



FEATURED OPTIONS RADAR REPORT



Unusual Call Buying in Digital Ally

Ticker/Price: DGLY (\$3.60)

Analysis:

Digital Ally (DGLY) trading near 5000 August \$3.50 calls today, could be a name in focus for police reform, and also saw a surge in call buying on 7/16 in the August \$5 calls and November \$3 calls. DGLY current has 30,000 calls in open interest versus 9,000 puts. DGLY is clearly a speculative name and a sloppy long term chart but a big candle off the rising 55 day moving average last week gives a reference point for longs and above \$4.40 can move to \$6 quickly. DGLY announce a new order of 500 units of its contact temperature-screening instrument yesterday which likely sees a surge in activity related to COVID in coming quarters. DGLY is mostly known for digital video imaging and storage products for use in law enforcement, security and commercial applications. Its current products are an in-car digital video/audio recorder contained in a rear-view mirror for use in law enforcement and commercial fleets; a system that provides its law enforcement customers with audio/video surveillance from multiple vantage points and hands-free automatic activation of body-worn cameras and in-car video systems; a miniature digital video system designed to be worn on an individual's body; and cloud storage solutions. VuVault.net is a cost-effective, fully expandable, law enforcement cloud storage solution powered by AWS that provides redundant and security-enhanced storage of all uploaded videos that comply with the United States Federal Bureau of Investigation's Criminal Justice Information Services Division requirements. DGLY also entered the disinfectant market in April, engaged to service, promote, and sell certain Danolyte® disinfecting products, which are manufactured and distributed by Trust Think to certain first responder and commercial customers with whom the Company has existing relationships. In December 2019, the Company announced a partnership with Pivot International for design and manufacture of a new and innovative Breathalyzer Device utilizing the Company's recently issued patent. DGLY has a small \$98M market cap and trades 8X FY21 EV/Sales with revenues seen rising 5.5% this year with Q4 seeing significant growth. DGLY is seeing margin improvement as well with customer migrating to the service model. Analysts have an average target of \$5 with short interest at 17% of the float. DGLY is also involved with a legal dispute with **AAXN**. DGLY recently was awarded a \$12.12M body camera order by the US Govt. Aegis started shares Buy on 6/29 with a \$5 target seeing it an extremely timely and topical investment idea with recent social upheaval creating a major catalyst for sales of its products.

Hawk Vision:



Hawk's Perspective: DGLY is clearly speculative but an interesting array of products and expect it sees a surge in demand and plenty of new order PR's to boost shares.

Confidence Ranking: \$\$