



Bullish Size Position Opens in Fiserv as CEO Steps Down

Ticker/Price: FISV (\$101.60)

Analysis:

Fiserv (FISV) late day buyers of 5,400 September \$105 calls yesterday from \$7.80 to \$8.40, a sizable \$4.4M position. FISV has 2500 June \$105 calls in OI from late April accumulation while the January \$85 puts sold to open on 5/1. FISV shares are back at trend support from the March lows and the rising 20- MA just below at \$100. The 200-day MA was resistance last week and a move above that area at \$107.50 has space up to \$120+ from early 2020. The \$70.5B company trades 19X earnings and 6.9X sales. They have a Net Debt / EBITDA of 5X due to the First Data acquisition. FISV is a leader in financial services technology with scope across banks, credit unions, and many others. Their recent deal for First Data significantly expanded their scale and global footprint while their Clover product is growing in adoption and potentially a significant rival to Square (SQ). The company is coming off a strong quarter with momentum in bank merchant signings, add-on solutions in credit processing and debit solutions, faster expansion of International opportunities, and growth in biller services like digital disbursements and walk-in services. FISV did note improvement in trends overall in the latter-half of the quarter and they believe they will see “further acceleration as shelter-in-place restrictions are eased in the U.S. and around the world.” Analysts have an average target for shares of \$119. Canaccord with \$135 PT yesterday as the company is accelerating the realization of cost synergies to deliver double-digit earnings growth in 2020. Wells Fargo with a \$125 PT noting that the analyst is encouraged by the post March 31 improvement in payment volumes and new business wins across the segments, and remains constructive on Fiserv's outlook under the leadership of new CEO Frank Bisignano. Short interest is 1.8%. Hedge fund ownership fell 0.50%. Egerton Capital, Bluespruce, Victory Capital, and Pointstate all buyers. In November, a director bought \$115,000 in stock at \$115.87.

Hawk Vision:



Hawk's Perspective: FISV is a high quality play in a strong industry and above the 200 MA would be a clear buy signal.

Confidence Ranking: \$\$