



FEATURED OPTIONS RADAR REPORT



Large Call Buy Sees Fundamentals Bottoming at Large Cap HPC Leader

Ticker/Price: KMB (\$136.48)

Analysis:

Kimberly Clark (KMB) with a rare large options trade on 8/13 as 2000 January 2023 \$125 ITM calls opened for \$16.50 as a name with minimal open interest of note. KMB recently posted earnings on 7/23 and started the session sharply lower but closed with a big reversal candle. KMB has been putting in a large rounded weekly base since October and sits above VWAP off the August highs, a move above \$140 would trigger a base breakout with a measured move to \$152 while retracement levels of note at \$144 and \$148. The \$46B household & personal care goods company trades 18X Earnings, 2.42X Sales and 14X EBITDA with revenues seen rising 2-3% annually. KMB has faces commodity inflation and supply chain headwinds but has announced pricing to offset the impacts of inflation. KMB on its last earnings call noted plenty of green shoots including positive trends in KCP with momentum seen into 2H. The reaction in shares after the call indicates the likelihood that this was the bottom and it is time to be more constructive on shares. Analysts have an average target of \$140 with short interest low at 2% of the float. UBS started shares Neutral in June with a \$135 target with concerns on inflation and difficult comps.

Hawk Vision:



Hawk's Perspective: KMB is not overly exciting with PG a much better company but offers a nice 3.34% yield with valuation cheap and the chart indicating a long-term bottom may be in place.

Confidence Ranking: \$\$