

Trade Alert - (NFLX) – BUY

BUY the Netflix (NFLX) *October 2025* \$1,060-\$1,070 in-the-money vertical Bull Call debit spread at \$9.00 or best

Opening Trade

9-10-2025

expiration date: October 17, 2025

Number of Contracts = 12 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 implied volatility of 39%. It also just announced blockbuster earnings yesterday, removing a potential downside risk. With a 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) *October 2025* \$1,060-\$1,070 in-the-money vertical Bull Call debit spread at \$9.00 or best.**

Don't pay more than \$9.30 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 \$9.00, \$9.10, \$9.20, and \$9.30. 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.^[6]

Launched in 2007, nearly a decade after Netflix, Inc. began its pioneering DVD-by-mail 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 and mobile games, through its flagship service. As of 2023, Netflix was the 23rd 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>

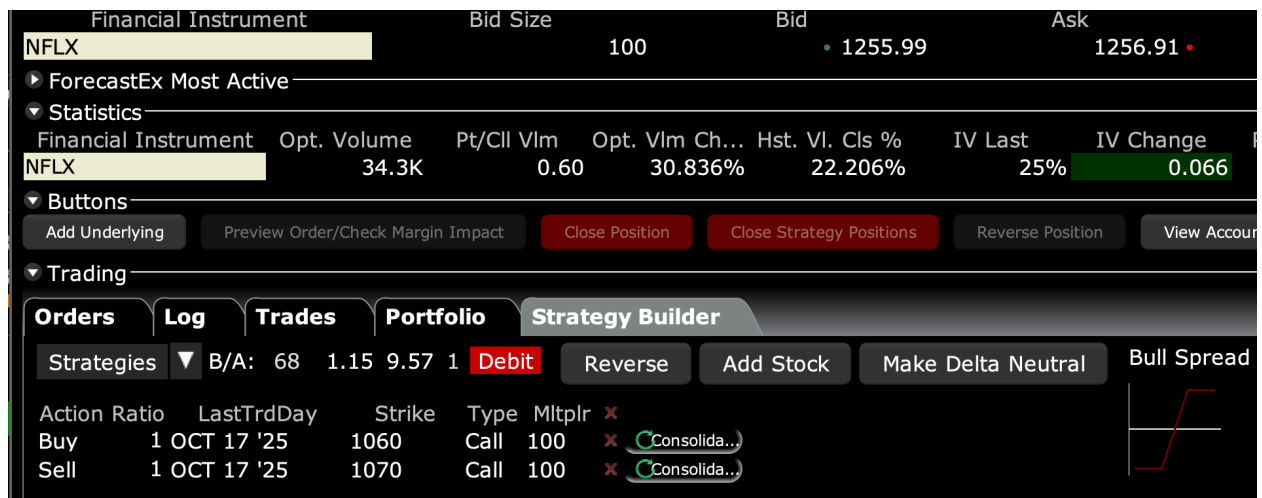
This is a bet that Netflix will **not** fall below **\$1,070** by the October 17 option expiration in 27 trading days.

