



FEATURED OPTIONS RADAR REPORT



AMC Put Buyers Active into Strength

Ticker/Price: AMCX \$34.11

Analysis:

AMC Networks (AMCX) size buyers of 4,000 March \$40 puts for \$7.70 and follows the March \$25 puts bought 5,000X to open on 11/13. Shares have soared higher recently but running into resistance from the January high-volume node around \$35 and putting in a potential reversal candle today. The 8-EMA is lower around \$31 and big air pocket back to \$25. The \$1.32B company trades 4.3X earnings, 0.47X sales, and 2X FCF. Short interest has soared up to 45% of the float from around 15% in early 2020. The company sees low-single digit growth in both FY21 and FY22. AMC has struggled in recent years with one of their biggest programs ever leaving the air and their other big hit losing viewership steadily over the last two years. They've been late to the DTC model as well and launching their AMC+ app this year, but expected to see margins weighed on as they invest in marketing spend and digital awareness. Analysts have an average target for shares of \$27. MSCO starting at Equal Weight on 11/2 noting that While the advertising market is improving and cord-cutting is stabilizing, streaming economics remain "less certain" and streaming has a much more challenging model to scale than legacy TV. JP Morgan cutting to Underweight in October on DTC concerns. The firm thinks competition "remains fierce" as larger platforms continue to bulk up with more content across different genres, making it unlikely that AMC's streaming services can achieve enough scale to be transformative the way Disney+ has been. Hedge fund ownership rose 20% in Q3. Aristeia Capital a buyer of 1.6M shares. Maplelane Capital a buyer of put options.

Hawk Vision:



Hawk's Perspective: AMCX a nice short versus other preferred media names but the momentum is strong and needs to present a better risk/reward setup

Confidence Ranking: \$\$