



FEATURED OPTIONS RADAR REPORT



Unusual Bullishness in Sabre on Hope of Travel Recovery

Ticker/Price: SABR (\$7.75)

Analysis:

Sabre (SABR) aggressive buying 2600 October \$11 calls \$0.70 offer and action over 5000X now. **SABR** also 2675 August \$9 puts sold to open ITM \$1.75 to \$1.70. SABR has previously seen 8000 August \$7.50 puts sold to open, and 20,000 January \$10/\$15 call spreads with short \$5 puts. The October \$10 calls also with 9000X in OI, a name with a lot of bullish open interest. SABR has recovered off March lows and now pulled back quite a bit from June highs sitting just above a rising 55 MA support, a coiled look and can break back out above \$8.40 into a large volume pocket. The \$2.3B company provides technology solutions to travel/tourism industry, so can see why it got hit hard with COVID shutdowns. The Travel Network segment operates as a business-to-business travel marketplace that offers travel content, such as inventory, prices, and availability from a range of travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines, and tour operators with a network of travel buyers comprising online and offline travel agencies, travel management companies, and corporate travel departments. The Airline Solutions segment provides a portfolio of software technology products and solutions through software-as-a-service (SaaS) and hosted delivery models to airlines and other travel suppliers. SABR gave a business update on 6/24 seeing modest indications of a recovery in bookings. Forecasts currently see 54% revenue growth in 2021 after dropping 51% in 2020. SABR has also been making management changes and restructuring business segments. Analysts have an average target of \$7.50 and short interest risen sharply to 10% of the float. Bernstein upgraded to Outperform in May with a \$10 target seeing air travel returning to boost earnings and FCF and sees it outperforming the next few years. Hedge Fund ownership fell 2.2% in Q1 filings, Causeway Capital a notable concentrated holder.

Hawk Vision:



Hawk's Perspective: SABR is intriguing, this is size bullish positioning seeing limited downside and good upside, against the June lows has nice reward/risk, though a tough bet on travel.

Confidence Ranking: \$\$