



Twilio Bulls Position for Further Upside

Ticker/Price: TWLO (\$119.40)

Analysis:

Twilio (TWLO) earlier with 1000 Jan. 24th (W) \$115 puts sold to open also seeing hot call activity with 1,450 of the Jan. 31st (W) \$120 calls bought \$3 to \$3.50 and 2,875 of the Feb. 7th (W) \$120 calls opening \$4.50 to \$5. TWLO has seen bullish activity mostly the last few weeks near-term and longer term. Shares triggered a base breakout at the \$103 level recently and have made a sharp move higher into the 200 day MA. The \$15.5B communications software Company is in the sweet-spot for expected CIO spending in 2020, and is trading 13.4X EV/Sales with topline growing 63% and 72% the last two years and 31.6% growth seen in FY20 as profitability also ramps higher. TWLO will next report earnings on 2-11-20. Analysts have an average target of \$130 while short interest at 17.7% of the float is also hitting a new high. Piper raised its target to \$145 on 1-8-20 seeing Street estimates stabilizing. KeyBanc with coverage recently at Overweight with a \$127 target noting Flex is a 2021+ story and concerns over billing challenges and slowing expansion rates are overdone. Hedge Fund ownership fell modestly in Q3 filings, Whale Rock a notable top holder.

Hawk Vision:



Hawk's Perspective: TWLO has made a great move from the technical base breakout trigger and now with 200 MA resistance and the concern of that surging short interest, more of a spot I would be raising stops and cutting shares.

Confidence Ranking: \$\$