

SPOTLIGHT OPTION TRADE



Best-in-Class Consumer Brands Company with Reset Expectations

TRADE SNAPSHOT

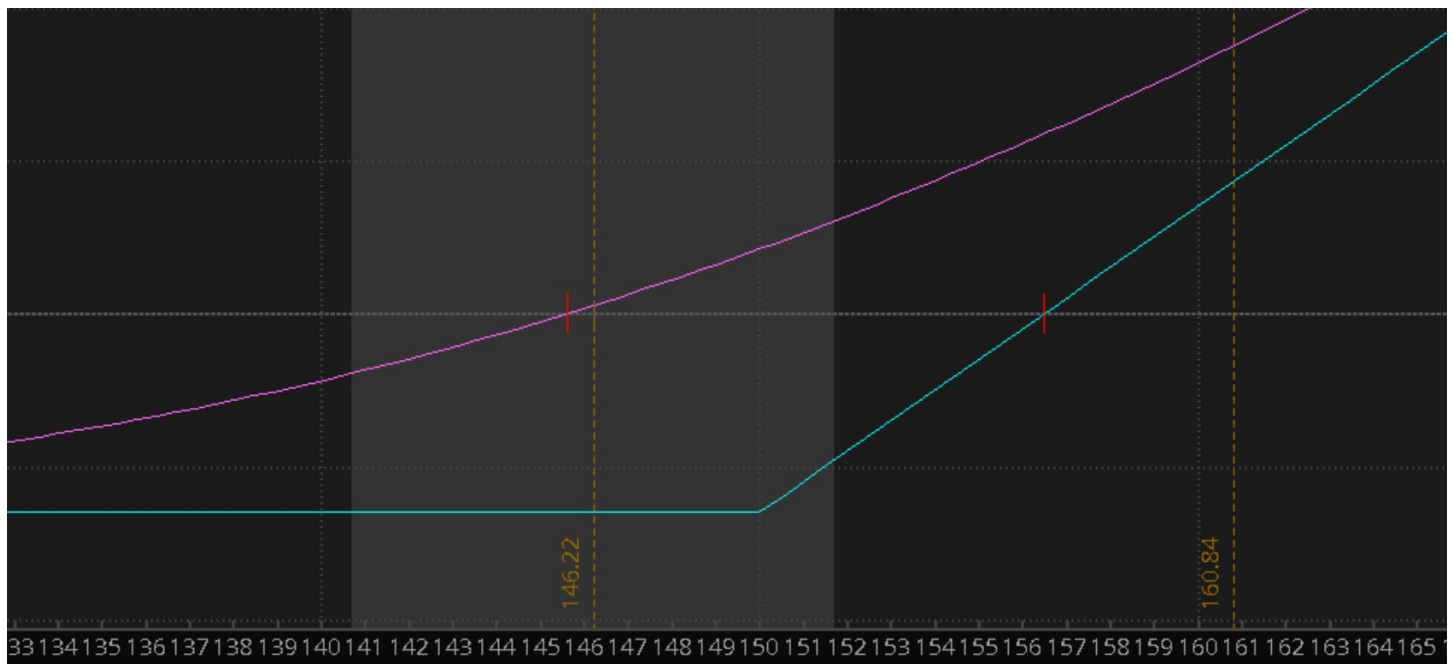
TICKER	PG
SECURITY	Procter & Gamble
SECTOR	Consumer Defensive – Household and Personal Care
CURRENT PRICE	\$146.3
LONG/SHORT	Long
TARGET	\$170
STOP	\$135
TIMEFRAME	4 Months

Trading Strategy: Long the **PG** January \$150 Calls at \$6.50 or Better

Net Debit/Credit: Debit \$6.50

Profitability Zone: PG Above \$156.50 on January OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: PG daily has an inverse head and shoulders bottom pattern while the weekly shows a name that pulled back to channel support and VWAP off 2020 lows as well as a 50% retrace and based and now weekly RSI clearing a downtrend and MACD nears a bull cross, above \$147.50 opens up a run to new highs.



Fundamental Analysis: Procter & Gamble is a global leader in the fast-moving consumer goods industry, primarily through mass merchandisers, e-commerce, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, specialty beauty stores and other merchants. PG business is organized into five reportable segments: Beauty; Grooming; Health Care; Fabric & Home Care; and Baby, Feminine & Family Care under key brands like Head and Shoulders, Braun, Gillette, Crest, Oral-B, Vicks, Pepto-Bismol, Downy, Gain, Febreze, Mr. Clean, Pampers, Tampax, Bounty, Charmin and more. PG with a \$350B market cap trades 22.85X Earnings and 55.5X FCF with a 2.5% yield and growth seen muted much of FY23 before ramping higher in Q4. PG recently lowered its outlook but in the face of a very tough backdrop still delivered 7% organic growth, impressive while many cost/operation headwinds will abate in 2H22. PG is now trading at a discount to peers while having better visibility and organic growth. PG expects adjusted free cash flow productivity of 90% for FY23 and expects to pay over \$9 billion in dividends and repurchase \$8 billion of shares. PG has stronger pricing power than peers and continues to see market share gains. Analysts have an average target of \$156 and short interest low at 0.6% of the float. Jefferies raised its target to \$185 in April citing the widening organic growth disparity to peers. Truist lowered its target to 160 seeing the guide as mostly FX related and conservative.

Options Activity:

Date	Ticker	Contract	Volume	Price	OI	Delta	IV	Premium	Last	Current OI ▼
11-02-2021	PG	PG 100 20 JAN 23 150 CALL	2,857	\$8.55	593	0.42	19.94%	\$2,428,450	\$6.6	12,122
12-20-2021	PG	PG 100 20 JAN 23 150 PUT	2,485	\$11	983	-0.40	20.65%	\$2,845,325	\$9.82	11,525
01-05-2022	PG	PG 100 20 JAN 23 150 PUT	3,100	\$9.05	3,064	-0.33	22.13%	\$2,945,000	\$9.82	11,525
04-15-2021	PG	PG 100 20 JAN 23 145 CALL	880	\$9.2	204	0.41	20.42%	\$844,800	\$9.15	8,533
06-09-2021	PG	PG 100 20 JAN 23 145 CALL	2,578	\$7.4	845	0.37	19.41%	\$1,920,610	\$9.15	8,533
04-21-2021	PG	PG 100 20 JAN 23 165 CALL	3,001	\$3.8	436	0.22	19.31%	\$1,140,380	\$1.74	6,282

Potential Catalysts: Investor Day 11-17-2022

Disclaimer:

Not Investment Advice or Recommendation

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