



## FEATURED OPTIONS RADAR REPORT



### Fidelity Info Call Buyers Target Massive Monthly Breakout

**Ticker/Price:** FIS (\$146)

#### Analysis:

**Fidelity Info (FIS)** consolidating back above 200-MA with a nice base forming and on 6/22 a size buyer came in for 7000 January \$155 calls \$5.80 to \$6.20. FIS has 1000 September \$145 calls in open interest from March buyers and has 1900 July \$140 calls in OI from March buyers as well. FIS is setting up well on a weekly timeframe and putting in a hammer reversal off the 38.2% Fibonacci of the 2021 rally. A move back to \$155 positions shares well for a breakout of the bigger range and run to \$190. The \$92B company trades 19.5X earnings, 7.2X sales, and 23X cash with a 1% yield. FIS is targeting 9% revenue growth in 2021 with 19% EPS growth, the best rate in four years. They are coming off of a strong quarter with strength in Banking Solutions, partnerships with Modulr and Flutterwave, and raising synergy estimates for their Worldpay integration. FIS has benefitted from growth in new sales, up 24%, while expanded partnerships with companies like Green Dot are expanding their footprint with the payments space. Merchant has been the laggard unit but seeing trends improve. Analysts have an average target for shares of \$165 and a Street High \$194. Truist cutting to Hold recently as they think that the slowing segment top-line growth will overshadow the steadier Core Processing, Issuer Processing and other Payments performance. Cowen positive on the name and sees the company as a disruptor with increased speed, agility, and its vast breath of solutions as differentiators and sees challenger banks as more of an opportunity, than a threat. Hedge fund ownership fell 4.5% in Q1, Soroban Capital adding 1M shares while Steadfast Capital also adding 1M shares.

#### Hawk Vision:



**Hawk's Perspective:** FIS is a high-quality name with strong longer-term growth potential and back at an ideal spot where a gap-and-go back above the 21-EMA and this pullback zone could set up a nice trend higher with plenty of upside

**Confidence Ranking:** \$\$