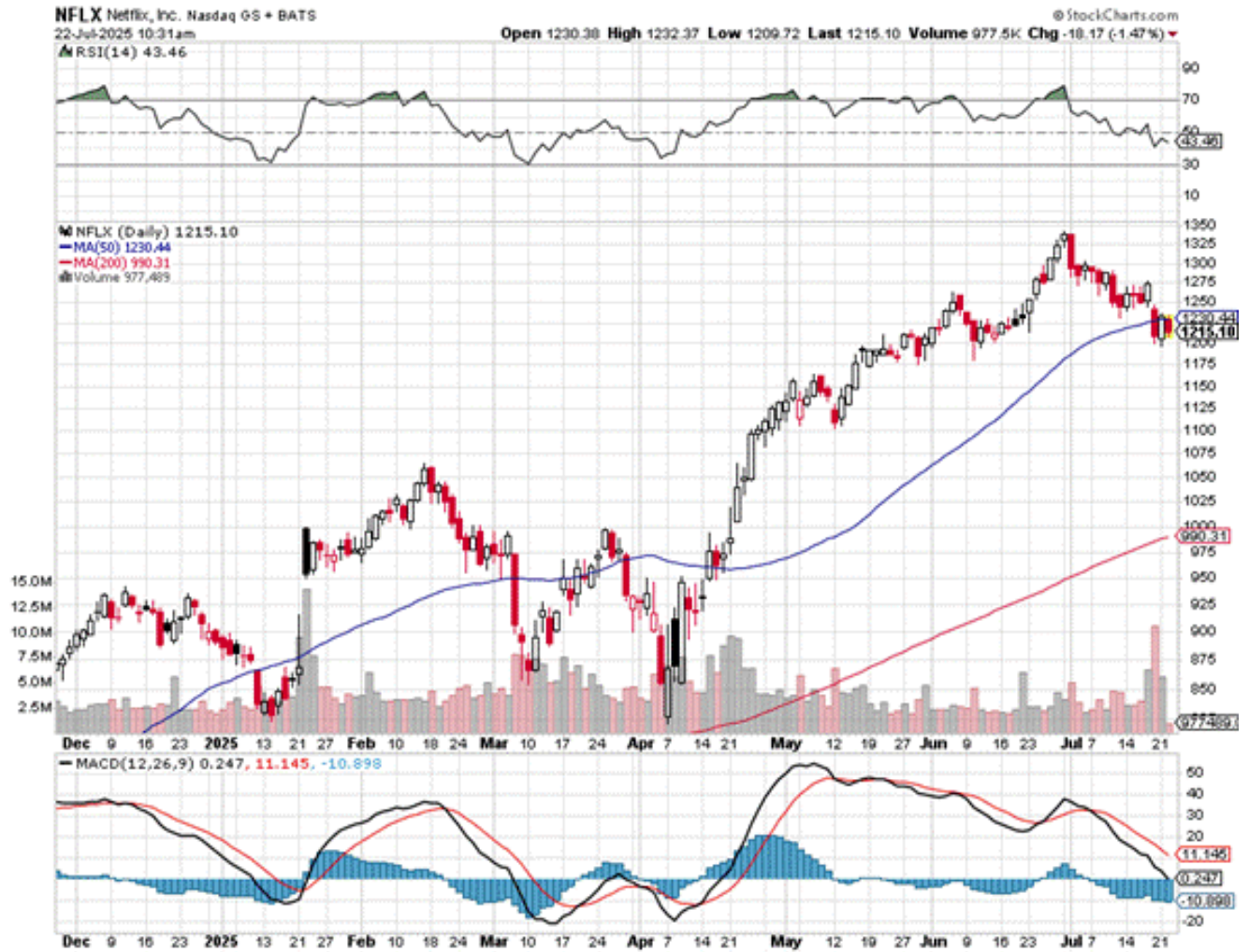
Strategies
▼ B/A: 4
17.79 19.72
6 Debit
Reverse
Add Stock
Make Delta Neutral
Bull Sp

Action Ratio	LastTrdDay	Strike	Type	Mltplr	
Buy	1 AUG 15 '25	1100	Call	100	Consolida...
Sell	1 AUG 15 '25	1120	Call	100	Consolida...

+ Add Leg
X Clear All Legs

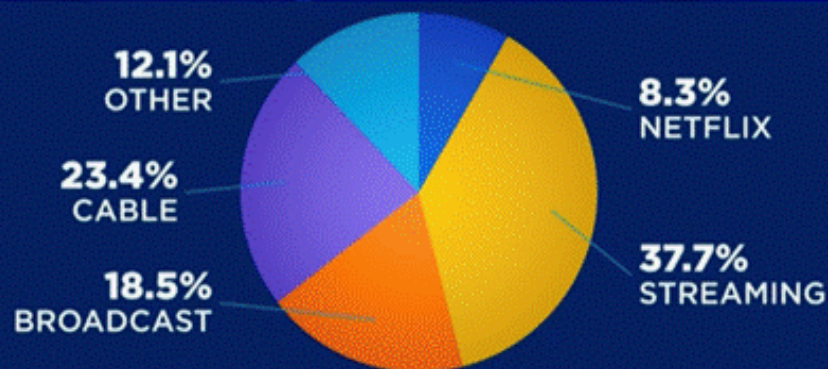
Place order: U1436118
12 DAY
LMT
17.80 SMART
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Add to C

12	DAY	▼	LMT	17.80	SMART
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## NETFLIX LEADS STREAMING GROWTH

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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 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 Debit Spread”*** by going to this link:

<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.

# NETFLIX