



FEATURED OPTIONS RADAR REPORT



Bulls Target Norwegian Cruise as Sailings Resume into Heavily Booked 2022

Ticker/Price: NCLH (\$25.80)

Analysis:

Norwegian Cruise (NCLH) with large buys of 3000 December \$25 calls \$3.65 to \$3.80 today and name that draws a lot of bullish flows including buyers recently in the January 2023 \$35 calls for \$2M and the January \$32.50 calls for more than \$2M. NCLH has also seen short puts accumulate in size across the December, January, and March expirations. Shares pulled back to the November 2020 gap recently and now forming a double-bottom with a move back above \$26 key to reclaiming the 200-day MA and turning the trend back positive. A run higher has room to \$30 and a big high-volume node from 2021. The \$8.86B company trades 52.50X earnings, 245X sales, and 2.5X cash. NCLH returned to sailing for the first time in 500 days in late July and reported \$1.4B of advanced ticket sales on the books already for the 2022 season, far ahead of 2019's record levels and at higher pricing. They expect to ramp to 40% fleet capacity by the end of Q3, faster than expected, 75% by year-end and fully operational by April 2022. The company has been the focus of a lawsuit in Florida recently as they look to resume sailing from the state. NCLH is looking to mandate proof of vaccination before boarding as part of their broader safety protocol. The company won the initial case but the State is appealing. Analysts have an average target for shares of \$30 with a Street High \$40 from Stifel, out positive yesterday citing a quicker ramp of capacity and strong onboard metrics which makes a quick return to profitability more of a reality. Hedge fund ownership rose 16% in Q1. Zimmer Partners a big buyer of 4.7M shares. Short interest is 12.5%.

Hawk Vision:



Hawk's Perspective: NCLH sets up well here versus the recent lows as it works back above YTD value-low and plenty of room above \$26 back to VPOC as trends continue to improve and the outlook for 2022 is bright

Confidence Ranking: \$\$