



## FEATURED OPTIONS RADAR REPORT



### Workday Calls Accumulate into Earnings Gap Fill

**Ticker/Price:** WDAY (\$210.60)

#### Analysis:

**Workday (WDAY)** over the last two days with 1800 December \$210 calls opening for over \$4M in notable trades, and shares back near the \$210 level where 2800 January 2022 \$210 puts were sold to open on 8/26. WDAY shares broke out of a nice bull wedge in mid-August and ran strong after earnings before pulling back recently with Tech names, sitting at its 21 MA. WDAY could do a full retest which aligns with a 38.2% retracement near \$195 as optimal re-entry into the name. The \$51.6B software leader in HCM currently trades 11.5X EV/Sales with revenues seen growing 17-19% annually the next three years. WDAY should see a boost from the accelerated cloud adoption and has many resilient Fortune 500 companies as clients. It operates in a \$100B TAM that includes Analytics, Financials, HCM, Payroll, Planning and Projects. It also sees opportunities in International markets moving forward and estimates just 13% penetration for HCM in EMEA. WDAY is coming off an impressive quarter with improved conversion rates. Analysts have an average target of \$240 and short interest is at 4.7% of the float. JPM raised its target to \$250 recently after solid results and RBC up to \$280 noting incremental improvements in new and existing businesses. BMO with a \$265 target citing better revenues, margins and FCF with strong closure rates. Hedge Fund ownership rose 13.5% in Q2 filings, a name that saw a lot of notable buying activity among smart funds like Tiger Global, Bares Capital, Sustainable Growth, Champlain, Matrix, and Kensico.

#### Hawk Vision:



**Hawk's Perspective:** WDAY looks good in this "baby with the bathwater" pullback though want to see Software come back into favor, this is notable call accumulation in a name executing well.

**Confidence Ranking:** \$\$