



FEATURED OPTIONS RADAR REPORT



Goldman Bulls Position into Dip for Return to New Highs

Ticker/Price: GS (\$355.50)

Analysis:

Goldman Sachs (GS) with 500 September \$355 calls bought today for \$24.70 with shares not far off recent highs and also later seeing 300 October \$340 puts selling to open \$21.45. GS has seen sellers recently in size for the July \$350 puts and October \$355 puts while the October \$370 calls with buyers. The June \$350/\$380 call spread from 4/12 remains in OI too, 2000X4000. Shares are finding support at the rising 21-day MA as well as the recent range breakout this morning and flagging in a multi-week range under recent highs at \$375. A breakout has room up to \$400. The \$120.5B financial trades 10.3X earnings, 2X sales, and 1.5X book with strong FCF and a 1.4% yield. GS is coming off of a blow-out quarter with record ROE and earnings while strength in trading and investment banking was evident as market conditions continue to be supportive. GS continues to expand their strategic investments as well across digital and consumer verticals with Marcus gaining share last quarter and they see double-digit growth for their wealth management business as well with a focus on expanding offerings and scale this year. GS also has a potential catalyst this year with M&A in the financials picking up. In April, they noted that if they were to target a deal it would likely be within asset management. Analysts have an average target for shares of \$358 with a Street High \$497. Citi positive in April citing continued market share gains across key segments which should lead to positive earnings revisions in out years. BMO raising estimates in April as its investment bank backlog at an all-time high. Short interest is 1.25%. Hedge fund ownership fell 4% in Q1.

Hawk Vision:



Hawk's Perspective: GS is one of my preferred financial plays and would like to see it closer to that 50-MA at \$343 to set up a solid risk/reward setup

Confidence Ranking: \$\$