



FEATURED OPTIONS RADAR REPORT



Put Sales See Value in Leading Snacks Provider Sitting Near New Highs

Ticker/Price: MDLZ (\$65.50)

Analysis:

Mondelez (MDLZ) with 1000 January 2024 \$60 puts sold to open this morning for \$5.80 and follows buyers of 3,500 March \$67.50 calls recently. The June \$60 calls had buyers in late November that remain in open interest as well while \$950K in the January 2024 \$57.50 calls and \$2M in January \$52.50 calls remain in open interest. MDLZ has been in a nice trend higher since early December and back at the 55-EMA this week and 38.2% Fibonacci of the rally. Shares are consolidating in a range under \$69.50 and recent highs with a breakout targeting \$74.50 while recent support also aligns with the longer-timeframe breakout from December above \$65. The \$91.5B company trades 20X earnings, 3.2X sales, and 25.8X cash with a 2.15% yield. MDLZ has managed a challenging environment well with both volume and pricing more favorable into year-end and demand remaining robust as their share gains in some key snacking categories has eclipsed its pre-pandemic highs. The company has made a number of value-add, accretive deals recently to broaden their scale in emerging growth categories while also investing in the omnichannel appeal of their biggest brands. MDLZ sees a big opportunity to continue growing digital sales in 2022, currently just 6% of their overall mix, while rolling out new products like Oreo Zero Sugar and plant-based Cadbury bars. Analysts have an average target for shares of \$72. BMO positive on 1/31 citing recent results and notes that while the company posted a light performance stemming from challenges within its North America supply chain, the firm would not be surprised if Mondelez exceeded its sales and EPS long-term growth targets in 2022 behind expanded RGM strategies, pricing actions, and still-limited elasticity. Mizuho starting at Buy in January with a Street High \$77 PT citing strong execution and consistent growth versus peers. Hedge fund ownership fell 5.5% last quarter. Triun Fund a long-time holder sold 7.5M shares. Insiders buying in late 2021 at \$62.50 and \$58.50. Short interest is 0.75%.

Hawk Vision:



Hawk's Perspective: MDLZ is a high-quality name and like the pullback into this \$64-\$65 zone which gives a nice risk/reward for a push above \$70 to new highs

Confidence Ranking: \$\$