

SPOTLIGHT OPTION TRADE



Call Spreads into Year-End for Disruptive Software Company Expanding its TAM

TRADE SNAPSHOT

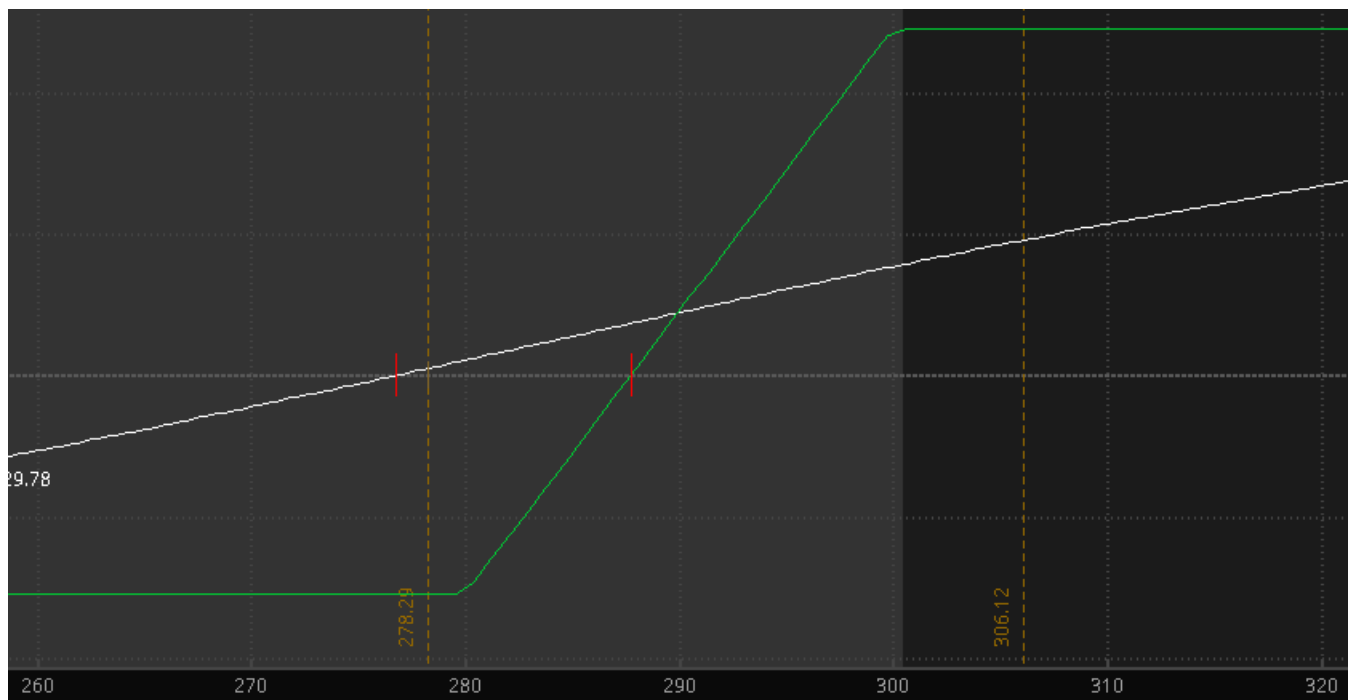
TICKER	DOCU
SECURITY	DocuSign
SECTOR	Tech – Software – Application
CURRENT PRICE	\$278.29
LONG/SHORT	Long
TARGET	\$300+
STOP	\$265
TIMEFRAME	1.5 Months

Trading Strategy: Long the **DOCU** December \$280/\$300 Call Spreads at \$7.75 or Better

Net Debit/Credit: Debit \$7.75

Profitability Zone: DOCU Above \$287.75 on December OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: DOCU shares pulled back to the rising 200-day moving average in late September and have rebounded back above YTD VPOC and have a bull 8/21 moving average crossover recently. The recent consolidation has formed the cup of a cup and handle pattern and the strong weekly uptrend is firmly intact with weekly RSI pulling back and holding near the 50 level.



