



FEATURED OPTIONS RADAR REPORT



Live Nation Bull Positions on Vaccine Hopes

Ticker/Price: LYV (\$55)

Analysis:

Live Nation (LYV) buyers of near 1,300 November \$52.50 calls this morning for \$5.50 to \$5.90 and name that has drawn a lot of longer-term bullish positioning including the January 2022 \$60/\$30 bull risk reversal last week and the CEO bought \$1M in stock in March at \$39 in a show of long-term support. LYV has notable size in the January \$52.50 calls and January \$50 calls as well. Shares are forming a bull wedge above the 200-day MA and daily cloud support and a clear volume gap above \$60 back to the February range. Shares are right at channel support now as well. The \$11.8B company trades around 1.5X FY22 sales and 3.5X cash with a Current Ratio of 1.3X, although some focus on longer-term debt. LYV expects to return to profitability in FY22. LYV's business has slowed considerably due to COVID but optimism around 2021 with vaccine advances and greater availability of therapeutics expected. LYV has cited significant pent-up demand likely into next year's festival and concert season while 86% of 2020 cancellations have held onto their tickets and nearly two-thirds of festival sales committed for 2021. LYV has reportedly been working with artists on rate adjustments for 2021 and optimistic that they will remain positive as they have been able to keep promotions and discounts at virtually zero while bookings for 2021 shows are already showing signs of strength. Analysts have an average target for shares of \$55. MSCO raising estimates on 9/21 citing the long-term growth prospects of the live entertainment business and the analyst sees Live Nation's position in the industry likely strengthened due to COVID-19 as smaller clubs and venues close. Citi positive in late August noting LYV sufficient liquidity to endure most adverse revenue scenarios. Short interest is 7% and down from over 10% during the initial March/April selloff. Hedge fund ownership fell 25% in Q2, D1 Capital, Akre, and Fir Tree Capital all notable holders.

Hawk Vision:



Hawk's Perspective: LYV recently with a nice candle off the 200 MA and trying to form a nice base. It's hard for me to be confident though with no signs of COVID slowing or normalization returning, so I would like to see some positive developments first.

Confidence Ranking: \$\$