



FEATURED OPTIONS RADAR REPORT



Comcast Bulls Position for Longer-Term Upside

Ticker/Price: CMCSA (\$52.60)

Analysis:

Comcast (CMCSA) seeing a lot of bullish activity this week with longer-dated options, the January 2023 \$62.5/\$42.5 bull risk reversals opened 3000X on 2/18, the June 2022 \$55 and \$57.5 calls with size buys this week, and in early January March \$55/\$42.5 bull risk reversals opened 15,000X. CMCSA also with a block of 5000 October \$50 calls bought on 1/6 still in open interest. CMCSA last week broke out of a nice weekly flag pattern and this week pulling back to retest that breakout and its rising 13-day moving average. The pattern targets a move up to at least \$60. The \$242B company trades 14.7X Earnings, 2.7X Book and 21X FCF with a 1.89% dividend yield. CMCSA has also always been a best-in-class operator and sees revenues growing 8% in 2021 with EBITDA climbing 6.3% in 2021 and 13.8% in 2022. CMCSA valuation is very compelling as it moves into the streaming field with its recent Peacock launch. CMCSA should lap some easy comps as TV/Film production comes back online and theme parks reopen. Comcast has three primary businesses: Comcast Cable, NBCUniversal and Sky. Peacock saw 33M signups in Q4. Analysts have an average target near \$60 and short interest is low at 1.7% of the float. Benchmark recently raised its target to \$70 citing Peacock's differentiation with it offering sports and news along with shows. Cowen raised to Outperform on 2/3 noting headwinds will dissipate as the economy reopens and sees strong FCF with a resumption of buybacks. Triun Fund has a \$1B stake in Comcast.

Hawk Vision:



Hawk's Perspective: CMCSA is one of the best value for growth names in the market here and with upside optionality, so think it is a safer core own.

Confidence Ranking: \$\$