

## After Micron Returned 215%, Here are Two More Explosive Opportunities

Excessive fear can lead to incredible wins.

For example, on July 3, 2019, we recommended the Micron Technology (MU) stock and the MU September 20, 2019 45 calls because Micron shareholders overreacted.



In fact, we noted, “It appears the market overreacted with its concerns with MU. Not only did the company top lowered expectations, the company’s CEO, Sanjay Mehrotra said he expects “strong sequential growth” in the fourth quarter as inventory problems improve. “This reinforces our confidence that good demand for DRAM will return to healthy year-over-year growth in the second half of calendar 2019,” Mehrotra said. “NAND bit demand is also increasing in most markets as elasticity kicks in response to price declines over the last year.”

At the time, MU traded at just \$39.25. The calls traded at just 94 cents.

Just two weeks later, MU was up to \$44.51, as the calls rocketed to \$2.97 for 216% wins.

The most exciting part – we just found two more opportunities that could explode like that with recent insider buying.

### Two Stocks with Considerable Insider Buying

It’s always important to know what company insiders are doing.

After all, who knows the company better than an insider – the CEO, CFO, COO, officers, employees, and directors?

If they’re buying a sizable number of shares, it’s often a good idea to start looking into why and perhaps follow them into the stock. That’s because they’re typically privy to information on new products, competition, and the operating environment of the firm. We have to consider that insiders who are buying their stock would not put up their own money unless they believed the move would be profitable.

In recent weeks, we found two beaten down stocks where insiders have also been buying.

**Carnival Corporation (NYSE:CCL)** operates as a leisure travel company in North America, Australia, Europe, and Asia. It operates in four segments: North America and Australia Cruise Operations, Europe and Asia Cruise Operations, Cruise Support, and Tour and Other. The company operates cruises under the Carnival Cruise Line, Princess Cruises, Holland America Line, P&O Cruises (Australia), Seabourn, Costa, AIDA, P&O Cruises (UK), and Cunard brand names. It also owns Holland America Princess Alaska Tours.



Investors reacted poorly to the company's second quarter earnings report, which included another guidance downgrade. However, it appears the pullback in CCL is overdone. Even company CEO and President, Arnold Donald believes so buying 22,000 shares around \$45.31. Donald also expressed confidence that the business will quickly adjust to the new industry dynamics, in part by relocating ships in more high-demand areas like the Caribbean.

There are two ways to trade CCL.

One is to buy the CCL stock at market prices. The other is to buy to open the CCL October 18, 2019 47.50 calls at market prices.

**Kroger Co. (NYSE:KR)** operates as a retailer in the United States. The company operates supermarkets, multi-department stores, marketplace stores, and price impact warehouse stores. Its combination food and drug stores offer natural food and organic sections, pharmacies, general merchandise, pet centers, fresh seafood, and organic produce.



At the moment, Kroger looks very attractive at a 52-week low. Not only does it trade at just 9.5 times earnings, the company just increased its dividend by 14%, pushing it to a yield of 3%. In addition, insiders believe the stock is undervalued. In fact, one of its directors just invested \$107,000 in the stock, buying 5,000 shares at \$21.49. This is the first time an insider has bought shares of Kroger in two years.

Technically, the stock has caught support at \$21.59, and is just beginning to pivot higher from excessively oversold conditions. With time, we'd like to see a bearish gap refill at \$27.

There are two ways to trade KR.

One is to buy the KR stock at market prices. The other is to buy to open the KR October 18, 2019 22 calls at market prices.