



Call Buyers in NICE as Shares Consolidate

Ticker/Price: NICE (\$138.50)

Analysis:

NICE (NICE) trading 15X average calls yesterday with over 870 August \$140 calls bought on the day from \$5.10 to \$5.90, unusual activity in the strong name. NICE is also seeing 150 November \$150 calls bought for \$4.10 and has some November deep ITM \$130 calls still in OI from risk reversals. NICE has also seen 2,000 OTM August \$120 puts bought recently 2,500X against sales of the \$145 calls 1200X and likely collaring stock. Shares have traded well in 2019 up from around \$107.50 and basing in a narrow range recently above its 50-day MA and into cloud support. Shares traded up to \$145 post-earnings and above that range has a measured target out to \$155. The \$8.7B company trades 24.5X earnings and 5.8X sales with high-single digit EPS growth. NICE sees 8.3% and 6% revenue growth. The company is coming off a strong quarter with double-digit growth in cloud and significant expansion in operating margins. NICE has built a strong base with over 25k customers and 85% of Fortune 100 companies. They are a leader in CCaaS with a fast and growing TAM as they expand into cloud, digital, analytics, and Automation/AI. Analysts have an average target for shares of \$146 with 5 buy ratings and 5 hold. DA Davidson raising their PT to \$140 in May citing the company's launch of digital interactions capabilities for the CXone platform following its acquisition of BrandEmbassy and also cites its large deal success in the quarter, with "multiple 7-digit and 8-digit deals" coming from its CXone, Analytics, and Actimize Essentials products. JMP has a \$164 for shares. They are positive the company's acquisition strategy which is driving improved customer experiences and extending its reach. Jefferies with a \$166 PT. They think the company's 12% revenue acceleration was beyond expectations and sees it "well positioned" in the Contact Center as a service market. Short interest is 1.99%. Hedge Fund ownership rose 6.4%. RGM Capital a top holder with a 5.9% weighted stake.

Hawk Vision:



Trading Strategy: NICE has been a favored play and continues to set up very nicely on the chart, a fairly thin options market but nice reward/risk versus the 50 day MA.

Confidence Ranking: \$\$