



FEATURED OPTIONS RADAR REPORT



Tupperware Puts Accumulate As Reopening May Weigh on At Home Dining

Ticker/Price: TUP (\$25.15)

Analysis:

Tupperware (TUP) buyer of 1,650 October \$29 ITM puts for \$6.10 this morning and later buyers in the October \$30 puts for \$7, over 800X, while the \$27 puts also being bought for \$5.10. Today's flows follows buyers earlier this week of 500 October \$28 ITM puts for \$5.50. Shares have lagged the recent bounce back and forming a big weekly bear flag above the \$23.50 level with a breakdown targeting \$16. There is a sizable low-volume gap below from the late 2020 rally. The \$1.26B company trades 7.3X earnings, 0.7X sales, and 7.7X FCF. TUP faces tough comps in 2021 as well as headwinds from the reopening as more people shift back into off-premise dining and entertaining. The company is also in the middle of a significant investment cycle and raising their outlook for spending by \$30M to \$40M which will weigh heavier on Q2 as they expand capacity, improve IT, and cybersecurity. Analysts have an average target for shares of \$36 with a Street High \$46. Citi upgrading to Buy in May citing a strong opportunity to improve profitability and earnings in the near- to medium term and to broaden its product offering and expand its distribution strategy. Short interest is near 9%. Hedge fund ownership fell 11.5% in Q1. In May, a director bought \$200,000 in stock at \$27.

Hawk Vision:



Hawk's Perspective: TUP has shown relative weakness since its big gap down on earnings in March and under its 200-day MA, a nice potential short into that gap under \$23.50 if we see a broader market pullback

Confidence Ranking: \$\$