



FEATURED OPTIONS RADAR REPORT



Coca Cola Bullish Strategies as Shares Base

Ticker/Price: KO (\$47.85)

Analysis:

Coca Cola (KO) with 5,000 November \$50/\$45 bull risk reversals bought today for a small credit and later 1,500 OTM June \$55 calls bought for \$1, continued bull flow in the name that has seen 5,000 June \$42.50 puts sold to open recently as well as put sales in October. The December \$47.50 calls also with active buyers, over 12,950X. Shares are forming a narrow multi-month range under \$48.50 with a breakout into a low-volume gap targeting \$55. KO is forming a series of higher lows since March and MACD near a bullish cross while RSI remains healthy. The \$206B company trades 23.2X earnings, 6X sales, and 10.4X cash with a 3.4% yield. KO said in July that they've shifted from defense to offense since the pandemic started in March with a greater focus now on SKU rationalization and further streamlining to help cut costs and grow their premium brands. The company is expanding global bets on things like low- and reduced-sugar options Internationally while also increasing marketing spend on high-potential brands like AHA sparkling water which captured double-digit retail share in its first 18-weeks on market. KO recently announced the launch of their hard seltzer brand in Latin America, an experimental push to gain a foothold into the \$14.5B global market. Analysts have an average target for shares of \$54. MSCO upgrading to Buy in July noting that they expect Q2 to be the bottom for short-term pressures with valuation now far too discounted versus peers with upside from re-openings. BAML positive noting that they see a strong 2H as consumers become more mobile and marketing/ad budgets become more targeted. Short interest is 0.7%. Hedge fund ownership fell 0.3% but Point72 adding a new 1.1M share position while Candlestick Capital a new 1.6M share position.

Hawk Vision:



Hawk's Perspective: KO is setting up nicely and if the market starts to move back into safety mode could be a nice name to have long exposure.

Confidence Ranking: \$\$