Twitter Thread by Tyler Taggart



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Ok here is the extended thread on $XL I promised.

It is pretty straight forward.

For those that are new to stocks / options (because of the influx of interest due to $GME, $AMC, $SLV, etc), here are some terms you should google:
-Short Interest
-Call option
-Open Interest

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XL Fleet short interest increased from 50% to 72% in the latest reporting (came out Friday)

That alone piqued my curiosity in the company so I took a position in some Feb calls (in my robinhood account) and will be adding more in my TD account this coming week.

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Several days ago, Biden announced that he would be replacing the entire govt. fleet with electric vehicles
https://t.co/DNNMOwq6dv

$WKHS got a massive pump on this news but that was about it.

Who are the other likely candidates? $GOEV and $XL

Why is $XL one of the top candidates?
-Partnerships with Coke and Pepsi
-Board of Director members have strong ties with UPS and FedEx
-Management team is very connected in govt. associations for clean energy in wind, solar, and EV
- $XL is focused on transforming existing FLEETS

All of this can be found on their website

https://t.co/asiC2Gd0om

Next up, is Open Interest and float. Remember, $XL Fleet only has 8.25M shares of public float. Of that, 8.6% are institutionally owned (i.e. not going to be sold anytime soon)

That means there are roughly 7.6M shares of true float available.

At 7.6M shares, it only takes 76,000 call option contracts that are in the money (the strike is less below the current trading price) to lock up the ENTIRE FLOAT. This is very similar to what happened to $GME

So here is a quick table I put together so you can quickly see the Open Interest for call options on $XL

	Feb 19	Mar 19	May 21	Aug 20	Dec 17	**TOTAL**		
Strike	Open Interest	Open Interest	Open Interest	Open Interest	Open Interest	**Open Interest**	**Sum**	
2.5	4	0	4	41	31	**80**	**80**	
5	10	0	33	8	45	**96**	**176**	
7.5	14	5	274	32	346	**671**	**847**	
10	287	46	593	195	2381	**3502**	**4349**	
12.5	970	68	903	196	880	**3017**	**7366**	
15	8715	372	2649	61	553	**12350**	**19716**	
17.5	2050	330	398	76	393	**3247**	**22963**	
20	10412	1609	2584	439	1622	**16666**	**39629**	
22.5	8164	4263	2236	494	1582	**16739**	**56368**	
25	**19185**	**3720**	**2110**	**416**	**1734**	**27165**	**83533**	CRUX
30	**18715**	**3628**	**2597**	**540**	**1964**	**27444**	**110977**	
35	**13486**	1639	556	360	693	**16734**	**127711**	
40	4683	0	1121	1801	279	**7884**	**135595**	
45	642	0	388	435	152	**1617**	**137212**	
50	3913	0	955	509	1415	**6792**	**144004**	

Notice how the OI spikes MASSIVELY on the C25 and C30, with a decent bit at C20 and C22.5

There are already nearly 40,000 contracts that are In The Money. Locking up 4M shares.

Total, there are over 144k option contracts that have been sold.

The crux of this comes when $XL hits $25/share. At that point, the contracts that are in the money lock up the ENTIRE FLOAT of $XL.

And that isn't including new contracts that will be purchased on hype as it moves back up.

If this hits $25, it quickly moves over $40 . . .

As shorts cover and new buyers enter the market.

All this needs is a catalyst. And with how clean energy friendly the new Biden Administration is . . . well, that seems like a likely catalyst to me.

I am already in Feb/March calls. Will be adding to position next week.