



## Large Visa Adjustment Positions for Further Upside

Ticker/Price: V (\$194)

### Analysis:

**Visa (V)** buyer of 12,000 September \$220 calls for \$2.84 to open, adjusting the June \$205 calls higher and follows buyers recently in the Aug. \$200 calls, March 2021 \$225 calls, and June \$195 calls. Visa has notable bullish open interest in the December \$210 and January \$210 calls from February has well. Shares are riding the 8-EMA higher and back above the 200-MA recently with a low-volume gap above \$195 from earlier this year that stretches back to \$210. Longer-term, V poised to return to new highs above \$215 with a measured target out to \$260 with a recent weekly bullish MACD cross. The \$405B credit services leader trades 32.5X earnings and 17X sales with a 0.63% yield and low-double digit growth. Visa is poised to capitalize on a number of major trends in a post-COVID-19 world with growth in contactless payments (topping 175M cards issued last quarter), cash displacement, and a significant pull-forward of e-commerce trends. The company is coming off a strong quarter with spending stabilizing in April and cross border e-commerce growth ex-travel now higher than it was pre-crisis. They also highlighted two major contract wins from “issuers who recently completed mergers” as they continue to build on and expand key relationships. Analysts have an average target for shares of \$203.50. Cowen with a \$196 PT on 5-20 as the need for digital commerce has become clearer with the pandemic giving him increased confidence in the company's long-term growth algorithm. Stephens positive on 5-6 and expecting Visa's businesses to exit the recession given faster adoption of contactless payments and e-commerce. Short interest is 1.5%. Hedge fund ownership rose 2.5% in Q1. Lone Pine a new buyer of 3.3M shares.

### Hawk Vision:



**Hawk's Perspective:** V remains a market leader and along with MA, PYPL and others the Payments space remains one to always have exposure. V could probably pull back to 185 for better entry near-term.

**Confidence Ranking:** \$\$