Worth Charting

February 2, 2024

META Current Price: $473.00

Action: Selling a strangle (selling Calls and Puts)

Feb 16th $500 Calls:	**$6.50**	(selling them for a credit)
Feb 16th $450 Puts:	**$4.50**	(selling them for a credit)
Total Credit:	**$11.00**	($6.50 + $4.50)

Scenario 1:

META stays between $500 and $450 between now and Friday, February 16th

Outcome

Keep the entire $11.00 credit
$11.00 = 2.33% of the value of META
2.33% = 59.30% annualized return

Scenario 2:

META rises above $500 between now and Friday, February 16th

Outcome

One gets short META at $500 but keeps the $11.00 credit
So, one is short META at $511.00
(8.03% higher than where it is now)

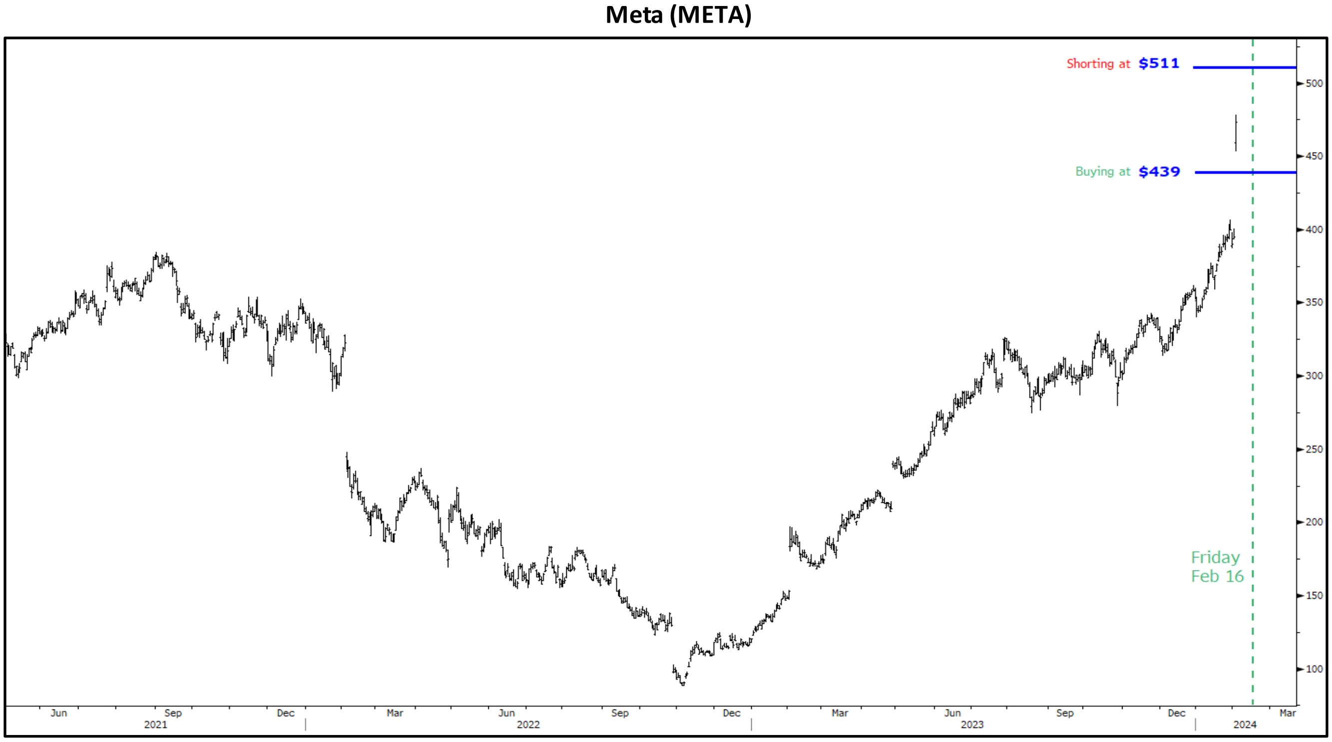
Scenario 3:

META falls below $450 between now and Friday, February 16th

Outcome

One gets long META at $450 but keeps the $11.00 credit
So, one is long META at $439.00
(7.19% lower than where it is now)

Meta (META)



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Bottom Line:

If one is thinking - as we are - that META is stretched to the upside day to day, week over week, but one doesn't want to sell the stock here, but would be interested in selling it higher (or buying it lower) ... then selling a Strangle is a good strategy by our work.

Simply stated, if one deploys this strategy, one is willing to:

- Get short META **8.03% higher than where it is now** (see upper horizontal blue line drawn)
- Get long META **7.19% lower than where it is now** (see lower horizontal blue line drawn)
- Collect premium & generate a 'standstill yield' if META stays between $500 and $450 in the coming 10 sessions

Meta (META)