



## Bears Target CheckPoint Puts into Resistance Level

**Ticker/Price:** CHKP (\$118.25)

### Analysis:

**CheckPoint (CHKP)** large buy 2000 May \$120 puts up to \$5.40, lagging cyber security name losing share to newer Tech, and does have 2000 February \$110 short puts in open interest through next week. The January \$100 puts bought 750X to open back in December and 1150 January \$110 puts in OI from buyers. CHKP shares have rebounded the last two weeks to a 50% retracement and near major volume node resistance at \$120. Shares have major support at \$110 that if tested again is likely to break and send shares sharply lower. The \$18.2B company trades 17.45X Earnings, 14X EBITDA and 6.8X EV/Sales. It recently beat expectations and expanded the buyback by \$2B but the Q1 outlook was lackluster. Forecasts see just 3% revenue growth in 2020 and 2021 and 5.5% EPS growth. Analysts have an average target of \$118.50 and short interest high at 11.4% of the float and trending upwards to a five-year high. William Blair downgraded shares on 2/4 seeing challenges ahead. Jefferies sees shares fairly valued giving it credit for its scale and margin but lackluster growth weighs on valuation. Hedge Fund ownership rose 1% in Q3 filings.

### Hawk Vision:



**Hawk's Perspective:** CHKP is a name I dislike and putting in some alerts for a momentum break, looks like a good short up here or candidate for bear call spreads.

**Confidence Ranking:** \$\$