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

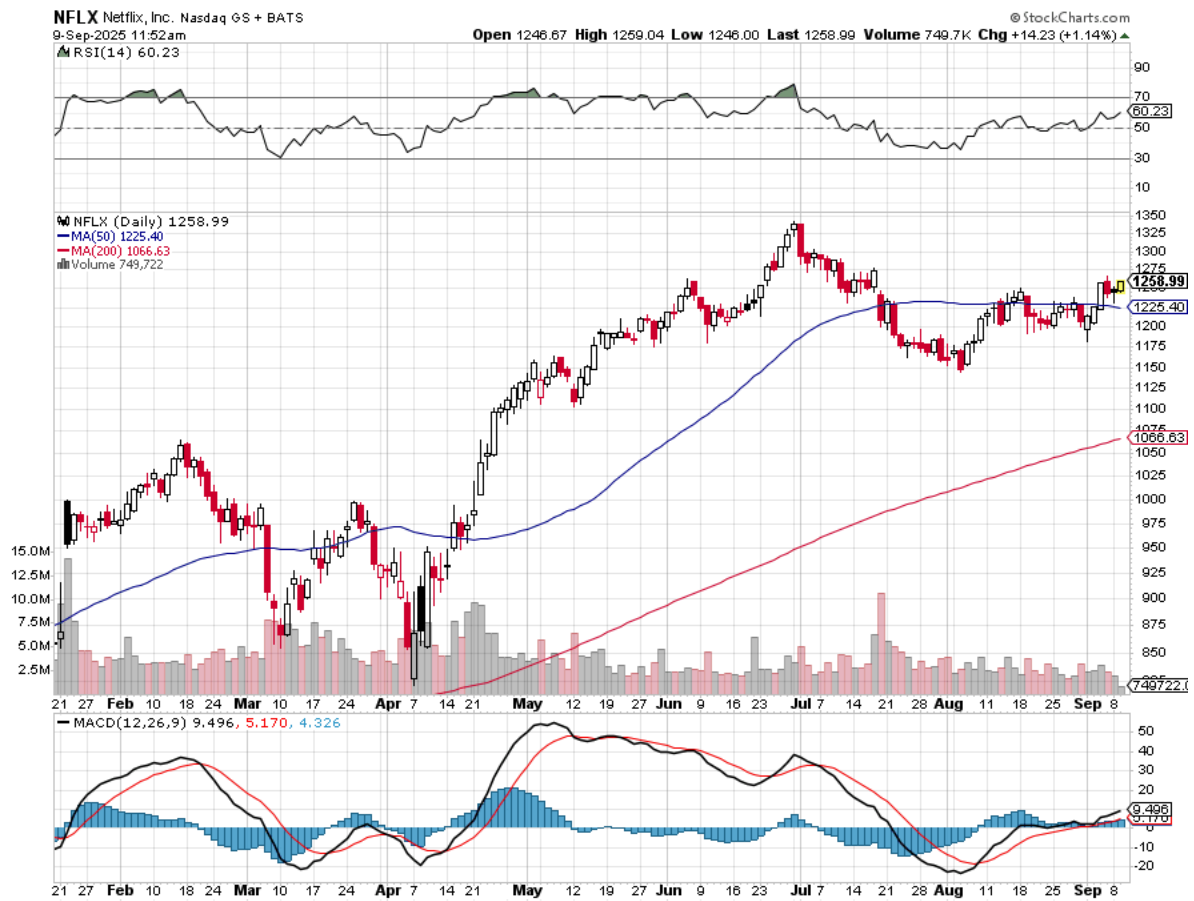
Buy 12 *October 2025* (NFLX) \$1,060 calls at.....\$129.00
Sell short 12 *October 2025* (NFLX) \$1,070 calls at.....\$120.00
Net Cost:.....\$9.00

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

(12 X 100 X \$1.00) = \$1,200 or 11.11% in 27 trading days.

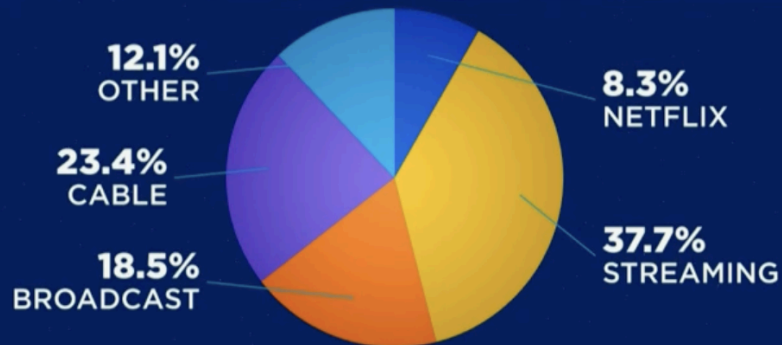


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NETFLIX LEADS STREAMING GROWTH

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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 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 Debit Spread*” by clicking [here](#).

<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