



FEATURED OPTIONS RADAR REPORT



Niche Social Platform Draws Bullish Flow Ahead of Key Holiday Season

Ticker/Price: PINS (\$50.37)

Analysis:

Pinterest (PINS) with bullish flows on 9/29 after 2000 September \$45 puts sold to open for \$6.15 and later 1290 February \$45 calls bought for \$9.75, a more than \$1.25M buy. Yesterday's flow followed sellers in the January 2023 \$28 puts on 9/28 and buyers in the September \$52.50 calls. Shares are in an ugly trend but back at the 50% retracement of the 2020 rally and VWAP from the March 2020 lows, key areas of support. A rebound higher has room to move back to \$72. The \$32.35B company trades 36.29X earnings, 14.4X sales, and 15X cash. PINS has faced tough comps in 2021 as a shift in behavior within the pandemic impacted engagements with fewer people turning to the site for inspiration on redesigning living spaces. The company is undergoing a big shift away from just a social platform into a well-rounded lifestyle platform which they hope to drive engagement and spur long-term growth in advertising. The company has seen newer verticals associated with the reopening grow quickly in 2021 such as beauty and travel which they hope is a strong sign that user growth can continue outside of quarantine. PINS expects to roll out new features over the next year for creators, new shopping features, and merchant relationships. Analysts have an average target for shares of \$78 with a Street High \$107.50. Piper out positive on 9/24 seeing a more favorable setup into year-end as recent monthly active user declines seem driven by non-mobile app users, which contribute less to the financial model. Vertical Group positive on 9/21 as the analyst continues to see expanding and strengthening adoption by e-commerce merchants, which bodes well for future growth upside. While product shortages in some key Pinterest verticals, including home decor, footwear and beauty products providing some short-term headwinds, sources expect solid year-over-year growth this holiday season in a range comfortably above pre-Covid baseline of 35%. Short interest is 3%. Hedge fund ownership fell 18% last quarter.

Hawk Vision:



Hawk's Perspective: PINS is clearly an ugly chart but at an interesting longer-term spot and key to watch for a reversal as I still think they've got a lot of opportunity in a post-COVID world

Confidence Ranking: \$\$