



## Mondelez Bulls Position for Move Back to Highs

Ticker/Price: MDLZ (\$52.95)

### Analysis:

**Mondelez (MDLZ)** with 930 September \$47.50 ITM calls bought \$6.15 to \$6.20 in early day activity and now up to 1400X in the opening 90 minutes, a name that has seen bullish positioning in June expiration which are set to close this week while also seen July \$52.5 and December \$50 call buys and plenty of longer term bullish accumulation with call buys and put sales. MDLZ shares putting in a strong weekly candle but in a consolidation range for a few weeks, a big breakout started earlier this year but then shares fell with the market in March, though a potential beneficiary of snack spending with pantry hoarding. The \$74.75B consumer goods leader trades 19.1X Earnings, 2.87X Sales and yields 2.17%. MDLZ is a best-in-class business versus peers and seen strong margin expansion the last few years. MDLZ has a strong balance sheet, potential for 3-5% organic growth in 2020, and a flexible International portfolio. MDLZ spoke at the Evercore Conference yesterday and highlighted the strength it is seeing in core brands. Analysts have an average target near \$60 and short interest low at 0.9% of the float. Berenberg recently upgrade to Buy on higher organic growth with momentum across its categories and a return to margin expansion as it exits the heavy lifting phase of higher investments. Morgan Stanley on 6/2 noted MDLZ is building momentum in the US and Europe after a detailed market share analysis, an Overweight rating and \$58 target. Hedge Fund ownership rose 4% in Q1 filings, Triam Fund with a very large stake.

### Hawk Vision:



**Hawk's Perspective:** MDLZ is a favorite in this group though right now market favoring growth names, if we see a rotation it is a top name to turn to, also watching the 200 day MA here.

Confidence Ranking: \$\$