



FEATURED OPTIONS RADAR REPORT



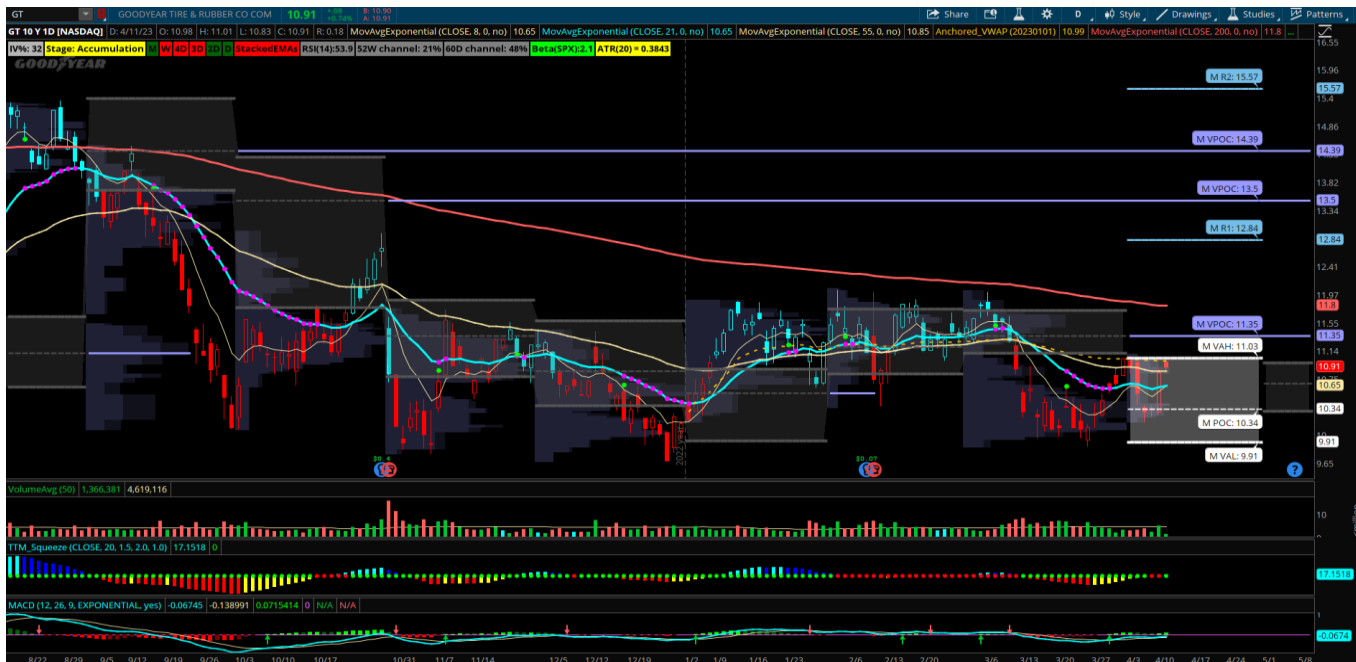
Deflated Tire Producer Sees Bullish Bets Accumulate as Base Builds

Ticker/Price: GT (\$10.91)

Analysis:

Goodyear Tire (GT) on 3/20 saw a massive opening put sale for 3000 January 2025 \$12 ITM puts at \$3.20 for over \$1M total and this followed a buyer of 3600 June \$11 calls at \$1.03 on 3/14 and 1800 July \$12 puts sold to open for \$2.00. GT this week also saw shorter term buys for over 1550 May \$10 ITM calls at \$1.10 and still has the large 6800 July \$12 calls in OI from buyers on 3/10 as well as the 3000 Jan 2025 \$10 short puts in OI from opening sales at \$2.30 on 12/20. Shares have been sluggish in the past 6 months but building a large basing bottom in the 10 dollar zone which is also a floor based on the large put sales noted above. GT has resistance at 11.80 which is the 200 day EMA but above that has plenty of space to breakout to the 14.50 level which is near top of 2022 yearly value area. The stock is fairly coiled in the weekly chart and can really get going quickly once it breaks. The \$3.1B company trades at 8.8x earnings, 0.5x sales, FCF yield at 4.2% while revenue is expected to grow +4% in FY23 and growth estimated at +3% in FY24. The Company also manufactures and markets rubber-related chemicals. It is also an operator of commercial truck service and tire retreading centers. It operates approximately 950 retail outlets. GT is coming off a mixed quarter but said it expects improvements in price/mix in Q1 to exceed raw material cost increases, with a net benefit of ~\$100 million. IN late Feb, GT introduced RangeMax RSD EV, Goodyear's first electric vehicle-ready tire compatible with EV and gas- or diesel-powered regional work vehicles. Average analyst target is \$13.30. Analyst coverage lately is sparse but Deutsche Bank is bearish and lowered its target to \$9 in February saying the management gave a dismal Q1 outlook but also has bullish forward-looking statements. Citi has a \$13 target and Neutral rating while Nomura still holds a Buy rating and \$15 target. Short interest is at 4.5%. Hedge fund ownership fell 5.5%.

Hawk Vision:



Hawk's Perspective: GT is a ugly chart but really forming this large base so selling puts against the 10 level works although no yield so might be safer to just speculate with upside calls like the June \$11's at \$0.85 or better.

Confidence Ranking: \$\$