



FEATURED OPTIONS RADAR REPORT



Overstock Put Sales Confident in Valuation Support

Ticker/Price: OSTK (\$69.15)

Analysis:

Overstock (OSTK) with 2000 December \$60 puts sold to open for around \$1.9M over the past week with shares pulling back to six-month trend support and testing a key volume node of support. OSTK overall is in this sideways \$60/\$80 range that measures to a \$100 target on a break higher. OSTK has also seen 3000 September \$60 short puts open. OSTK's ecommerce business offers a broad range of price-competitive products, including furniture, home decor, bedding and bath, and housewares, among other products. Its Medici business operates through a subsidiary tZERO Group, Inc., a leader in blockchain innovation and liquidity for digital assets. Medici Ventures' strategy is to create or foster a set of products and solutions that leverage blockchain technology to generate efficiencies and increase security and control in six areas: identity management, property rights and management, central banking and currencies, capital markets, supply chains and commerce, and voting systems. OSTK currently has a market cap of \$2.9B and trades 31.1X Earnings, 1.3X Sales and 17.25X FCF with revenues seen rising 11% in 2021 and 2022 and EBITDA rising 62% and 20% respectively, so a fairly attractive value for growth name. In its latest quarter it saw strong order activity with customer growth and larger order sizes as it shifts its mix to the core home categories. Analysts have an average target of \$120 on shares and short interest at 10% of the float is down 50% Q/Q. Piper is a notable bull with a \$140 target and feels shares are seriously mispriced with free call options on the tZero and GSA contact assets as well as the Medici Ventures blockchain portfolio. Wedbush out positive on 4/14 expecting meaningful contribution from the planned expansion into Canada and from increased traction of sales to the General Services Administration and to state and local governments.

Hawk Vision:



Hawk's Perspective: OSTK is feeling a bit undervalued and if it nears that \$60 strike would be an opportunistic area to be a buyer.

Confidence Ranking: \$\$