



## Calls Accumulate in Smart-Sheet into Support

Ticker/Price: SMAR (\$43.30)

### Analysis:

**SmartSheet (SMAR)** with another 1,100 January \$45 calls being bought today up to \$1.50, spot where near 3,000 have been bought already this week. SMAR has some smaller OI in the February \$40 and \$45 calls from early September and on 12-5 the May \$45 calls bought 600X as well around \$5.85. Shares ran strong earlier this year up to a peak around \$55 and have pulled back to the 50% retracement around \$38 where its found support into year-end. SMAR recently moved out of a nice base above \$42 and pulling back this week to back-test that level and the 50-MA. The \$5B software company trades 8.8X cash and 18.6X EV/sales with estimates for 35-40% sales growth the next two years. SMAR sees a long runway for growth in the collaborative work management space and outlined new collaboration features and a new partner program at their analyst day in October. The latter is expected to help them growth their enterprise SaaS offerings, especially in the EU with new GDPR regulations. Short interest is 7.9% an up near all-time highs. Hedge fund ownership rose 8.5% in Q3. Tiger Global a big buyer of 2.1M shares, now a 4.4M share stake, and Valinor, Whale Rock, and Lone Pine all buyers as well. Analysts have an average target for shares of \$51. DA Davidson raising their PT to \$44 on 12-5, maintaining a hold on valuation, but sees upside in 2020 due to better sales execution and momentum within large customers. First Analysis starting at Buy on 11-12 with a \$50 PT seeing 30% revenue growth while leveraging their efficient sales model to ultimately become highly profitable.

### Hawk Vision:



**Hawk's Perspective:** SMAR looks great on technical set-up and a strong growth name, so a nice risk-reward versus the 50 day MA.

**Confidence Ranking:** \$\$