



FEATURED OPTIONS RADAR REPORT



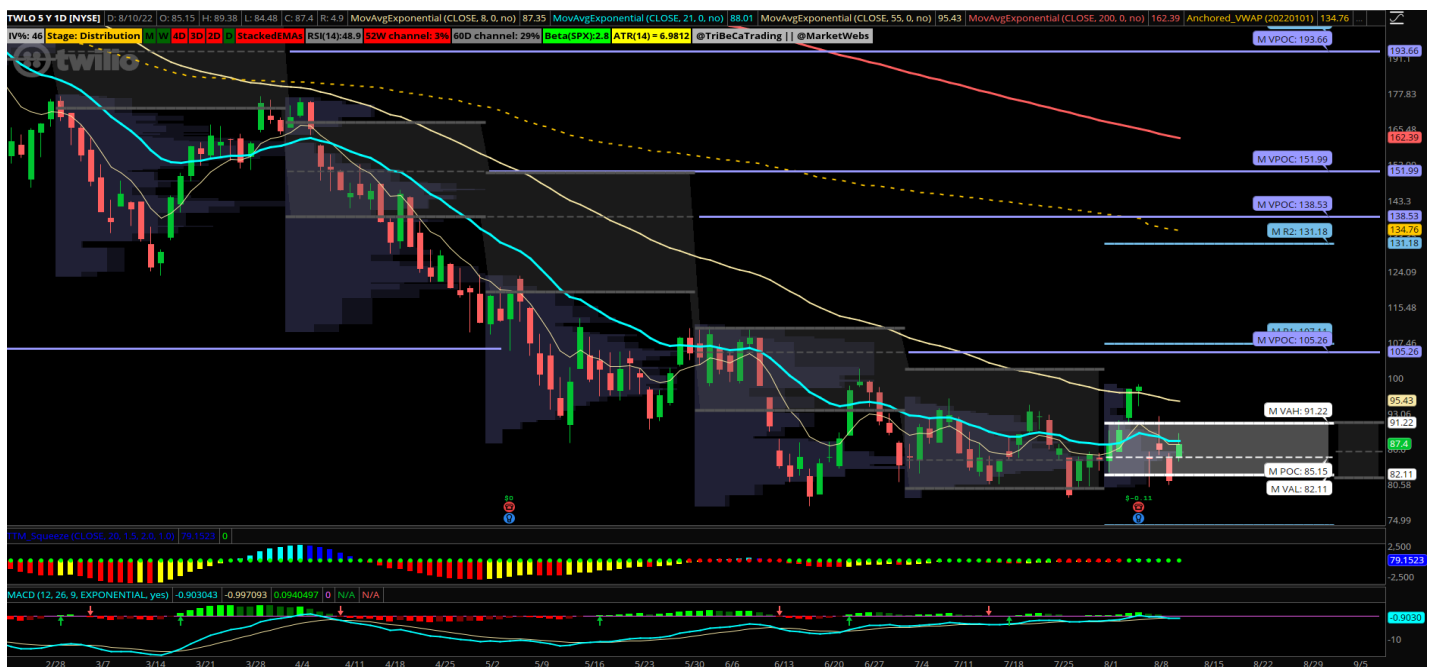
Former Growth Darling Sees Bullish Flow into Recent Selloff

Ticker/Price: TWLO (\$87.45)

Analysis:

Twilio (TWLO) on 8/9 with a large buyer of 2000 January \$105 calls at \$7.30 for over \$1.5M and also last week seeing buyers of 590 September \$85 calls at \$7.10 while opening put sales were seen in October \$120 deep ITM puts at \$37.00 for over \$1.6M showing confidence in a return to levels higher than here by October. TWLO also has size January 2024 \$100 calls in open interest from buyers on 7/7 at \$26. Shares are sluggish and still near the recent lows after getting hit on earnings last week back to the monthly value low near 80 which it held and rebounded from. The stock has resistance at 91 overhead but above that can fill a gap to 97.50 with the 100-round number about that. Also, an untested VPOC at 105 but above that a lot of clear open space towards 130 if a rally were to trigger above the 55 EMA near 95. MACD on weekly is positive as a long base is being built back near its April 2020 lows before it went on its enormous run higher to over 400 after the pandemic. The \$16.0B company trades 35x EBITDA, 2.6x EV/sales, and is expected to get back to profitability in FY23. Revenues are expected to grow +36% in FY22 and +28% growth in FY23 estimated. TWLO offers cloud communications platform, which enables developers to build, scale and operate real-time communications within software applications. The Super Network is its software layer that allows its customers' software to communicate with connected devices globally. It interconnects with communications networks and inbox service providers around the world. On the recent earnings call the company stated they still feel good about our 60% plus gross margin target longer term and irrespective of the macro environment, we're intending to be profitable next year no matter whether it has an impact on growth or not. Average analyst target is \$165 with a Street high of \$320. On 7/20 Bernstein started at Outperform and a \$91 target and in June Scotiabank initiated with a Outperform rating and bullish \$215 price target. Short interest is at 4.3%. Hedge fund ownership fell 9.3%.

Hawk Vision:



Hawk's Perspective: TWLO has been lagging the growth tech rally, but these bull flows look confident in a reversal so trading against the lower value area at 82 makes sense.

Confidence Ranking: \$\$