



ANALYSIS - CURRENT PRICE OF FACEBOOK - \$86.91

STRATEGY IMPLEMENTATION

Facebook has been consistently performing year to date, with the company currently returning 11.48% compared to the S&P500 index returning 1.96%. I am looking for Facebook to continue to impress investors with good earnings results which are due out on the 29th of July. I am looking to take advantage of a possible move higher by purchasing an in the money call option which expires Jan 2016. We believe the \$85 level identified in the chart below should hold and the stock should look to push higher from here.

Other than Facebook changing its logo overnight, FB has been in the news with positive reports surrounding the company deciding to share its advertising revenue with video creators. Like YouTube, Facebook will be sharing its advertising revenue with video makers, giving a 55% share for the creators. Now that people and organisations can generate advertising revenue from Facebook, more content creators are bound to flock to Facebook. Daily video views on the website stand at over 4 billion views per day.

The Street (thestreet.com) states that Facebook jumped 1.3% overnight after receiving a price target increase ahead of its earnings later this month. Analyst firms conclude that the average 12 month price target for the stock price is \$98.00, with over 22 firms having a 'Strong Buy' recommendation on the stock.

Please call the Luke Pilkington if you require any further information on
+61 3 9900 7724

OPENING TRADE OPTIONS:

- 1: BUY JAN16 FACEBOOK 80.00 CALL @ LIMIT \$10.75
- 2: BUY STOCK @ MKT, place stop loss at \$78.21 (10%)
- 3: BUY CFD @ MKT, place stop loss at \$78.21 (10%)

MAXIMUM RISK

- 1: Maximum risk on this trade is the cost of the bought call.
- 2: Number of Shares x (Entry Price – Stop Loss Price) (10%)
- 3: Number of CFD's x (Entry Price – Stop Loss Price) (10%)

MAXIMUM UPSIDE

Potentially unlimited on the bought call, long stock and long CFD's.

Written By: Luke Pilkington



PLEASE CALL LUKE PILKINGTON IF YOU HAVE ANY QUESTIONS
OR WOULD LIKE ME TO IMPLEMENT THIS STRATEGY FOR YOU.

P: +61 3 9900 7724

E: LUKE.PILKINGTON@GLENEAGLE.COM.AU

W: WWW.PILKINGTONTRADING.COM.AU

Disclaimer

~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~

This presentation has been prepared on behalf of, and issued by, Luke Pilkington, an authorised representative (No 441 030) of Gleneagle Securities (Aust) Pty Ltd (ACN 58 136 930 526) (AFSL 337 985). This presentation may rely on data provided by third parties over whom Luke Pilkington has no control and for which Spectrum accepts no responsibility. Whilst all of the information and statements contained in this presentation have been prepared with all reasonable and due care, no responsibility or liability is accepted by Luke Pilkington for any errors, omissions or misstatements however caused or arising. This presentation contains general information only, and does not take into account any investor's individual objectives, financial situation or needs. It is not specific advice for any particular investor. Before making any decision about the information provided, you must consider the appropriateness of the information in this document, having regard to your objectives, financial situation and needs, and it is strongly recommended that you seek independent financial advice. Past performance of financial products is no assurance of future performance. Any member of Gleneagle Securities may, from time to time, hold positions in any financial products (or derivatives thereof) included in this report and may buy or sell such financial products or derivatives or engage in other transactions involving such financial products or derivatives, as principal or as agent for clients. Any member of Gleneagle Securities may, from time to time, earn brokerage, fees or other benefits from financial products (or derivatives thereof) mentioned in this publication. This will be disclosed, as required, in the ordinary course of providing financial services. © Gleneagle Securities (Aust) Pty Ltd 2015

~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~ TRADE ALERT ~

BEFORE MAKING ANY DECISION ABOUT THE INFORMATION PROVIDED, YOU MUST CONSIDER THE APPROPRIATENESS OF THE INFORMATION IN THIS DOCUMENT, HAVING REGARD TO YOUR OBJECTIVES, FINANCIAL SITUATION AND NEEDS AND CONSULT YOUR ADVISER.