



## FEATURED OPTIONS RADAR REPORT



### Fiserv Bull Positions for Further Strength as Reopening Accelerates

**Ticker/Price:** FISV (\$124)

#### Analysis:

**Fiserv (FISV)** buyers today of 1,100 January \$135 calls for \$9.90 to \$10.15 and name with a lot of bullish open interest including 1,000 June \$110 calls, 2,800 June \$125 calls, and over 18,000 January \$105 calls from September bought around \$16. Shares broke out of a weekly flag last week and now testing the November 2019 highs with a longer-term measured move to \$145. The \$83B fintech company trades 19.4X earnings, 5.5X sales, and 25.5X FCF. FISV is guiding to high-single digit growth in FY22 with EPS up 33.5% and more than doubling from the FY20 levels as they consolidate their deal for First Data which positioned them well to benefit from growth in electronic payments. FISV was at the Wolfe Conference last week highlighting their investments in digital and expansion opportunities for Clover, their merchant services platform, and expecting a rebound in 2021 as they stand to benefit from the reopening with exposure to travel, restaurants, and small businesses. Analysts have an average target for shares of \$129 with a Street High \$160. Bernstein starting at Outperform in January citing favorable exposure to the powerful secular tailwinds of cash to card conversion, turnaround in its merchant business, margin expansion, and attractive valuation. Hedge fund ownership fell 11.5% in Q4, Corvex Management and Pointstate both buyers of stock. Value Act also opened a new position and Melvin Capital with a large 8.6M share position, their fourth largest. Short interest is 2.2%. Insiders active recently with a director buying \$1M in stock on 2/16 at \$110.99.

#### Hawk Vision:



**Hawk's Perspective:** FISV is pretty extended near-term but a move back to \$120 would be a nice dip opportunity to position for that bigger weekly breakout and name with plenty of secular drivers in 2021

**Confidence Ranking:** \$\$