



FEATURED OPTIONS RADAR REPORT



Put Sellers Confident in Cloud Security Leader's Strong Run

Ticker/Price: CRWD (\$253.90)

Analysis:

CrowdStrike (CRWD) seeing a lot of bullish flow recently including 575 June \$230 puts sold on 8/2 for \$1.6M and over 11,000 August \$260/\$255 bull put spreads from 7/29 and 7/28. CRWD has seen smaller sales in the June 2022 puts while the \$260 and \$270 calls with buyers. The September \$300 calls have over 1250 in OI from buyers, too. CRWD has size in the longer-dated calls as well including over \$4.5M in January \$230 calls bought in mid-June. Shares are back at VWAP from the June lows as well as 50-EMA and cloud support, nice flag building under recent highs. A breakout higher targets \$272.50 and then a measured move to \$300. The \$58.8B company trades 38X EV/sales with low-30% growth. CRWD is coming off an exceptionally strong quarter as demand surges behind a rising threat environment. The company grew ending ARR by 74% to over \$1.19B. CRWD sees further acceleration in 2021 as clients continue to adopt cloud workload protection while new features to their products expand their leadership within the category. CRWD has seen their TAM grow from around \$25B at the IPO to more than \$44B estimated by 2023 as they expand their product reach into areas like cloud security, identity protection, and log management. They also recently outlined a long-term plan that would see their TAM expand to \$100B, namely through the growth of cloud security.

Analysts have an average target for shares of \$258 and Street High \$302. Mizuho raising estimates on 7/12 after positive survey data on demand. BTIG raising estimates in July as recent talks with the CFO highlighted strong demand trends experienced over the recent quarters and his expectations for these to be sustainable longer term because they are being driven by digital transformation initiatives and the adoption of cloud architectures. The firm also highlighted multiple new product categories were seeing strong demand. Short interest is 4.2%. Hedge fund ownership fell 14.5%. Melvin Capital adding to their position and now 1.2M.

Hawk Vision:



Hawk's Perspective: CRWD is a high-quality name trading in a nice pattern near new highs, one to focus on if we get a move back above \$260

Confidence Ranking: \$\$