



FEATURED OPTIONS RADAR REPORT



Jumia Attracts Call Buyers as Africa Growth Opportunity Seen Attractive

Ticker/Price: JMIA (\$32)

Analysis:

Jumia (JMIA) traded 1.5X daily call volume on 6/1 with one large buy of 5000 July \$29 calls up to \$5.20 standing out, the same spot 2700 bought back on 5/26. JMIA has been a volatile name with plenty of activity but these are large sized blocks building, and back on 5/28 the August \$28 puts sold to open 2000X and has also seen opening sales in September \$35 and \$32 puts. JMIA has seen an orderly decline from its February highs near \$68 and the \$38 level above key resistance for VWAP off those highs. In May JMIA retested a flag breakout from last November and put in a big reversal candle off support on the volume profile which also happened to be VWAP off March 2020 as weekly support for four weeks before shares move higher. JMIA is now working firmly out of its pullback trend and could continue the longer-term trend of higher highs and higher lows. The \$2.88B Company is a provider of a marketplace platform with a focus on Africa, and connects sellers with consumers while utilizing its logistic and payment services for transactions on the platform. JMIA currently trades 12X FY21 EV/Sales with revenues seen rising 19.7% in 2021 and 26% in 2022 while profitability remains in the distant future estimated for 2025. JMIA has been expanding its category mix and increasing Jumia-Pay penetration while the Logistics business has been profitable. It has raised \$570M the past six months to strengthen its balance sheet. Analysts have an average target of \$30 while short interest remains high at 17% of the float. Citron's Andrew Left was out on 5-6 saying Jumia shares can easily rise 300% over the next twelve months. Analysts have been quiet in the name the last few months.

Hawk Vision:



Hawk's Perspective: JMIA is running right into the 55-day moving average here, and plenty of resistance overhead but potential to be a big mover. I think above \$38 for a quick move to \$48 is the real opportunity.

Confidence Ranking: \$\$