



FEATURED OPTIONS RADAR REPORT



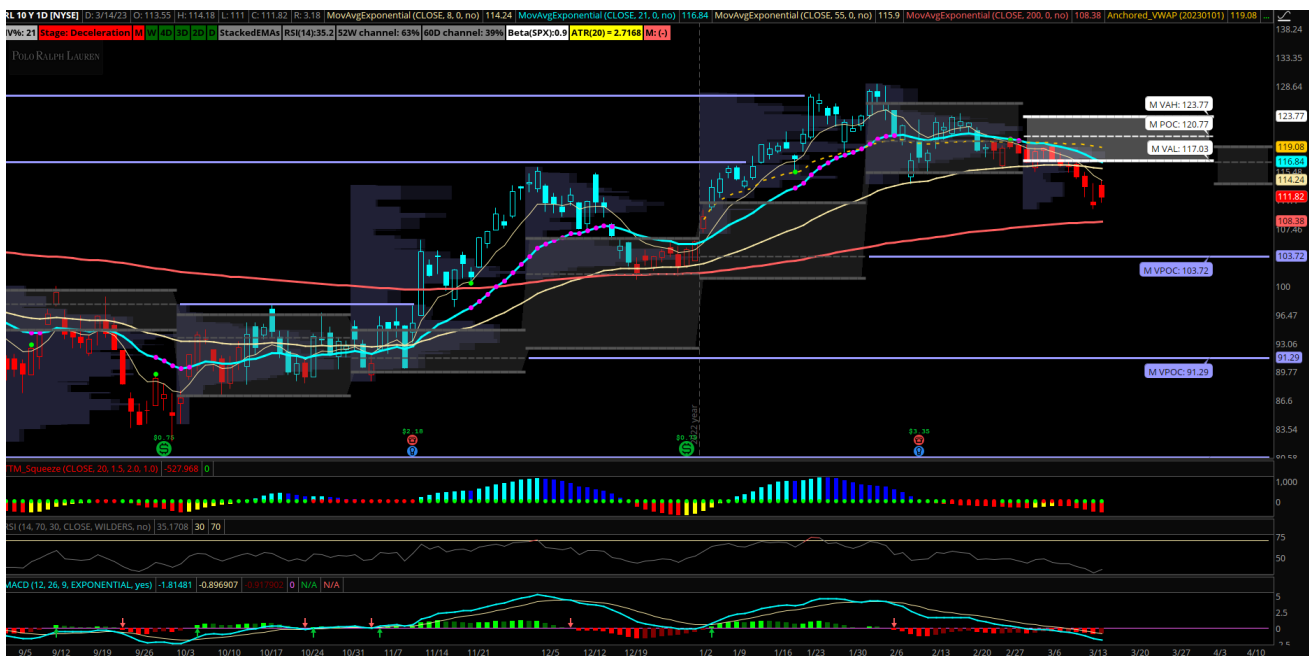
High End Clothing Retailer Seeing Bearish Positioning Accumulate

Ticker/Price: RL (\$111.82)

Analysis:

Ralph Lauren (RL) on 3/13 saw a notable buyer of 8000 April \$95 puts for \$1.47 and over \$1.2M on the day as the March \$110 puts adjusted down and out staying bearish. Last month RL also saw a large buy of 15,000 far OTM April \$90 puts at \$0.85 which remain in open interest and the 8000 April \$100 puts bought on 1/26 for \$1.75 continue to hold as well. Several trades with bearish positioning accumulating in the higher end retailer with earnings not due until late May. Shares have been pulling back towards the 200 EMA which is below at 108 after a early year rally found resistance at 127, where a large VPOC was at from last year and stalled the advance. RL now falling under the 50 day EMA and monthly value support of 117 so can see further decline into the 108 level and below that has little support until the 103.75 VPOC from December. Losing 111.50 would be a large support break since its also yearly value area high. The \$7.4B company trades at 12.2x earnings, 1.1x sales, FCF yield of 8.8% with a dividend yield at 2.9% while revenue is expected to grow just +2% in FY23 and +6% growth estimated in FY24. RL faces a tougher consumer spending environment and RL has elevated exposure to Europe as well with macro headwinds persisting overseas. Average analyst target is \$131. Deutsche Bank has a \$119 target on shares but a Hold rating saying that they see limited upside to fiscal 2024 estimates despite the company's "solid" earnings report. A strong U.S. dollar has suppressed sales growth throughout the past year and is not expected to let up significantly anytime soon. Meanwhile, although European sales have remained robust, jumping by 13% in DecQ, excluding FX impacts, this region is enduring considerable economic hardship. RL noted that it is remaining cautious regarding Europe. Similar concerns can be had regarding China, where easing COVID restrictions have been quite disruptive to commerce. Short interest is high at 10.6%. Hedge fund ownership rose 12.7% last quarter.

Hawk Vision:



Hawk's Perspective: RL is a bearish short term chart so can play it short under the 115 level for potential move down to 100-104 with stops on a close back over the 21 EMA near 116.50 currently.

Confidence Ranking: \$\$