



FEATURED OPTIONS RADAR REPORT



Oracle Put Sales See Shares Holding Support

Ticker/Price: ORCL (\$54)

Analysis:

Oracle (ORCL) shares pulling back the last two weeks and on 8/13 some bullish activity with 20,000 September \$52.50 puts sold to open \$1.335 and 2,250 of the June 2021 \$47.50 puts sold to open for \$3.10, positioning suggesting limited downside and a willing to own. ORCL on 7/30 with 2,300 of the March \$47.50 puts sold to open and on 7/15 the March \$50 puts with 2,000X sold to open. ORCL also saw some large call buys in March and April in the January 2022 \$52.50 calls and March 2021 \$52.5 calls that remain in OI. ORCL will next report earnings mid-September. ORCL shares pulled back to near its flat 200 day MA this week and testing pivotal VPOC, an ideal level to base and bounce. Shares worked out of a one-year pullback trend in June and are retesting that breakout level. ORCL had solid numbers last quarter despite the pandemic and noted some hospitality, retail and transportation customers delayed purchases. ORCL has a ton of cash and could be in the market for some more software deals. Jefferies out with a \$55 target in April noting Oracle should look to deals to re-rate shares higher with a better growth profile after \$55B in buybacks the past two years, acquisitions are a better use of cash given investors' growth bias and the current dislocation in asset prices. **Mongo-DB (MDB)** a name recently mentioned in takeover chatter with ORCL a rumored buyer. The \$166B software company trades 12.3X Earnings, 5X EV/Sales and 19.55X FCF with a 1.77% yield. ORCL has a low growth profile and outlook as it has been a long move trying to transform to faster growth areas. Analysts have an average target of \$54 and short interest low at 1.7% of the float. JPM upgraded shares in March to Overweight with a \$55 target noting Oracle's resiliency across economic cycles and notes 70% of revenues are recurring/renewable. Argus cut shares to Hold on 6/19 noting management says growth will accelerate in 2021 but Argus does not see it gaining much traction and cash flow from operations is falling off. Hedge Fund ownership fell 6% in Q1 filings.

Hawk Vision:



Hawk's Perspective: ORCL is a tough own with its low growth in a high growth industry, though nice reward to risk versus its 200 MA, really want to see it put some cash to work in M&A.

Confidence Ranking: \$\$