

## SPOTLIGHT OPTION TRADE



### Attractive Entry on Pullback in Best-in-Class Consumer Defensive

#### TRADE SNAPSHOT

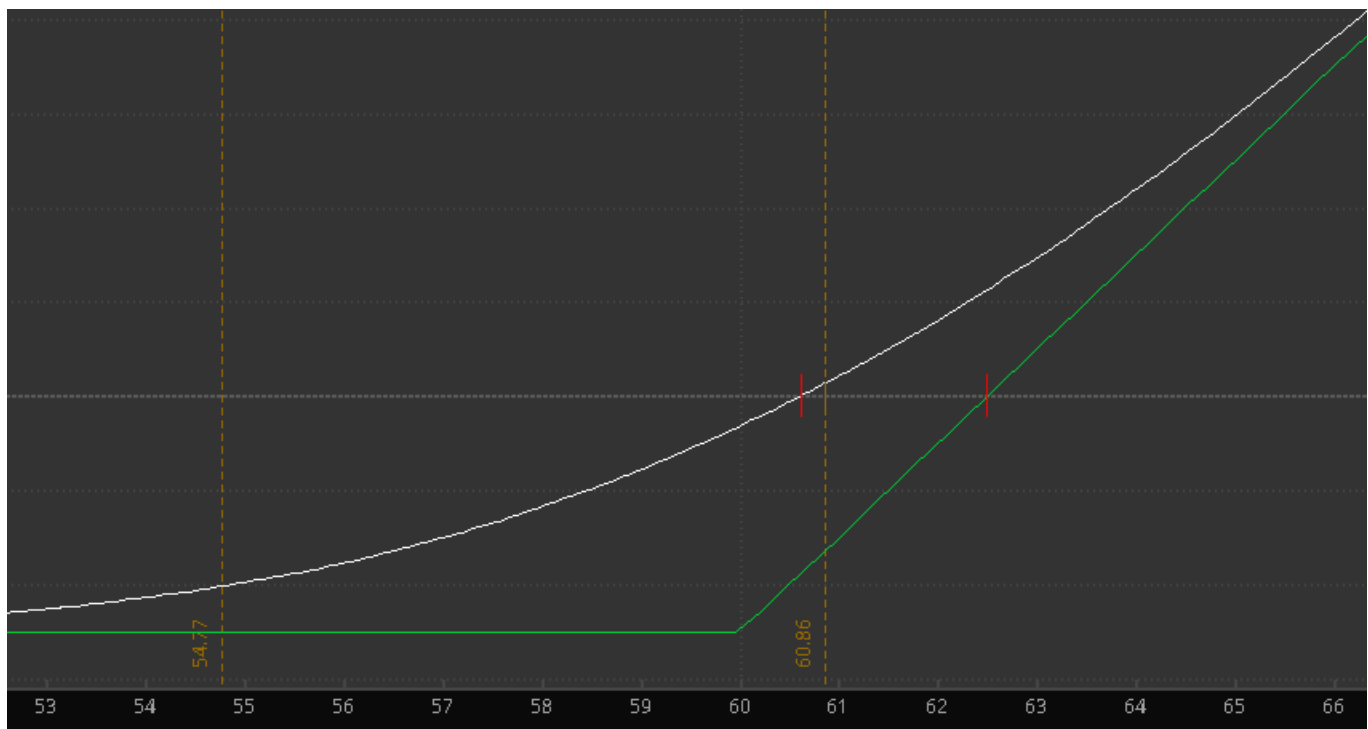
TICKER	MDLZ
SECURITY	Mondelez
SECTOR	Consumer Staples – Confectioner
CURRENT PRICE	\$60.85
LONG/SHORT	Long
TARGET	\$65
STOP	\$58.50
TIMEFRAME	3 Months

**Trading Strategy:** Long the MDLZ December \$60 Calls \$2.50 or Better

**Net Debit/Credit:** Debit of \$2.50

**Profitability Zone:** MDLZ Above \$62.50 on Dec OpEx

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** MDLZ sold off back to the rising 200-day moving average this week and also coming into a major volume zone breakout retest, shares very oversold and weekly RSI has slipped below 50. Shares are looking to hold the 200-day but also has an unfilled gap from April in play. MDLZ feels like a quality bounce candidate from these levels.



**Fundamental Analysis:** The \$85B snacks leader has consistently been posting strong numbers and now trades 19.4X Earnings, 3.1X Sales and 52.5X FCF with a 2% dividend yield. MDLZ consensus forecasts expect 7.6% topline growth this year with 7.8% EBITDA growth. MDLZ outlined a plan in February to accelerate topline growth and market share through expansion into new geographies, new product verticals, and price points. The company continues to make some ambitious portfolio shifts buying Gourmet Food, a category leader in Australia, Grenade, a UK-leader in protein bars, and Hu in January, a maker of 'simple, paleo focused snacks' in the US. The food industry is likely to face cost pressures though much seems priced in and saw positive guidance this week from General Mills and Kraft. Analysts have an average target of \$71 and short interest is low at less than 1% of the float. MSCO added MDLZ to its Fresh Money Buy List in July as a top defensive play in the market.

