



## FEATURED OPTIONS RADAR REPORT



### Bull Positive on Disney Amid Parks Momentum, Disney+ Investments

**Ticker/Price:** DIS (\$175)

#### Analysis:

**Disney (DIS)** large trade on 6/23 with a buyer of 11,500 January 2023 \$190 calls for \$16.20 in a stock replacement. DIS has seen buyers recently in the June \$175 calls 2750X, November \$190 calls, and October \$200 calls while put sales also active across October and January 2023. Shares are in a multi-month downtrend and looking for momentum to shift back above \$178.50. There's a small gap above to \$185 and then a run at recent highs with the narrow bull wedge measuring out to \$230 long-term. The \$322.5B company trades 35X earnings, 5.5X sales, and 20.3X cash. DIS fell last quarter after their outlook for Disney+ subs and content costs came in soft, albeit expected. They kept their long-term outlook however and continue to invest in content that will create a strong moat versus peers like Netflix, Warner, and others. DIS was at the CSFB Conference last week and highlighted cross-sell opportunities into 2022 with Parks, Disney+ and DTC all running together for the first time ever. They also noted that forward-looking reservations for parks have been very strong as the reopening accelerates and they are encouraged looking ahead to the 2H. Analysts have an average target for shares of \$201 with a Street High \$230. Wolfe positive on 6/10 citing a sum-of-the-parts analysis that values Disney+ at \$54/share. MSCO positive in May noting that they sees all signs pointing to a strong reopening across the cyclical and COVID-related parts of Disney's businesses and remains confident in the FY24 guidance for 230M-260M Disney+ subscribers. Short interest is 1.2%. Hedge fund ownership fell 7.5%.

#### Hawk Vision:



**Hawk's Perspective:** DIS is a favorite long-term play and concerns over Disney+ growth seem overblown as they still have the best IP among their peers, a move back above \$177 sets up a nice trend shift

**Confidence Ranking:** \$\$