



Xilinx Bulls Active with Shares Near New Highs

Ticker/Price: XLNX (\$129)

Analysis:

Xilinx (XLNX) with more than 1,250 May \$130 calls being bought on the day up to \$6.10 and follows an opening sale of 1,000 ITM September \$130 puts on Friday for \$1.2M. XLNX has been a favorite for put sales into recent strength with activity at the April \$130, \$129, and \$128 strikes while the May \$125 and June \$130 puts also sold all within the last week. Shares are trading in a narrow flag under \$130.50 and above its 13-EMA with a breakout targeting \$140. XLNX has shown relative strength among the Semi's all year up 51.8% vs 28.64%. The \$32.66B company trades 33.7X earnings, 11.25X sales, and 9.4X cash with a 1.12% yield. They expect 75% EPS growth in 2019 and 10.4%/16.3% through 2021 with revenue growth in the low-double digits. XLNX is well positioned with end-market exposure to 5G, the data center refresh cycle and struck partnership Microsoft last year in cloud. AI is an emerging area of strength. The company launched Alveo last year, their accelerator card, which is expected to see strong uptake in the 2H of 2019 and an incremental driver in 2020 and beyond. Analysts have an average target for shares of \$105 with 14 buy ratings, 10 hold, and 1 sell. Mizuho raising their PO to \$140 on 3/29 after checks with the supply chain and talks with Asian contacts. The firm thinks XLNX is gaining significant traction in 5G with orders up potentially 50% Y/Y as they are getting 95% of orders. Institutional ownership fell 22.5% last quarter. Short interest is 2.4%.

Hawk Vision:



Trading Strategy: XLNX remains a favorite Semi name that has shown clear relative strength, bullish flows, margin leader among peers, and a top play on the upcoming 5G order cycle boom. It remains a name to own in this group.

Confidence Ranking: \$\$\$