



FEATURED OPTIONS RADAR REPORT



Electronic Component Name Sees ITM Call Buyer Look for Upside

Ticker/Price: GLW (\$33.23)

Analysis:

Corning (GLW) on 11/29 saw a large buyer of 1025 May \$30 deep ITM calls for \$5.00 and over \$500K total which is a rare sized trade in the name. GLW does not see a lot of options action so this trade stands out. GLW still has 400 January 2024 \$44 short puts in open interest from opening sellers at \$5.30 back in May and showing confidence in current levels. Shares have been consolidating between the 55- and 200-day EMA's with the top end of the rang at 34.50 and YTD VWAP just above at 35. A move higher can see 36 yearly value area low and then 38 a large 2021 VPOC zone of volume. Support is seen below at 32 and 30. The stock has held up well this year only down about 8% YTD. The \$28B company trades at 14.9x earnings, 2.2x sales, with FCF yield at 6.5% and a solid dividend of 3.4% while revenue is expected to grow +4% FY22 and +4% growth estimated in FY23. Corning is a materials science technology and innovation company. The Company operates through five segments: Display Technologies, Optical Communications, Specialty Materials, Environmental Technologies, and Life Sciences. Average analyst target is \$37.50. Susquehanna has a \$39 target and Positive rating on the stock and said last month that 3Q results came in line with expectations that had already been lowered and 4Q guidance also came in line. GLW guided lower on their earnings, but the stock rallied strong the next several days showing a lot was priced in already. They stated that panel maker utilization reached the bottom in September, we would like to see more evidence before we guide a significant recovery in glass demand. When glass demand does increase, we expect our volume to return and company profitability to improve. We also expect Optical Communications' sales to be down sequentially due to customer project timing. Credit Suisse initiated with a Neutral and \$36 target while JPM has an Overweight rating and \$41 target is one of the higher on the Street. Short interest is at 1.6%. Hedge fund ownership rose 4% last quarter.

Hawk Vision:



Hawk's Perspective: GLW is a lower beta name but acting well with a lot likely priced into the recent quarter. Would be ideal to set an alert above the 200 day EMA near 34.25 for a long entry.

Confidence Ranking: \$\$