



## FEATURED OPTIONS RADAR REPORT



### Size Calls Bought in Quick Service Restaurant

Ticker/Price: DPZ (\$350)

#### Analysis:

**Domino's Pizza (DPZ)** February \$350 calls bought to open 3000X on 1/10 at \$6.90 to \$7. DPZ does not have much notable open interest but has seen the February \$350 puts sold to open 650X and January 2024 \$330 puts sell to open 500X. DPZ recently bottomed at the \$300 level which was a perfect retest of the 2020 pandemic breakout spot and this \$300/\$400 range now on watch with a move above \$400 setting up for a return to \$500 while VWAP off its highs is currently at \$375 and \$434 is a 50% retracement level. DPZ is a quick-service restaurant company. The Company operates through three segments: U.S. Stores, Supply Chain, and International Franchise. DPZ has a market cap of just \$12.25B and remains richly valued at 24.65X Earnings, 19X EBITDA and 2.73X Sales. Forecasts seen revenue growth in the 4-6% range the next two years with EPS growth 10-15% annually. Carryout continues to be a growth lever and a massive opportunity for DPZ. DPZ has been navigating through inflationary pressures and those should abate through 2023. Analysts have an average target of \$385 and short interest at 4.5% of the float. BTIG upgraded to Buy in December with a \$460 target seeing pricing actions bolstering sales and margins while a development resurgence is likely in 2024. BTIG also named it a top pick for 1H23 on easier comps and overly bearish sentiment.

#### Hawk Vision:



**Hawk's Perspective:** DPZ bounced at the right area and back into monthly value, the next key level to clear is 355.50 for a run to 365.

Confidence Ranking: \$\$