



FEATURED OPTIONS RADAR REPORT



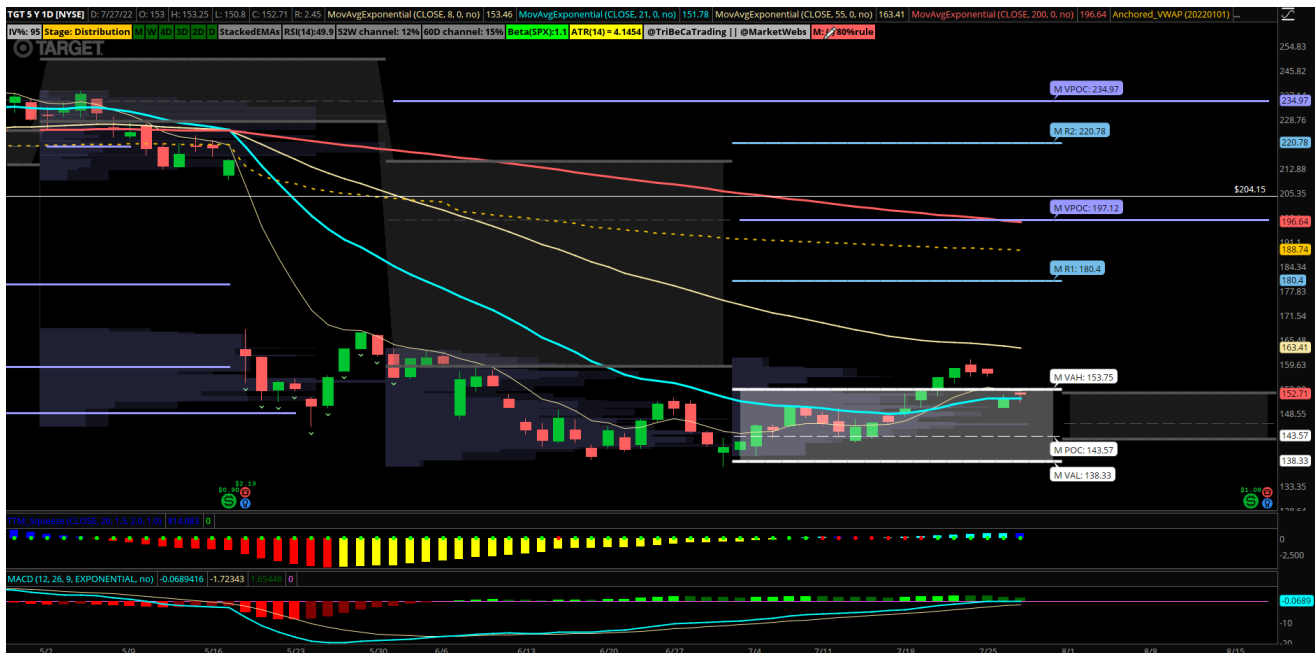
Beaten Up Retailer Sees Bulls Sell Puts into Weakness

Ticker/Price: TGT (\$152.58)

Analysis:

Target (TGT) on 7/26 with a large opening put sale for 10,000 December \$125 short puts at \$5.43 for over \$5.4M in premium marking a potential floor into yearend for the beaten-up retailer. The stock gapped lower on the WMT headlines, but a lot of those worries are likely priced into shares at this point. TGT also yesterday saw buyers in June 2024 \$185 calls at \$16.30 for over \$500k. Last week buyers were active in January \$175 calls for over 1400 trading at \$7.32, a total \$1M bought. Shares have been struggling since the large gap down on earnings last quarter but now has based out and found support in the 140-150 range since May and has the gap overhead that starts near 167. Potential for some more sideways action but put sales indicating a floor might be in and the weekly chart nearing a bullish MACD cross higher. Holding above the 21 EMA has shown some strength lately and a push over 154 can see a grind higher into August. The \$70.8B company trades 14.6x earnings, 0.7x EV/sales, with a FCF yield of 25% and a dividend yield at 2.5% now. In June, TGT announced a set of actions to right-size its inventory for the balance of the year and create additional flexibility to focus on serving guests in a rapidly changing environment. Average analyst target is \$192 with a Street high of \$280. Last month DA Davidson lowered their target to \$171 but kept a Buy rating and adding that adding that Target is taking several aggressive steps in the near term to clear inventory as the operating environment remains difficult for retailers. The efforts set up Target for a better second half with cleaner inventories. Piper initiated coverage last week with a Neutral and \$190 price target and says that while Target has compelling long-term growth opportunities, near-term concerns around inventory build and broad-based consumer spending keep him sidelined. Short interest is at 1.7%. Hedge fund ownership fell 2.4%.

Hawk Vision:



Hawk's Perspective: TGT is rounding out a nice base pattern and can use the recent candle as a level to trade against near 150 with potential upside to 165-170 short term.

Confidence Ranking: \$\$