



FEATURED OPTIONS RADAR REPORT



Call Buyers in Hanesbrands Position for Investor Day, Unit Sale

Ticker/Price: HBI (\$20.25)

Analysis:

Hanesbrands (HBI) bullish activity is starting to accumulate with 5X daily call volume on 4/16 as 5000 July \$19 ITM calls were bought to open which follows buyers in July \$17 and \$18 calls in December than remain in OI, an opening sale of 1500 January \$20 puts on 2/10, and recent accumulation of May \$20 and \$21 calls for over 7500X combined. HBI shares are forming a tight weekly bull flag above the rising 8-week moving average with a breakout measuring to a target of \$24. HBI will next report on 5-11. HBI is a leading marketer of everyday basic innerwear and activewear apparel under some of the world's strongest apparel brands, including *Hanes, Champion, Bonds, DIM, Bali, Maidenform, Playtex, Bras N Things, Nur Die/Nur Der, JMS/Just My Size, Wonderbra, Lovable, Alternative, Berlei, L'eggs* and *Gear for Sports*. The \$6.9B company is trading 11.7X Earnings, 1.04X Sales and 37.5X FCF with a 2.96% dividend yield. HBI forecasts see revenues slightly positive Y/Y in 2021 with EBITA rising 6.5%, a low growth name. HBI has launched a multi-year growth strategy which includes portfolio streamlining and SKU rationalization. HBI is exploring strategic alternatives for its European Innerwear business. HBI's four growth pillars include grow Champion globally, drive Innerwear growth with products and brands that appeal to younger consumers, build e-comm excellence across channels and streamline the global portfolio. Analysts have an average target of \$20 with short interest at 5% of the float down 38% Q/Q. HBI will host an Investor Day in May 2021, a likely catalyst for these call options. Barclays raised its target to \$26 in February positive on opportunities to accelerate growth through reinvestment in digital and advertising. Lyrical added to its position at \$200M.

Hawk Vision:



Hawk's Perspective: HBI calls are cheap with a clear catalyst and explosive chart set-up, looks to be worth a play.

Confidence Ranking: \$\$