



Amazon Bullish Positioning into Key Base

Ticker/Price: AMZN (\$1798)

Analysis:

Amazon (AMZN) seeing some high dollar contract trades this morning with 100 December \$1790 puts sold to open for \$105, the January \$1700 calls with 575 being bought for over \$11M, and the November \$1800 calls with 450 bought for over \$4.5M, though will confirm OI tomorrow on the two latter. AMZN has seen mostly bullish positioning since July including 2000 November \$1900 calls bought to open and 1,750 November \$1850 calls bought to open. Shares spent last week basing above key trend support and today up 1.2% in a weak tape. A move above \$1840 can free shares up for a run to new highs above \$2035. The \$885B cloud computing and ecommerce leader trades 53.25X Earnings and 40X FCF with revenues seen rising 18-20% in FY19/20 while EPS entering a strong growth cycle starting in Q2 of 2020. Amazon continues to invest across its business segments and starting to take a larger presence in India, while Advertising is seen as a strong growth area in coming years. Analysts have an average target of \$2250 on shares and short interest low at 0.8% of the float. RBC out positive this morning with a raised \$2600 target seeing accelerating revenues generated from the one-day shipping initiative. MKM started shares at Buy with a \$2350 target in early August citing multiple growth drivers such as 1-Day Shipping, Prime subscriptions, Online Advertising, Online Video, Grocery, and B2B commerce. Goldman with a \$2400 target after last quarter's results noted AMZN's best risk/reward in the Internet space. Hedge Fund ownership rose more than 9% in Q2 filings, Viking Global adding to its large position with Amazon now its 2nd largest holding.

Hawk Vision:



Hawk's Perspective: AMZN is basing above its 200 day MA giving a clear recent low to trade against, while \$1825 could be a long trigger level, also want to confirm OI changes tomorrow for the January calls.

Confidence Ranking: \$\$