SoFi Technologies Inc (SOFI)

Uptrend Remain Intact



Bloomberg

Technical Outlook

Uptrend remains intact. Historically, we expect a pullback to be followed by a decent breakout last week. The declining MACD histogram reflects slowing momentum at the current juncture, before the price continues its upward trajectory toward our resistance level of around USD32.0. A drop below the EMA60 would invalidate the setup.

Trading Catalysts

Subprime FinTech declining. We gathered that shares of fintech lenders such as AFRM, LC, UPST, and KLAR have declined 7.8% YTD. We understand this stems from weaker investor confidence, as these lenders are largely exposed to subprime consumers, which could have a multiplier effect amid signs of a softening labour market.

SoFi's premium valuations appear well justified, in our view. Nevertheless, SoFi's shares have held up relatively well compared to peers, supported by its prime borrower base. Also, note that the 2-YR and 5-YR yields have declined by 12 bps and 10 bps on an intra-quarter basis, respectively.

With growth yet to be priced in. For perspective, as investors earn less on government securities in a lower-yield environment, SoFi's prime-quality loan pools become more appealing, given their better risk-adjusted returns to debt holders; all of which we believe was reflected in its recent robust earnings performance.

Peer Comparison

	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
SoFi Technologies Inc	**SOFI**	**29.0**	**34.8**	**53.7**	**53.2**	**8.6**	**18.6**	**Positive bias**	**Up**
Powell Industries Inc	AFRM	68.9	22.4	25.8	65.2	1.8	1.6	Negative bias	Up
AcuityInc	LC	16.8	1.9	22.0	21.4	7.4	6.5	Oversold	Down
AcuityInc	UPST	45.0	4.3	22.0	21.4	-1.0	-20.2	Oversold	Down
Honeywell International Inc	KLAR	36.6	13.8	33.4	28.9	#N/A N/A	0.1	Oversold	Down
Avg ex-SoFi Technologies Inc			**10.6**	**25.8**	**34.2**	**2.7**	**-3.0**		

Source: Bloomberg, M+ Research

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SoFi Technologies Inc

Company profile

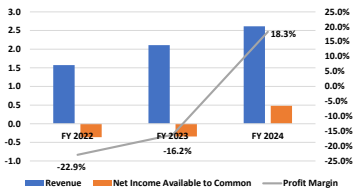
SoFi Technologies, Inc. offers a comprehensive digital financial platform enabling members to borrow, save, spend, invest, and protect money. Operating through Lending, Technology Platform, and Financial Services segments, SoFi provides loans, banking, investing, and insurance solutions, powered by its Galileo and Technisys platforms. Founded in 2011, it is headquartered in San Francisco.

Technical Data

Price	29.46
R1	32.00
R2	31.00
S1	29.00
S2	28.00

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Financial Snapshot



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(a) nil.