## Massive Position Sees Further Gains for Consumer Finance Leader

**Ticker/Price:** AXP ($159.2)

**Analysis:**

**American Express (AXP)** this week with a massive positioned opened for 34,850 June $125 ITM calls valued at $140M as an April position adjusted. AXP has not seen a lot of other activity. AXP shares are +7.7% YTD but have pulled back since the Financial sector was hit hard and trying to base at a gap fill and 200-day moving average support. The $153.75 level is a key volume node to hold and retested the large weekly falling wedge breakout although weekly MACD now crossing negative. AXP also at a huge VWAP off the October low support so setting up positive reward/risk versus $150. American Express is a globally integrated payments company and a leader in providing credit and charge cards to consumers, small businesses, mid-sized companies and large corporations around the world. AXP has a market cap of $124B and trades 13X Earnings, 2.27X Sales and 7X FCF with a 1.47% dividend yield. AXP trades 7X FY24 EBITDA forecasts with revenues seen growing 10-12% annually in 2023/2024 along with 12-13% annual EPS growth, an attractive value for growth name. AXP's higher credit-quality skew offers downside protection from consumer credit deterioration and is well positioned to benefit from ongoing recovery in corporate travel/entertainment spend. AXP recently announced plans to raise the dividend 15% and repurchase up to 120M shares. Analysts have an average target of $187 with short interest low at 1% of the float. MSCO raised shares to Overweight on 2/1 and sees better operating leverage ahead. Argus raised its target to 210 from 180 in January citing strong 17% growth in network volumes and its customers more insulated from inflation and macro pressures.

**Hawk Vision:**



**Hawk's Perspective: AXP** is likely a gift on this dip to the 200-day and like the risk/reward into this weakness. I would like to see more near-term flows and wait to ensure this bear flag does not play out lower.

**Confidence Ranking:** $$