



## Uber Bulls Position for Rebound

Ticker/Price: UBER (\$31.1)

### Analysis:

**Uber (UBER)** with a number of large trades on 6/11 including 8500 July \$34 calls with afternoon buyers, the January \$22 puts sold to open 2000X, and some stock-tied put trades. UBER has previously seen some size bull positioning in September expiration with more than 18,000 of the \$30 calls in open interest and a lot of upside call strikes stacked as well. It has also seen some very large call blocks open in January 2021 and January 2022. UBER shares have sold off this week from its post IPO-trend resistance level and now testing the rising 55 day MA while a volume pocket fill and 38.2% retracement would target the \$29 level. UBER has been in the news lately with its pursuit for a deal for GrubHub falling short. The \$59.1B ride hailing company trades 4X EV/Sales with revenues rising 43% and 24.5% the last two years before the COVID-19 crisis stunted growth in 2020 while forecasts call for 40% growth in 2021. The WSJ recently reported its plans to layoff 3000 employees while it also may look to explore selling non-core businesses like freight and autonomous driving. UBER shares rallied in early May on results with a boost on the profitability outlook as it looks to cut \$1B in annual costs and noted improving ride metrics as states reopen. The UBER CEO bought \$6.687M in shares at \$26.75 back in November 2019. Analysts have an average target of \$40 and short interest is 5% of the float. BTIG started shares Buy this week with a \$47 target and sees the company exiting the pandemic stronger with a clear path to profitability and solid competitive positioning. KeyBank on 6/3 out positive on the secular dynamics for ride-sharing noting urban dwellers could increasingly use rideshare in lieu of public transportation. Wolfe upgraded shares to Outperform with a \$41 target on 5/26 seeing expectations for the Rides segment de-risked. Hedge Fund ownership rose 5.9% in Q1 filings, Viking Global trimming its stake as did Tiger Global while Jackson Square took a new concentrated position and Darsana Capital added to its large holding.

### Hawk Vision:



**Hawk's Perspective:** UBER still has potential to move back to \$28/\$29 but want to see a nice base or reversal candle to trade against, positive on UBER/LYFT opportunity moving forward.

**Confidence Ranking:** \$\$