



FEATURED OPTIONS RADAR



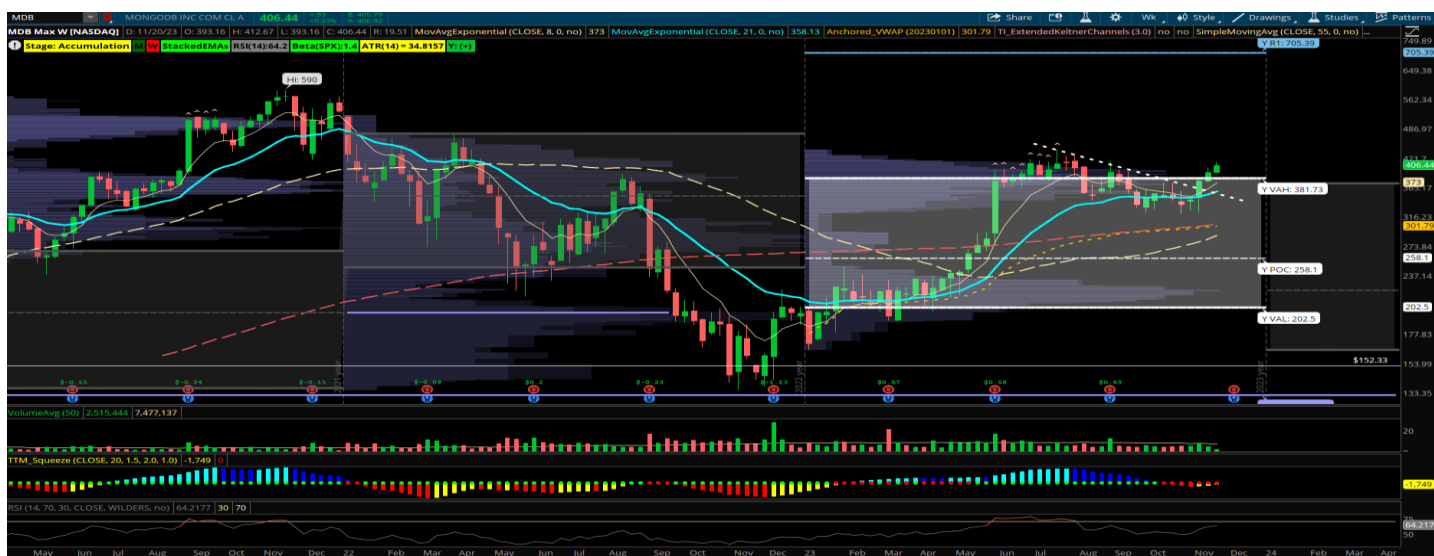
Software Infrastructure Name Expanding AI Workloads Sees Bullish Flow into Strength

Ticker/Price: MDB (\$408.43)

Analysis:

MongoDB (MDB) has seen some bullish flow into strength lately with a 11/14 buyer of 300 June \$410 calls bought for \$70.75 and a recent opening seller on 11/10 for 400 April \$300 puts sold at \$21.60 while also this week seeing 200 December \$400 puts sell to open at \$26.70 and the January \$460 ITM puts sold 100x for \$65.90 showing a willingness to be long at current levels or higher into year end. MDB still has a large position holding in open interest with 2500 January \$260 deep ITM calls that are up 60% while also the Jan \$400 calls bought on 6/1 over 500x at \$25.25 still in OI and up nicely. The \$28.9B data platform company trades rich at 147x earnings, 15x sales, FCF yield of 1% with revenues expected to rise +25% in FY24 and growth estimated at +22% in FY25 and also seeing FY26 sales growth at +27% so a strong double digit revenue growth expected for years forward which warrants the high valuation. Its developer data platform is an integrated set of databases and related services that allow development teams to address the growing variety of modern application requirements. Early this month MongoDB and Amazon Web Services announced they will collaborate to optimize Amazon Code Whisperer. The company also in early October named Jim Scharf as CTO who joins MDB from Amazon Web Services. MDB also is reporting earnings in early December and has seen an average one day price reaction of +9.2% on recent earnings. Shares have been rallying this month with the Tech and software sector and MDB now clearing above a big resistance level of 2022 yearly value area at 382 which held it back the past few months as shares coiled in a tight range. MDB has formed a very bullish weekly flag above its 21-week EMA and in a Bollinger band squeeze that likely can launch it to new 52 week highs above 440 with this bigger picture cup and handle showing a gorgeous pattern that likely sees 500+ into 2024. Support is strong on a dip to 380. Average analyst price target is \$436. Wells Fargo initiated last week at an Overweight rating and \$500 price target citing MongoDB as the best AI play in software infrastructure given its ever-expanding list of new workloads. The company is well positioned for solid margin expansion, which in turn will drive strong Free Cash Flow growth. KeyBank has a \$440 target and Overweight rating recently saying they are more conservative into this quarter as survey data shows modest declines in Q3 results vs. last quarter and a less optimistic 2023/2024 outlook after a bump up last quarter. BAML is bullish after initiating coverage last month at a Buy rating and \$450 target saying it sees MongoDB being positioned to capture share from market leaders, such as Amazon's Dynamo DB and Microsoft's MSSQL and Cosmos DB. Short interest is at 5.3%. Hedge fund ownership rose 15.5%. D1 Capital started a new position last quarter with 105,000 shares.

Hawk Vision:



Hawk's Perspective: MDB is rallying into earnings so definitely could use a pullback but likely is much higher in 3-6 months. Using the 21 EMA as a line in sand. Using a Feb/Dec \$450 call calendar into earnings if bullish at \$12 is an idea.

Confidence Ranking: \$\$\$