



## FEATURED OPTIONS RADAR REPORT



### Bulls See JOYY Rally Continuing After Pullback

Ticker/Price: YY (\$81.6)

#### Analysis:

**JOYY (YY)** aggressive buys of 1800 August \$100 calls \$2.25/\$2.30 offer into morning lows and volume now above 2200X. YY recently with unusual 1000 January \$145 OTM calls bought and seen buyers in November calls. YY looking to put in a reversal candle at a 38.2% retracement level of the May/July rally today, potential to bottom today, a name that has rallied strong since March lows and retesting a key weekly volume node. YY is coming off a strong quarter in May with increasing demand for online entertainment and social media engagement, and YY noted its abundant cash reserves, efficient operating, and potential for its next phase of growth. The \$6.5B Chinese internet company trades 15.5X Earnings and 1.65X Sales. YY sees a return to growth in 2021 with 8.6% revenue and 47% EPS growth forecasted. YY has the #1 live streaming and video communications platform in China. It also has LIKEE, a leading global short-form video platform and HAGO, a leading casual-game social platform. It sees overseas monetization in early stage with huge growth potential, 78% of current users but just 20% of revenues. YY has 433M mobile MAUs with various monetization initiatives underway and OCF been growing nicely. Analysts have an average target of \$88.50 and short interest elevated at 7% of the float. YY will next report in mid-August. JPM raised its target to a Street high \$125 last week seeing momentum driven by Bigo's strong momentum, and sees further growth potential. CSFB raised its target to \$124 in June. MSCO sees Bigo revenue growing to \$4B in 2025 from \$1.3B in 2020. Hedge Fund ownership surged 31% in Q1 filings.

#### Hawk Vision:



**Hawk's Perspective:** YY has a bearish 8/21 MA cross above, but against this morning low looks attractive, definitely potential to base/bottom here at the 34 EMA and retracement level.

**Confidence Ranking:** \$\$