



FEATURED OPTIONS RADAR REPORT



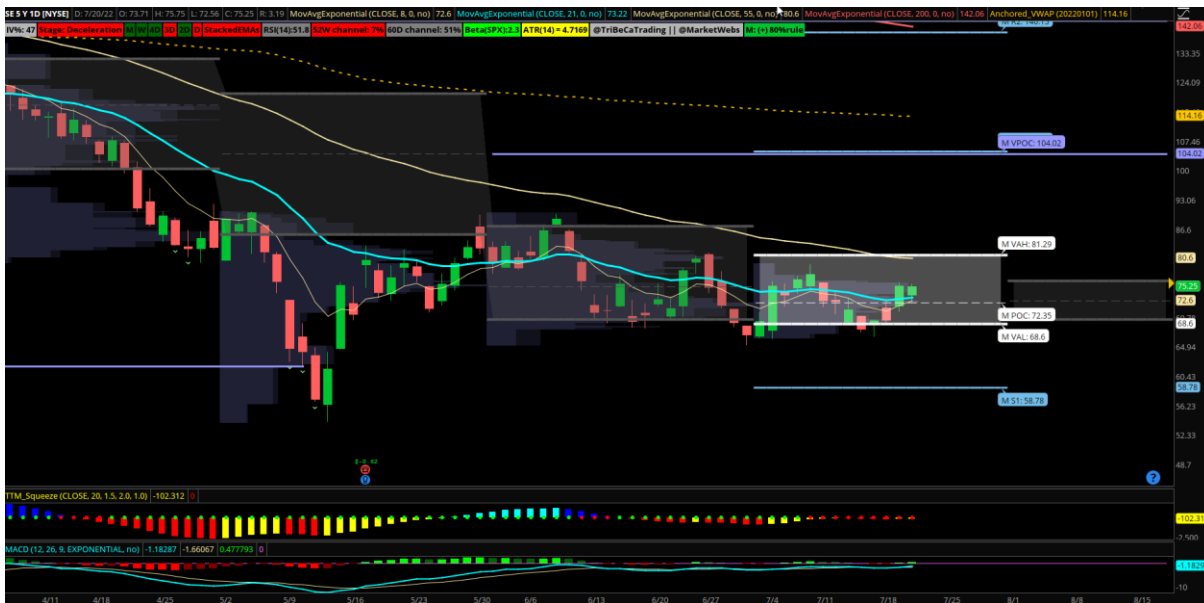
Asian Tech Name Seeing Value with Large Opening Put Sales

Ticker/Price: SE (\$75.60)

Analysis:

Sea Limited (SE) with a large opening put seller on 7/19 for 5,000 September \$60 short puts sold at \$3.90 for nearly \$2M. Also, the Sept \$55 puts active with sellers this week down to \$2.70 for nearly \$1.1M and the November \$60 puts sold 2,500x at \$6.65 for another \$1.6M in premium. Shares have been basing nicely in a long bottoming pattern since mid-May and have found value at the mid 60's while moving averages have come down to price with the 55 EMA now just overhead near 80. The stock is showing strong support at 65 the past month and now back over 21 EMA with a potential breakout coming to 90-100 on follow through above monthly value highs of 81. The name has a lot of space to the 104 untested VPOC if things get strong as well. The \$42B company trades 2.2x EV/sales, and likely not to be profitable until 2025 at current expectations. SE is estimated to see revenues grow 30% in FY23 and 23.5% in FY24 with a 3-year Revenue CAGR of 113%. SE is creating a super app in Asia across E-commerce, (Shopee), Digital Entertainment (Garena) and Digital Financial Services (SeaMoney). SE also started in Food Delivery last year and Ride Sharing a few months ago. SE remains a secular growth winner with a massive opportunity long-term and near-term the focus shifts to success in Fintech and Shopee's success in other emerging markets. Average analyst target is \$168 with a Street high of \$400. This week Barclays lowered their target to \$125 but kept an Overweight rating on shares based on adjusting gross merchandise volume estimates for Q3 and Q4 due largely to significant U.S. dollar strength in recent periods. China Renaissance in late May assumed coverage of Sea Limited with a Buy rating and \$118 price target. While Garena's bookings and profitability could worsen further in Q2, Gaming downside is priced in. Meanwhile, Shopee is likely to post moderate GMV growth and that side of the business is on its path to profitability and expects narrowing losses at Shopee and SeaMoney to support the group's profitability in FY24. Short interest is at 3.6%. Hedge fund ownership fell 4.7%.

Hawk Vision:



Hawk's Perspective: SE is a nice setup inside of value for the month and if bullish can trade against the lows at 68.60 for a potential move to 80+. The short Sept puts calling a floor in the name that should be supported.

Confidence Ranking: \$\$