



FEATURED OPTIONS RADAR REPORT



PVH Corp Bull Spreads Position for Mid-Year Investor Update

Ticker/Price: PVH (\$113.50)

Analysis:

PVH Corp (PVH) spreads today are buying the June \$120 calls for \$5.30 to \$5.40 and selling the \$100 puts for \$2.90, over 1875X initially and now trading 3350X. PVH has seen buyers in the May \$95 calls as well as the \$110 and \$120 calls recently, the latter over 2000X. Shares are nearing a wide range breakout that stretches back to January and has a measured move to \$125. PVH broke a long-term downtrend in November and lots of room higher with a big volume node around \$150 from 2018. The \$7.75B company trades 14.15X earnings and 1X sales with strong FCF. PVH is coming off of a strong quarter with both their CK brand and Hilfiger brand outperforming, especially around ecommerce where they have gained share. PVH has put themselves in a strong position for the surge in reopening demand with leaner inventories, better cost-controls, and a more diverse assortment of styles including casual-fare which has taken off well. They said in March that they will host an Analyst Day sometime mid-year where they'll outlook details of their new 3-5 year growth plan. Analysts have an average target for shares of \$98.50 with a Street High \$141 from UBS. The firm raising estimates on 4/1 citing the company's improving long-term growth outlook. Citi positive as well noting that the international businesses are performing well, particularly in Asia, and Europe is holding up relatively well despite shutdowns. Short interest is 2.6% and down from around 7% in early 2020. Hedge fund ownership fell 3% in Q4, Point72 a buyer of stock while Samlyn Capital starting a new position.

Hawk Vision:



Hawk's Perspective: PVH is quietly near a new two-year high and plenty of upside as it continues to recover from 2020's initial shock. I expect the mid-year update to be a positive driver for shares with upside into Back-to-School season.

Confidence Ranking: \$\$