



FEATURED OPTIONS RADAR REPORT



Coupa Large Call Buyer Positive on Growth Drivers

Ticker/Price: COUP (\$296)

Analysis:

Coupa (COUP) with a large buy of 2000 January \$260 calls on 10/20 for over \$11M adding to 1500 already in OI. COUP has seen some other bullish trades at smaller contract lots including 1000 Jan. 2022 \$300 short puts opened, 500 Jan. 2022 \$400/\$320 bull risk reversals, and 800 Jan. \$300 short puts. COUP is in a strong bull trend but has not gone very far since July, selling off sharply in early September and currently consolidation back under a key value level near \$310 with a bullish 21/55 MA crossover just below. A move out of this weekly consolidation would target a run to \$400 for one of the strongest growth stories in Tech. The \$20.6B software company trades at a premium multiple of 32.7X FY21 EV/Sales with revenue growth of 39.4% and 49.7% the last two years and seen at 25-30% per year the next three. COUP sees a massive \$56B opportunity which excludes the Coupa Pay opportunity in payments. COUP has seen operating margins trend higher reaching 10% in Q1 and has 14% FCF margins. COUP has been expanding its ecosystem and is a disruptor with a long runway for growth. Analysts have an average target of \$280 and short interest elevated at 12.8% of the float due to valuation concerns. RBC raised its atrget to \$350 last week confident in near-term upside drivers with Federal business and improving close rates while Pay and Bellin meaningful growth catalysts in 2021. Deutsche Bank started shares Buy 10/9 with a \$345 target as a leader in a large and growing market. Hedge Fund ownership fell 17% in Q2 filings, Alkeon with a large position and Whale Rock added to its position.

Hawk Vision:



Hawk's Perspective: COUP is an elite growth name with a big future, a big cluster of moving average support in play near \$290 so reward/risk setting up positively into this 1-week pullback.

Confidence Ranking: \$\$