



## DocuSign Bullish Positions Accumulate

Ticker/Price: DOCU (\$76.25)

### Analysis:

**DocuSign (DOCU)** coiled setup after a strong run and yesterday 2,900 March \$75 calls bought for \$5.10 as some January calls adjusted up and out in strikes. DOCU also had buyers in the Jan. 2022 \$90 calls for \$13 while the Feb. \$72.50 calls and June \$72.50 calls with buyers recently. Shares have held the 20-MA over the past month after earnings and a move over \$77 really spark a continuation higher with about a \$10 measured move. DOCU has been one of the strongest trends since September. The \$13.75B company trades 15X sales and 21X cash with mid-20% revenue growth. DOCU leader in the e-signature category and seeing rapid revenue growth (35%+) with a potential \$25B market opportunity and over 562k customers. DOCU sees a wide variety of use-case as they growth from sales and marketing to finance, legal, procurement and more. Enterprise, commercial, and VSBs all represent under-penetrated opportunities. Short interest is 6.7% and down from 8.5% in late 2019. Hedge fund ownership rose 55% in Q3 with notable adds from Jericho Capital who put on a new 1.245M share position. Analysts have an average target for shares of \$78 with 13 buy ratings and 2 hold. Wedbush recently raising their PT to \$80 after checks with customers and partners. “ DOCU is starting to solidify itself as the go-to-vendor among enterprises of all shapes and sizes for its proprietary solution, from small businesses to large Fortune 500 organizations, as customers are signing onto the DocuSign platform and the upselling momentum continues to drive revenue with its land and expand strategy with notable new products such as the Agreement Cloud driving further penetration.” DOCU will be at the JMP Tech conference in late February.

### Hawk Vision:



**Hawk's Perspective:** DOCU remains a great growth opportunity in an exciting market and one of the preferred names to own in Software.

**Confidence Ranking:** \$\$