



FEATURED OPTIONS RADAR REPORT



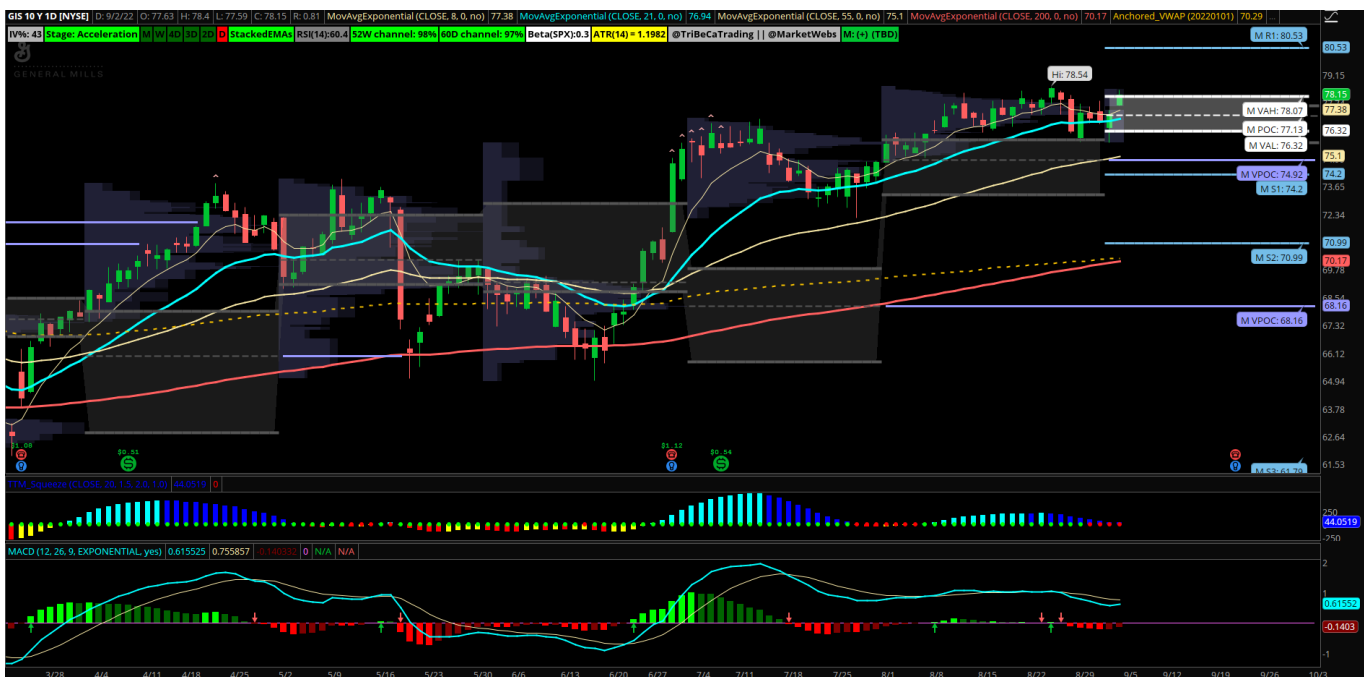
Consumer Leader Sees Call Buyer as Quiet Uptrend Continues

Ticker/Price: GIS (\$78.15)

Analysis:

General Mills (GIS) on 9/1 saw a large buyer for longer term January 2024 \$80 calls as over 1000 bought at \$7.57. This is one of the larger option trades in GIS in several months and the name still has January \$75 calls and \$70 calls in open interest from buyers early in the Spring bought at \$4.50 and \$4.70 respectively. June \$80 calls were also bought on 6/1 over 1600x at \$2.62 and remain in OI up nearly 100% since and sticking with the trend. Shares are up +15% year to date quietly making new 52-week highs the past week as the broad market pulled back. A lower beta name that has trended nicely above its 8-week EMA since June's breakout higher and cleared the 2016 highs near 72. Short term the stock has support at 77 and 75 with a few monthly VPOC's below. The 55 EMA also in that area would be support on a dip. The \$46.1B company trades at 19.0x earnings, 2.9x EV/sales, and FCF yield at 5.9% with a dividend yield at 2.9%. Revenues seen growing +2% in FY23 and +2% estimated in FY24. The Company operates through four segments: North America Retail, International, Pet, and North America Foodservice. GIS has been surviving the inflation of 2022 quite well and on the 6/29 earnings call stated that though significant inflation and supply chain disruptions put pressure on our margins, we responded quickly to address those challenges and keep our brands on shelf for our customers and consumers. Average analyst target is \$73 with Street high of \$88. Citi the top bull on the Street raised its price target recently to \$88 and kept a Buy rating on shares citing the company's solid fiscal Q4, with operating margins coming in better than expected. While gross margins remain pressured by supply chain disruptions and input cost inflation, they are encouraged to hear that demand elasticity remains below historic levels. Piper also recently raised its target to \$80 and kept an Overweight stating that they expect a margin recovery in fiscal 2024 as new internal capacity comes online. Short interest is at 2.5%. Hedge fund ownership fell 3.5%.

Hawk Vision:



Hawk's Perspective: GIS is trending nicely so pullbacks to the 21 EMA are ideal spots to get long, currently near 77.

Confidence Ranking: \$\$