



FEATURED OPTIONS RADAR REPORT



Bulls See Value in Fintech Leader Basing on Long Term Support

Ticker/Price: PYPL (\$187.6)

PayPal (PYPL) option flows have turned notably bullish nice 11/23 with put sales active while on 1/6 a large buyer of 2500 March \$210 calls to open. PYPL has seen 1600 July \$140 short puts, 2500 February \$160 short puts, and 1000 April \$180 short puts open in the last month and 1350 January 2024 \$175 puts sold to open on 12/8 for nearly \$4M. PYPL shares have been under pressure since breaking support in October but the last few weeks showing some ability to hold up and base above this \$180 level while RIS strengthens. PYPL has based right on its rising 144-week moving average which held as a low in March 2020 as well the \$178-\$205 range a high-volume area with a close above \$196.50 currently needed to turn bullish out of this base. PYPL is a leading technology platform and digital payments company that enables digital and mobile payments on behalf of merchants and consumers worldwide. PYPL has been focused on improving customer and merchant experiences with its long-term plans of building out a “Super App.” PYPL gave its long-term forecasts last year at an Investor Day of \$2.8T in TPV in 2025 (+25% 5-yr CAGR) with \$50B+ in revenue (20% 5-yr CAGR) and non-GAAP EPS growth at a +22% 5-yr CAGR. PYPL has been expanding its offering into P2P, BNPL and Crypto. PYPL currently has a market cap of \$224B and traded 35.5X Earnings, 25.8X EBITDA and 7.2X EV/Sales. Analysts have an average target of \$268 and short interest is low at 1.4% of the float. MSCO has a \$265 target noting PayPal is being adversely impacted from hangover impacts of the pandemic; tightening supply chains, consumers shifting back to in-person to assure delivery, roll-off of stimulus are all creating a bigger drag on growth. It is positive on bringing Venmo payments to Amazon, expanding into BNPL and monetizing other services like Honey allowing PYPL to grow strongly with accelerated FY23 growth and expand margins. PYPL is also pursuing more strategic acquisitions. Bloomberg reported last week that PYPL is considering launching its own stablecoin as it expands in crypto. BMO recently upgraded to Outperform with a \$224 target seeing valuation reset as attractive with a focus on 2023 normalized numbers. Loop started shares Buy with a \$269 target in November with 2022 expectations reset and tremendous network effects taking place.

Hawk Vision:



Hawk's Perspective: PYPL is basing on this 144-week EMA that my historical studies show as vital support, so reward/risk versus recent lows favorable, a close above \$196 would be confirmation of the bottom.

Confidence Ranking: \$\$