



FEATURED OPTIONS RADAR REPORT



Unusual Large Call Buy in Signet

Ticker/Price: SIG (\$28.50)

Analysis:

Signet (SIG) buyer of 1,000 July \$30 calls today for \$6.40 to open, strong trending name that has pulled back to the rising 21-MA. SIG has some December call spreads closing today but buyers in the January \$28 calls on 10/20 remain in OI and over 6,500 January \$30 calls from August 2019 remain as well. Shares have rallied back to a big area of resistance stretching back to mid-2019 and potential base breakout has a long-term measured move up to \$60. The \$1.55B company trades 12.5X earnings and 0.3X sales with a lot of cash on the balance sheet. SIG suffered earlier this year from store closures due to the pandemic as well as a slowdown in wedding demand but noted last week they've seen that demand come back and more through engagements which are up double-digits Y/Y. Online jumped to 30% of their overall revenue last quarter and SIG has focused on refining their strategy throughout the year, including customizations and DTC, which positions them better into the busy holiday season. SIG has noted that they're seeing better conversion rates online than in stores and expect that to continue as they rolled out expanded payment options for Apple Pay, Google Pay and others. Analysts have an average target for shares of \$25. Northcoast noting that demand has been especially strong this year around big holidays like Mother's Day which bodes well for the Holidays upcoming, and bridal has surged back since the early Spring. Citi remains cautious the name as earnings power is far less than it used to be given smaller footprint and warnings over store closures. Short interest is 21.3% but down sharply from this time last year when it was near 40%. Hedge fund ownership rose 13.5% in Q3, Samlyn Capital a buyer of a new 1.3M share stake and a top 5 holder. SIG has seen a lot of insider buying over the last two years including buyers this Spring into the lows but some sizable buys in late 2018/2019 between \$40 and \$50.

Hawk Vision:



Hawk's Perspective: SIG could be a beneficiary of DTC and not any other ways to play jewelry with TIF acquired, a move above \$30 would be tradable versus recent lows.

Confidence Ranking: \$