



FEATURED OPTIONS RADAR REPORT



Pinterest Bullish Options Activity Surges

Ticker/Price: PINS (\$34.70)

Analysis:

Pinterest (PINS) continues to see bullish options activity on a daily basis and on 9/11 saw longer-term bullish positioning as 7000 February \$37 calls traded for over \$4.5M. Earlier in the week September 2021 \$28 puts sold to open 2700X and October \$34 calls bought another 3000X. PINS has a good amount of call open interest in October \$34/\$35 strikes, in November the \$25 calls with over 11,000 and the \$35 calls over 35,000, and in December recent buys of 10,000 of the \$32 calls, 8000 of the \$35 calls and 9000 of the \$38 calls. PINS was one of the real big earnings winners in Q2 and shares since have consolidated that move, and above \$37 can start to extend out of a pattern that targets \$50 upside. PINS is benefitting from the acceleration of ecommerce and social shopping with its Shop function introduced earlier this year as well as a partnership with Shopify. PINS continues to focus on content, ads, and use expansion while video is a growing segment. The \$22B internet company trades 10X FY21 EV/Sales with revenues seen accelerating to 34% growth in 2021 and margins/EPS really start to rise. Analysts have an average target of \$37.50 and short interest remains high at 25% of the float. Pivotal upgraded to Buy with a \$44.50 target on 8-3 noting last quarter was a true inflection point with estimates of \$900M in EBITDA by 2023. Baird raised its target to \$41 this week on PINS seeing better advertising budget allocations. On 8/10 MSCO upgraded to Overweight with a \$44 target as the purest play on social shopping and sees better monetization ahead. Hedge Fund ownership jumped 32.7% in Q2 filings, ARK Investment adding to its position and Jericho Capital with a new stake.

Hawk Vision:



Hawk's Perspective: PINS is positioned so well for a number of emerging trends and think it will continue to be a leading performer in the Internet space for years to come.

Confidence Ranking: \$\$