



FEATURED OPTIONS RADAR REPORT



Option Traders See Overstock Resurgence Continuing

Ticker/Price: OSTK (\$108.50)

Analysis:

Overstock (OSTK) with 2300 September 25th (W) \$110 calls opening on 8/6 for over \$2.5M and follows September \$80 and \$85 calls bought last week 1200X each for nearly \$3M combined, size accumulation of calls. OSTK shares have made a parabolic run since March with so much focus on ecommerce and now out past 2018 highs. Shares have ridden the 8 EMA higher the last two months while the 21 MA supportive in May and June dips. The online retailer now has a \$3.8B market cap and trades 2.65X Sales. OSTK reported results 7-30 way above estimates with 110% revenue growth and saw substantial jumps in web traffic and new customers. The company will speak at a DA Davidson Conference on 9-9-2020. OSTK forecasts see 31.4% revenue growth this year, its best in a decade. OSTK is also seeing attention for its digital securities platform with Blockchain and Cryptocurrencies back in focus. OSTK core products are seeing strong demand in the current environment, such as home furnishings, and its drop-ship model is well suited. OSTK considers itself a tech company at its core with machine learning and AI in retail and Medici Ventures and tZero blockchain technology. OSTK improved SEO driving better customer growth and also seeing margins trend upwards. Analysts have an average target of \$100 with short interest still high at 14.5% of the float but has come down sharply to near multi-year lows. DA Davidson raised its target to \$103 recently as Q2 profitability exceeded expectations and sales trends remain strong through July, while tZero in the process of adding a third token to its alternative trading system. OSTK does not see a lot of other Analyst coverage outside of boutique shops. Hedge Fund ownership surged 21% higher in Q1 filings.

Hawk Vision:



Hawk's Perspective: OSTK is consolidating and setting back up and this momentum trade looks to have plenty of room to continue.

Confidence Ranking: \$\$