



## FEATURED OPTIONS RADAR REPORT



### Bullish Activity in Bilibili Sees Strength Continuing

Ticker/Price: BILI (\$46)

#### Analysis:

**Bilibili (BILI)** buyer of 1,400 September \$55 calls up to \$2.25 to open and volume up over 3,000 in the afternoon with more bought around \$2. BILI had buyers in the Sept. \$45 calls on Friday over 1000X and today's flow follows put sales in the January \$35, October \$35, and Sept. \$40 strikes since mid-July. Shares have run strong since the first day of 2020 and pulled back last week to the 50-MA and cloud support. A continuation move from the gap higher today target \$49.50 and a potential run out to \$60+ into late-August earnings as it continues its hot streak. The \$14.35B company trades 12.5X cash and 13X sales with 30% to 40% annual revenue growth. BILI sees profitability within 18 months. BILI is a leading video sharing site in China which has seen an explosion of interest during the pandemic with MAUs topping 172M in May and DAU up near 70%. The company says that the lockdowns in March helped pull forward a significant new user base into the platform and seeing engagement stick with an 80%+ retention rate over the last 12 months. BILI was positioned well before the crisis as the platform of choice for Gen Z in China and the company continues to see strength in early monetization efforts of their largely youthful base. BILI has a potential catalyst in the near-term from a Hong Kong listing which Reuters reported they were exploring in early July. BILI wouldn't be able to list until 2021 but could follow JD, BABA, and NTES is using the avenue to raise funds. Analysts have an average target for shares of \$31 with a Street High \$42 from JP Morgan. The firm likes BILI's steady and improving user metrics with strong gains likely achievable in the next two years. Short interest is 7% and climbing since May when it was 4.3%. Hedge fund ownership rose 4% last quarter with some big holders like Tencent and Sony adding a new stake in April.

#### Hawk Vision:



**Hawk's Perspective:** BILI triggered out of its base Friday and now with a big gap and go today, tough to chase, but remains a highly favored name.

**Confidence Ranking:** \$\$