Yandex Bulls Position for New High Breakout on Digital Growth Themes

Ticker/Price: YNDX ($69.55)

Analysis:

Yandex (YNDX) on 12/30 with more than 3000 May $75 calls bought to open for over $1.3M and also a buyer of 500 August $75 calls for $275K. YNDX also has 1000 February $70 and 1800 February $75 calls in open interest from buyers and 2000 January 2022 $55 calls that bought back on 8/6 for $2.9M. YNDX is also a name with sizable January 2021 $40, $50, and $55 call open interest now deep ITM. On the chart YNDX shares are forming a multi-month cup and handle pattern and a move above $70.60 targets a run to $85, while $75.50 an initial 138.2% Fibonacci extension target. The $24.5B Russian internet company trades 45X Earnings and 9.1X Sales. YNDX revenues are set to grow 12% in 2020 after 26% and 33% growth years previously and 2021 seen at 43%+ growth. YNDX has a dominant share of the Russian Internet Search market which contributes the majority of its revenues and earnings but also has a number of intriguing other businesses such as Taxi, E-Commerce, Classifieds, and Media. The Taxi business combines ride-hailing (partnered with Uber), Logistics, and Food/Grocery Delivery. Analysts have an average target of $69 and short interest fairly low at 3.3% of the float. BAML upgraded shares to Buy on 11/24 as the only global company offering exposure to fast-0growing, underpenetrated online digital, ride hailing, ecommerce, food delivery, autonomous drive, online blogging and potentially FinTech. BAML has an $80 target citing the $3 trillion TAM with its successful transformation into a platform / Super App. Hedge Fund ownership fell over 22% in Q3 filings, Jericho Capital adding to its position.

Hawk Vision:

Hawk's Perspective: YNDX has always been a favorite and its $25B market cap feels way too small for the opportunity, a great Tech name in a unique geography and sets up great here for a strong run in 2021.

Confidence Ranking: $$