



## Canada Goose with Bullish Positions

**Ticker/Price:** GOOS (\$53.85)

### Analysis:

**Canada Goose (GOOS)** showing strength today as it emerges out of a multi-week base and 1,000 May \$50 calls bought for \$4.80 to open. GOOS has 2,450 July \$65 calls in open interest from buys and 1,150 May \$55 calls as well from buys. The January \$50 and \$55 calls with 1,000 each from buyers in October. Shares are moving out of a downtrend from the November highs and back above cloud resistance with a gap up to \$58 on the profile. Further, shares have room to recent highs at \$70. The \$5.7B company trades 58X earnings and 13.3X sales with explosive growth, up 36% in 2019 and settling into a 20-25% range over the next two years. GOOS sees 25-30% EPS growth. The company has been seeing better margins with a higher percentage of DTC sales. They outlined a plan to expand their retail footprint recently with six new stores later this year across the US and Europe and follows their much-hyped opening in China last year. Analysts have an average target for shares of \$79 with 8 buy ratings and 3 hold ratings. Short interest is 12.8%. DA Davidson positive on 4/2 noting that average pricing, while still down from last year, has stabilized and the core parka category remains strong. They think price decline at GOOS are largely due to the change in mix after the company started to expand its assortment with lighter weight products. Susquehanna has a Buy rating for shares and thinks it sets up well into Spring and Fall with new product lines helping drive brand expansion within existing distribution. Institutional ownership rose 46%. Key Square Capital with a 15% weighted position and Tairen Capital a new 7.5% weighted position.

### Hawk Vision:



**Trading Strategy:** GOOS should be set for another strong quarter with cold weather apparel doing well and is a high growth name. Valuation is a concern, but with current momentum looking to move even higher.

**Confidence Ranking:** \$\$