### Options Activity:

Date	Description	Volume	Open Int	Price	Delta	Impl Vo	Prob.ITM	Premium Paid	Symbol	Current Price	Current OI	Price Change
9/7/2021	MDLZ 100 17 DEC 21 60 CALL	1,184	902	\$2.40	0.53	18.12%	49.10%	\$290,080	.MDLZ211217C60	\$2.22	2196	-7.50%
9/1/2021	MDLZ 100 18 MAR 22 50 PUT	4,305	14	\$0.65	-0.11	25.49%	15.50%	\$322,875	.MDLZ220318P50	\$0.80	4062	23.08%
8/20/2021	MDLZ 100 17 SEP 21 65 PUT	1,501	383	\$1.89	-0.78	11.89%	79.36%	\$283,689	.MDLZ210917P65	\$3.09	1615	63.49%
8/17/2021	MDLZ 100 17 DEC 21 65 CALL	1,336	2,343	\$1.88	0.42	17.74%	37.89%	\$260,520	.MDLZ211217C65	\$0.50	2855	-73.40%
7/13/2021	MDLZ 100 21 JAN 22 57.5 PUT	2,628	1,635	\$1.40	-0.25	19.24%	29.65%	\$381,060	.MDLZ220121P57.5	\$1.85	3800	32.14%
6/22/2021	MDLZ 100 21 JAN 22 62.5 PUT	1,001	469	\$3.50	-0.48	17.71%	53.92%	\$360,360	.MDLZ220121P62.5	\$4.05	2016	15.71%
6/1/2021	MDLZ 100 21 JAN 22 62.5 CALL	2,500	1,746	\$4.00	0.54	19.20%	47.85%	\$1,025,000	.MDLZ220121C62.5	\$1.35	4144	-66.25%
5/26/2021	MDLZ 100 21 JAN 22 65 CALL	1,500	1,264	\$2.95	0.45	19.41%	38.65%	\$442,500	.MDLZ220121C65	\$0.69	7474	-76.61%
5/13/2021	MDLZ 100 17 SEP 21 65 CALL	1,283	714	\$1.75	0.37	20.04%	32.76%	\$237,355	.MDLZ210917C65	\$0.02	5429	-98.86%
2/23/2021	MDLZ 100 20 JAN 23 52.5 CALL	2,358	115	\$7.85	0.58	24.83%	43.54%	\$1,933,560	.MDLZ230120C52.5	\$9.70	2324	23.57%
2/23/2021	MDLZ 100 17 SEP 21 55 CALL	1,500	22	\$3.75	0.52	24.23%	44.26%	\$577,500	.MDLZ210917C55	\$6.80	1568	81.33%
2/17/2021	MDLZ 100 21 JAN 22 57.5 CALL	1,520	1,013	\$3.30	0.42	23.46%	33.94%	\$524,400	.MDLZ220121C57.5	\$5.00	2523	51.52%
1/7/2021	MDLZ 100 20 JAN 23 50 CALL	350	12	\$11.35	0.68	28.74%	51.38%	\$397,250	.MDLZ230120C50	\$13.20	902	16.30%
1/6/2021	MDLZ 100 21 JAN 22 55 CALL	1,642	1,584	\$6.80	0.6	24.52%	49.87%	\$1,116,560	.MDLZ220121C55	\$6.20	2995	-8.82%
1/4/2021	MDLZ 100 20 JAN 23 55 CALL	386	3	\$8.20	0.58	25.23%	42.84%	\$316,520	.MDLZ230120C55	\$7.85	929	-4.27%
12/16/2020	MDLZ 100 21 JAN 22 55 PUT	1,606	511	\$4.70	-0.42	22.50%	51.99%	\$754,820	.MDLZ220121P55	\$1.10	6494	-76.60%
6/18/2020	MDLZ 100 21 JAN 22 50 PUT	1,000	3,137	\$6.20	-0.39	26.28%	53.84%	\$645,000	.MDLZ220121P50	\$0.45	4217	-92.74%
5/29/2020	MDLZ 100 21 JAN 22 50 PUT	1,000	2,137	\$6.65	-0.43	25.20%	57.92%	\$695,000	.MDLZ220121P50	\$0.45	4217	-93.23%
11/26/2019	MDLZ 100 21 JAN 22 50 PUT	4,000	1	\$5.55	-0.38	22.02%	52.41%	\$2,360,000	.MDLZ220121P50	\$0.45	4,217	-91.89%
11/25/2019	MDLZ 100 21 JAN 22 45 PUT	1,600	1	\$3.80	-0.28	23.37%	42.22%	\$608,000	.MDLZ220121P45	\$0.25	3,848	-93.42%

**Potential Catalysts:** Earnings early November; Barclays Consumer Conference 9-9

## **Disclaimer:**

### **Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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