



## FEATURED OPTIONS RADAR REPORT



### Size Call Buys in Financial Leader into Investor Day

**Ticker/Price:** GS (\$365.50)

#### Analysis:

**Goldman Sachs (GS)** into its Investor Day on 2/28 with a size buyer of 1800 June \$380 calls for r\$14.35 and 1800 January \$400 calls for \$24.60 on 2/27. GS also recently with a buyer of 1000 September \$400 calls, opening seller of 750 January \$410 puts, and 1000 March \$380 synthetic longs opened. GS is forming a multi-week consolidation pattern above its base breakout that still has a measured move target to hit at \$415 which aligns with 2021 highs. Goldman Sachs is a leading global financial institution that delivers a broad range of financial services to a large and diversified client base. GS has three business segments: Global Banking & Markets, Asset & Wealth Management and Platform Solutions. GS has been in the news lately dropping plans to develop a branded credit card for retail customers and the asset management arm will significantly reduce the \$59 billion of alternative investments that weighed on the bank's earnings. GS also eliminated 3200 jobs earlier this year. In December, Reuters reported that Goldman plans to spend tens of millions of dollars to buy or invest in crypto companies after the collapse of the FTX exchange hit valuations and dampened investor interest. GS has a market cap of \$123B and trades 9X Earnings and 1.18X Book with a 2.75% dividend yield and 15% ROE. GS earnings are seen rising 13.7% in 2023 and 18% in 2024. Two key drivers to hit 15-17% ROTCE targets are Asset & Wealth Management growth & the path to profitability in Platform Solutions. GS recently announce da \$30B buyback. GS hit \$8.8B of management fees last year, making progress towards their target of \$10B. Apple Card, GM Card and transaction banking make up Platform Solutions which has been a drag on profitability so investors will want to hear the path forward. Analysts have an average target of \$396 with short interest at 1.8% of the float. Citi anticipates the primary focus to be bridging the gap between current expectations and the medium-term returns target. Wells Fargo upped its target to \$420 on 2/8 seeing upside if meets its 2023/2024 targets.

#### Hawk Vision:



**Hawk's Perspective:** GS looks good near-term into the catalyst and longer-term for a move back to \$415, solid price-action, flow and fundamentals.

**Confidence Ranking:** \$\$