



## Citrix Systems Calls Accumulate on Transition Upside, Sale Potential

**Ticker/Price:** CTXS (\$99.78)

### Analysis:

**Citrix Systems (CTXS)** with 2000 August \$100 calls opening \$4.05 after size September call buys yesterday, today June calls adjusting. CTXS has a lot of bullish positioning in open interest across a few months including 2100 July \$95 puts sold to open yesterday, September been a focal point of put sales and upside call buys. CTXS hired Goldman to explore a sale back in April after being pushed by Paul Singer from Elliott Mgmt. though the report was denied by The Deal. Shares have lagged Tech peers in 2019 but recently put in a nice base retesting the flag breakout from a year prior in 2018 and starting to work higher with bullish momentum. The \$13B Software Co. trades 15X Earnings, 15.7X FCF and 4.3X EV/Sales with a 1.4% yield, a rare value name in the Software space and been transitioning more to a subscription model. The Company recently held an Investor Day. Analysts have an average target of \$112 and short interest is high at 10% of the float and been on the rise to near record highs. Deutsche Bank out on 6-6 upgrading shares to Buy with a \$120 target, citing improving growth profile with its transition and an improving outlook. Jefferies is bearish with an \$85 target seeing shares over-valued with its modest growth. Hedge Fund ownership jumped 15% in Q1 filings, Elliott the largest holder as its 11th largest position while Merian and Farallon also top concentrated holders.

### Hawk Vision:



**Trading Strategy:** CTXS positioning in June has been a dud unfortunately and not willing to pay up to adjust out into the recent jump in shares, but remains on the radar if it pulls back and bases near \$96.

**Confidence Ranking:** \$\$