



Expeditors International Calls Bought on Trade Deal Hopes

Ticker/Price: EXPD (\$74.90)

Analysis:

Expeditors (EXPD) with another 2000 July \$75 calls bought up to \$1.80, moving above YTD VPOC this week and follows the 2,000 bought yesterday near \$1.60. EXPD also has elevated open interest in August \$77.5 and \$80 calls. EXPD shares have rebounded this week off the rising 89 week EMA and weekly cloud similar to Q4 and relative to Transport peers has held up real strong not far from record highs. The \$12.9B logistics Company trades 19.9X Earnings, 25.45X FCF and 13.5X EV/EBITDA with a 1.2% yield. EXPD projections see 6.5% and 5% revenue growth the next two years. Ocean Containers and Airfreight are its main businesses so any trade deal with China could be a big boost for shares. Analysts have an average target of \$74.50 on shares and short interest is 3.6% of the float, rising 20% Q/Q. Cowen has a \$76 target seeing lowered 2019 numbers on trade war issues slowing export volumes. Hedge Fund ownership fell 12.2% in Q1 filings.

Hawk Vision:



Trading Strategy: EXPD may be a sneaky way to play trade optimism and its impressive relative strength makes it a preferred name on the Transports arena that has otherwise seen a lot of negative positioning.

Confidence Ranking: \$\$