



FEATURED OPTIONS RADAR REPORT



Bulls Load Up in Weak Trending Fashion Platform Leader

Ticker/Price: (\$19)

Analysis:

FarFetch (FTCH) seeing bullish accumulation recently with buyers of 14,000 April \$30 calls, 5,000 of the April \$25 calls, and 8,000 of the June \$35 calls. FTCH has also seeing 6,000 April \$22.50 calls bought for \$2M and 14,000 April \$35 calls bought for \$1.7M. Shares have been weak since early 2021 and back to volume support around \$19 from 2019/2020. A bounce higher in the near-term has room to \$28 and the recent base breakdown. The \$6.86B company trades 3.22X sales and 4.75X cash. FTCH is a leading global platform for the fashion industry and attacking a major market opportunity as more consumer spending moves online in the \$300B luxury market. FTCH has partnered with JD.com to enter the emerging Chinese market while also expanding into big verticals like sportswear. Analysts have an average target for shares of \$50 with a Street High \$77. BTIG positive on 1/18 despite lowering estimates. UBS starting at Buy in December bullish on the Farfetch Platform Solutions suite of solutions and notes that Richemont said Farfetch is seen as having the best technology in the market, which cannot be replicated. The company could benefit from several exciting trends, including the overall transition to online and the shift in spend to Mainland China. Guggenheim starting at Buy in November as they think online channel share gains should reaccelerate in 2022. They think Farfetch is one of the best ways to play digital luxury due to its capital-light model, competitive offering and exposure to high growth segments. Hedge fund ownership rose 5.8% last quarter.

Hawk Vision:



Hawk's Perspective: FTCH is obviously in an ugly trend but valuation is starting to get to interesting levels with all of their partnerships and out-year optionality which could see it regain its long-term momentum; on watch for better price action above \$24-\$25

Confidence Ranking: \$\$