



## FEATURED OPTIONS RADAR REPORT



### Bulls Positive on Department Store Operator into Key Long-Term Support

**Ticker/Price:** JWN (\$33.65)

#### Analysis:

**Nordstrom (JWN)** with 2,000 October \$32.50 calls bought for \$4.15 to \$4.20 and follows sellers in the October \$32.50 puts 2900X in April. The January \$42.50/\$55 call spread remains in OI over 4000X from January while JWN has seen a lot of near-term bullish buying in the August \$31.50 calls over 3000X and the August 33.50 calls 2000X. The August \$37 calls were bought 3000X. JWN shares rallied in late 2020 up above \$40 and now pulling back in a narrow weekly wedge to cloud support and the 200-day MA. A move above \$37.50 has room to run and a longer-term measured move up to \$52+. The \$5.2B company trades 14.4X earnings, 0.45X sales, and 13.7X cash. JWN is focusing on a revamped strategy of unique partnerships with DTC brands looking for a retail/distribution footprint including upscale luggage brand Away, Casper mattresses, men's apparel brand Indochino and women's shapewear company Skims. The moves come as JWN looks to attract a reinvigorated consumer with the reopenings. JWN was at the Evercore conference in mid-June positive on the yield in 2021 from their tech investments, especially on the supply chain side, as they are utilizing more data-driven analytics to help maximize their inventory choices for local markets. They also continue to see margins improvement in the 2H and into 2022, a key area where they have lagged peers. Analysts have an average target for shares of \$35 with a Street High \$48 from Jefferies. The firm starting at Buy earlier this year as recovery estimates look achievable and even beatable if new strategies uptake more quickly. Short interest is 11.8% and down from over 30% in October. Hedge fund ownership rose 8.75% in Q1, Tremblant Capital a buyer of 2.3M shares.

#### Hawk Vision:



**Hawk's Perspective:** JWN is making some interesting moves and think they have a place long-term as a niche, high-end department store and shares up well on both the daily and weekly view with a move above \$37.25 key to shifting the overall trend but overall prefer to play individual brands or the off-price names

**Confidence Ranking:** \$\$