



FEATURED OPTIONS RADAR REPORT



Bulls have Faith in Nike Resuming Leadership

Ticker/Price: NKE (\$96.50)

Analysis:

Nike (NKE) opening sale 1100 January 2022 \$95 puts \$12.80 showing a lot of confidence in the name longer term. NKE has over 7000 January \$95 calls in open interest from buyer accumulation, and more recently seen October \$92.5 puts sold to open 8000X with the \$100 calls bought 6500X. NKE shares pulled back since June and basing above key volume support at \$96 and with a move above \$100 can start to make a run back to new highs. The \$150B global footwear & apparel leader is trading 22.6X FY21 EBITDA, 4X Sales and 29.7X Earnings with a 1% dividend yield. NKE will next report on 9-22 and forecasts right now see 4.5% revenue growth this FY21 with 44% EPS growth. NKE has thrived in recent quarter with success of its DTC and also very tied to technology, two positives seen in Apparel results this quarter. Analysts have an average target of \$110 and short interest is less than 1% of the float. TAG raised its target to \$110 on 6/19 seeing the Q4 report as a trough and digital sales likely accelerating, strength in athletic, government stimulus check spending, product innovation, Jordan retro sneaker demand and market share gains. Ray-Jay raised its target to \$115 expecting NKE to show strong demand for its innovative products and digital investments the last few years paying off. BTIG started coverage in April at Buy with a \$108 target noting its strong brand and balance sheet allow it to weather the storm better than rivals. Stifel recently raised its target to \$122 noting RFID implementation paired with Celect's machine learning and analytics will have a "powerful beneficial impact" to Nike financials in the next few years. Hedge Fund ownership rose 3.5% in Q1 filings, notable top holders include Edgewood, Polen, Winslow, and Sustainable Growth Advisors.

Hawk Vision:



Hawk's Perspective: NKE remains a top quality own and above some moving averages at \$97.5 should trigger a nice buy versus \$95 stop, solid reward/risk.

Confidence Ranking: \$\$