Fundamental Analysis: The DocuSign Agreement Cloud is a cloud software suite for automating and connecting the entire agreement process. It includes DocuSign eSignature, the world's #1 electronic signature solution. DOCU has a \$54.3B market cap and trades 26X FY22 and 20X FY23 EV/Sales with revenues seen rising 43.6% this year and 29.5% in FY23. DOCU is also profitable with 75% gross margins and 12.4% EBIT margins that are seen rising to above 20%. DOCU sees a \$50B TAM across the broader agreement opportunity and currently has 1.05M customers with 124% net dollar retention. DOCU is seeing strong customer additions in Enterprise and also investing in international growth. Analysts have an average target of \$330 with short interest low at 3.7% of the float. Baird with a \$330 PT and continues to view them as a best in class way to play digital transformation trends with strong growth, cash flow and profitability, and a strong competitive position. OpCo positive on the long-term trends as DocuSign is being viewed as mission-critical to keep business operations flowing during disruptions and as employees return to work. Needham raised its target to \$340 on 9/3 and RBC to \$345 noting impressive traction with CLM and Notary. Hedge Fund ownership rose 6.6% last quarter, Tiger Global a \$2B stake and Ark Investment a top holder.

Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob ITN	Premium Paid	Symbol	Current Price	Current OI
10/26/2021	DOCU 100 16 SEP 22 250 PUT	361	32	\$25.58	-0.31	39.19%	45.14%	\$923,438	.DOCU220916P250	\$25.55	393
10/25/2021	DOCU 100 21 JAN 22 340 CALL	873	258	\$3.72	0.16	36.46%	11.71%	\$324,756	.DOCU220121C340	\$2.90	1120
10/13/2021	DOCU 100 19 JAN 24 240 PUT	1,200	236	\$45.50	-0.33	36.79%	55.18%	\$5,556,000	.DOCU240119P240	\$38.74	1435
10/12/2021	DOCU 100 19 JAN 24 230 PUT	1,450	2	\$43.20	-0.32	37.95%	54.34%	\$6,597,500	.DOCU240119P230	\$35.00	1454
10/12/2021	DOCU 100 18 MAR 22 175 PUT	633	7	\$3.70	-0.09	47.60%	15.19%	\$253,200	.DOCU220318P175	\$1.90	639
10/12/2021	DOCU 100 16 SEP 22 240 CALL	268	8	\$46.56	0.63	41.65%	47.64%	\$1,281,040	.DOCU220916C240	\$60.00	276
10/11/2021	DOCU 100 17 DEC 21 260 PUT	1,032	968	\$17.13	-0.451	41.91%	52.30%	\$1,767,816	.DOCU211217P260	\$9.20	3164
10/7/2021	DOCU 100 19 NOV 21 200 PUT	5,635	255	\$0.80	-0.038	50.69%	5.50%	\$450,800	.DOCU211119P200	\$0.19	5454
10/5/2021	DOCU 100 19 NOV 21 280 CALL	1,788	850	\$4.50	0.254	35.13%	21.66%	\$804,600	.DOCU211119C280	\$8.35	2347
10/5/2021	DOCU 100 19 NOV 21 220 PUT	1,788	436	\$2.84	-0.136	42.48%	17.10%	\$507,792	.DOCU211119P220	\$0.29	1972
