



FEATURED OPTIONS RADAR REPORT



Booking Bulls Position for 6 Month Upside

Ticker/Price: BKNG (\$1734.50)

Analysis:

Booking Holdings (BKNG) size buyer on 9/18 of more than 1,300 March \$1,800 calls for \$170, sizable trade in the name which has pulled back into the 200-MA. BKNG has recently seen buyers of the October \$2,065/\$1,630 bull risk reversal, October \$1,760 calls, and January 2022 \$1,800 calls, the last two more than \$3.5M each. BKNG is back at the lower channel bound from the June/July lows as well as cloud support and YTD value, so a heavy concentration of support with upside back to \$1,950+. The \$73.19B company trades 25.7X earnings, 6.5X sales, and 7X cash. BKNG has been obviously impacted by the pandemic with a 90% decline in bookings in Q2 but the company highlighting a more offensive stance in August towards longer-term market share gains by investing in Connected Trip and the broader experiential trend, adding properties, and expanding their global footprint. They continue to see significant opportunity in targeting outbound travel growth from China while near-term metrics in room nights steadily improve elsewhere. BKNG is also adding more cost-cutting initiatives like headcount reductions which will trim near \$300M per year. Analysts have an average target for shares of \$1,825. UBS raising their estimates on 9/11 noting that the outlook is slowly improving and sees travel rebounding over multiple years with positive margin outcomes over the medium term from cost cuts. JMP started coverage at Buy on 8/10 and liking their exposure to the fastest-growing part of travel - alternative accommodations - stating that the company is well positioned to benefit from improving travel demand. Short interest is 2.9% and remains near six-year lows. Hedge fund ownership fell 6% in Q2, Lone Poine a buyer of a new \$950M position. Melvin Capital also a buyer of call options and adding to their stock position, more than \$750M.

Hawk Vision:



Hawk's Perspective: BKNG like many names is set to test key support but instead of predicting, best to wait for a healthier market breadth backdrop and evidence of a reversal bottom before taking a position.

Confidence Ranking: \$\$