



## FEATURED OPTIONS RADAR REPORT



### Bullish Put Sales in CrowdStrike a Popular Trade

**Ticker/Price:** CRWD (\$137.2)

#### Analysis:

**CrowdStrike (CRWD)** on 11/12 with more bullish activity as June \$115 puts sold to open 2200X in a \$2.5M trade and the November \$143 OTM calls with buyers 1100X. CRWD has also seen 800 June \$175 calls open recently, 1200 January 2022 \$115 short puts open, 2500 December \$120 short puts open, and overall short puts a popular trade in the name. CRWD pulled back to test its August bull flag weekly breakout this week and bounced, also coming at the rising 21-week moving average, a key support level for growth/momentum stocks. The next upside target past record highs on Fibonacci extensions is \$188 as the 223.6% level, and a similar target measured move out of the flag forming. CRWD will next report 12-2. The \$28.2B cloud security leader is trading 35X FY21 EV/Sales, premium valuation, and expects revenues to rise 70% in 2021 after jumping 110% and 93% the last two years, a top growth name in a large and growing industry. The company is one of many benefiting from more widespread Work-from-Home policies during the pandemic as companies look to secure a wider array of devices. CRWD is expanding their Falcon Prevent product for Home Use, especially across ransomware which has been prevalent, while also introducing Burst Licensing for remote workers. Organizations are shedding outdated systems and accelerating their move to modern cloud-native technologies to meet the demands of today's threat landscape. It sees a large and expanding TAM of \$29.2B in 2021. Analysts have an average target of \$160 and short interest has been rising. Baird upgraded shares to Outperform with a \$155 target this week on the strong opportunity and favorable competitive positioning and strong management execution. Mizuho raised its target to \$170 in October expecting CRWD to take further share from legacy and next-generation security endpoint vendors with its impressive cloud native architecture. Piper upped its target to \$175 citing rapid migration to cloud driving security transformation and rapidly growing addressable market. Goldman upgraded to Buy in October with a \$176 target on its disruptive platform and ability to penetrate core markets with high efficiency, noting its hyper-growth compared to peers. Hedge Fund ownership fell 16% in Q2 filings, notable top holders include Tiger Global, Coatue, Whale Rock, Matrix, and Jericho.

#### Hawk Vision:



**Hawk's Perspective:** CRWD remains the preferred security name along with ZS/OKTA and gave a nice dip recently, a top name that should continue to do well despite premium valuation.

**Confidence Ranking:** \$\$