10/5/2021	DOCU 100 17 DEC 21 250 CALL	1,007	185	\$22.40	0.588	43.04%	51.26%	\$2,255,680	.DOCU211217C250	\$35.10	1317
10/4/2021	DOCU 100 19 NOV 21 250 CALL	601	212	\$11.80	0.488	38.55%	43.37%	\$709,180	.DOCU211119C250	\$31.00	625
10/4/2021	DOCU 100 18 MAR 22 170 PUT	1,456	33	\$3.75	-0.091	46.99%	15.35%	\$546,000	.DOCU220318P170	\$1.60	1437
9/28/2021	DOCU 100 20 JAN 23 250 PUT	1,001	957	\$39.15	-0.38	37.73%	55.45%	\$3,993,990	.DOCU230120P250	\$30.95	1459
9/28/2021	DOCU 100 19 NOV 21 240 CALL	203	110	\$22.85	0.7	36.59%	64.82%	\$463,855	.DOCU211119C240	\$40.05	405
9/28/2021	DOCU 100 18 MAR 22 185 PUT	400	0	\$4.50	-0.1	43.50%	16.31%	\$180,000	.DOCU220318P185	\$2.78	796
9/28/2021	DOCU 100 17 JUN 22 185 PUT	500	28	\$7.65	-0.14	42.10%	23.39%	\$400,000	.DOCU220617P185	\$5.03	529
9/24/2021	DOCU 100 20 JAN 23 330 CALL	200	188	\$27.30	0.415	38.36%	25.61%	\$546,000	.DOCU230120C330	\$25.50	397
9/22/2021	DOCU 100 17 DEC 21 340 CALL	1,027	1,012	\$3.40	0.14	37.66%	10.49%	\$354,315	.DOCU211217C340	\$1.75	2183
9/21/2021	DOCU 100 19 JAN 24 260 PUT	252	10	\$56.50	-0.36	38.23%	58.68%	\$1,423,800	.DOCU240119P260	\$48.50	269
9/21/2021	DOCU 100 17 JUN 22 240 PUT	250	184	\$21.85	-0.3	40.70%	43.07%	\$566,250	.DOCU220617P240	\$19.40	766
9/20/2021	DOCU 100 20 JAN 23 250 PUT	800	158	\$37.50	-0.34	40.28%	52.26%	\$3,000,000	.DOCU230120P250	\$30.95	1459
9/20/2021	DOCU 100 17 JUN 22 340 CALL	200	0	\$15.25	0.3	39.50%	19.19%	\$305,000	.DOCU220617C340	\$15.00	532
9/20/2021	DOCU 100 17 JUN 22 220 PUT	300	5	\$15.20	-0.23	42.22%	35.89%	\$456,000	.DOCU220617P220	\$12.31	1003
9/15/2021	DOCU 100 17 JUN 22 250 PUT	506	0	\$28.95	-0.363	40.65%	50.13%	\$1,464,870	.DOCU220617P250	\$20.05	1140
9/13/2021	DOCU 100 17 DEC 21 340 CALL	738	265	\$3.98	0.16	40.02%	11.80%	\$335,790	.DOCU211217C340	\$1.75	2183
9/10/2021	DOCU 100 17 DEC 21 270 PUT	505	299	\$19.34	-0.4	41.17%	48.51%	\$982,225	.DOCU211217P270	\$13.00	715
9/9/2021	DOCU 100 18 MAR 22 290 PUT	301	129	\$38.25	-0.48	41.04%	59.90%	\$1,151,325	.DOCU220318P290	\$32.86	494
9/7/2021	DOCU 100 17 DEC 21 250 PUT	698	319	\$9.90	-0.22	44.19%	29.56%	\$698,000	.DOCU211217P250	\$6.00	2532
9/2/2021	DOCU 100 19 NOV 21 210 PUT	1,131	953	\$2.20	-0.066	51.33%	10.22%	\$248,820	.DOCU211119P210	\$0.19	2126
9/1/2021	DOCU 100 19 NOV 21 330 CALL	758	321	\$11.05	0.327	41.80%	26.05%	\$837,590	.DOCU211119C330	\$0.30	1438
9/1/2021	DOCU 100 18 MAR 22 240 PUT	276	27	\$14.10	-0.21	46.10%	32.49%	\$436,080	.DOCU220318P240	\$11.45	558

Potential Catalysts: Earnings Early December

Disclaimer:

Not Investment Advice or Recommendation

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