



## Visa Call Spreads See Upside Remaining

Ticker/Price: V (\$176.40)

### Analysis:

**Visa (V)** this week has seen 8500 March \$195/\$205 call spreads bought to open as well as nearly 3000 March \$180 calls bought to open. V also recently with 1000 November \$175 calls bought and 2500 November \$165 puts sold to open, while October \$175 puts also 2000X sold to open. V shares put in an ugly weekly candle last week after a failed breakout and hurt by the move out of momentum stocks, but remains above its rising 21 week EMA and a \$170/\$180 consolidation range forming. The \$385B payments leader trades 28.15X Earnings, 42.3X FCF and 24X EV/EBITDA. V forecasts see another few years of 10-12% annual topline growth and 15%+ EPS growth as it continues to benefit from a number of positive secular tailwinds. V spoke last week at the Deutsche Bank Tech Conference and remains encourage with the Visa Europe integration, while Visa Direct is seeing 100% Y/Y transaction growth as a major growth opportunity. V also sees a massive opportunity emerging in B2B. Analysts have an average target near \$200 on V shares and short interest low at 1.6% of the float. V is presenting at two conferences this week and next reports in late October. Guggenheim out with a \$199 target recently seeing V's strategy working, while Nomura raised its target to \$204 noting V is uniquely positioned to sustain strong growth in an uncertain Macro backdrop. Deutsche Bank has a \$225 target citing a long runway for the payment network on the secular growth of card-based transactions, as well as expanding market share opportunity into new account to account payment flows and non-interchanged based revenue models. Hedge Fund ownership fell 4.55% in Q2 filings, a number of notable large holders.

### Hawk Vision:



**Hawk's Perspective:** V forming a bear flag on the daily but remains one of the top long term investments with a solid achievable growth outlook. There will likely be a better entry opportunity with any market weakness and awaiting a better chart set-up.

**Confidence Ranking:** \$\$