



## FEATURED OPTIONS RADAR REPORT



### Bulls Pile into Department Store Calls into the Close

Ticker/Price: TGT (\$247)

#### Analysis:

**Target (TGT)** sweep buyers active late on 9/16 with 5000 December \$260 calls bought \$6 to \$6.50 offer to open, a name that has seen some bullish flow in January 2022 with the \$250 puts sold to open and some buyers in \$280, \$290 and \$300 calls. TGT has recently pulled back to YTD lower value support and basing the past week also above VWAP off the May lows. TGT would look healthier on a move back above \$252.50. TGT is a leading department store that offers everyday essentials and fashionable, differentiated merchandise at discounted prices. TGT generates approximately 1/3 of sales from its owned and exclusive brands. TGT did a great job navigating the pandemic and has built out a strong omnichannel platform incorporating store pickup and delivery and stands to benefit from further market share gains. TGT has a market cap of \$121B and trades 19.1X Earnings, 1.2X Sales and 24.7X FCF with a 1.46% yield. TGT revenues are seen rising 11.7% this year and then it will face tough comps in FY23. TGT sold off after its latest earnings report with SSS +8.9% below estimates. TGT saw increased traffic with smaller tickets and 17% of sales are now digital. TGT has been winning market share in hardlines and apparel which has benefitted margins. Analysts have an average target of \$280 with short interest at 1.6% of the float. Tigress Financial was out positive on 8/26 seeing upside to \$320 over the next year in a strong consumer spending environment and its ongoing ecommerce and omnichannel fulfillment initiatives. TGT announced a \$15B buyback on 8/18 as well that can support shares.

#### Hawk Vision:



**Hawk's Perspective:** TGT continues to screen better than peers across growth and margins while emerging from the pandemic a clear winner. Shares look good versus recent support near \$241.50.

**Confidence Ranking:** \$\$\$