



## FEATURED OPTIONS RADAR REPORT



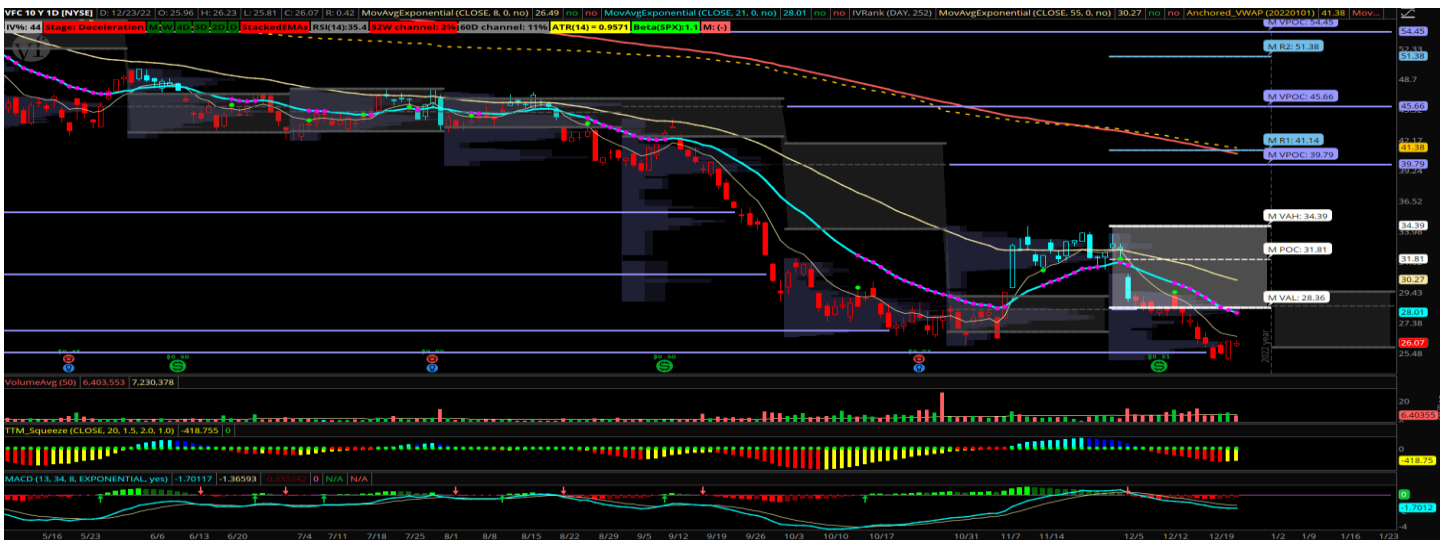
### Weak Apparel Retailer Sees Bullish Open Interest Build into Lows

**Ticker/Price:** VFC (\$26.07)

#### Analysis:

**VF Corp (VFC)** on 12/21 saw a large buyer of 8300 January 2025 \$27.50 calls at \$5.20 and was followed the next day by another 3800 of the same Jan 2025 calls bought at \$5.60, all together more than 12,000 adding to open interest and over \$6.4M in total premium bought looking for long term upside. On 11/21 VFC also saw a large opening seller of 500 June \$40 deep ITM puts sold to open for \$9.20 and still in open interest. VFC has also seen a lot of various bull flow since the start of October including opening put sales in Feb \$22.50 puts and May \$20 puts as well as call buyers in June \$30 calls and Feb \$30 calls. Shares have been quite weak since breaking down in August below key long-term support at 40 and declining to a low near 25 this month hitting large volume support levels from 2013. VFC has a ugly long term chart as the business has slowed since peaking at 94/share in 2019 but now more than 70% below those levels. On a rebound, first resistance is at 30 and 32 with the 2022 yearly value low near 34. Above that shows a volume pocket up towards 39. The \$10.1B company trades at 11.5x earnings, 1.3x sales, FCF yield at 7.8% with a dividend yield now at 7.4% while revenue is expected to decline -2% in FY23 and +5% growth estimated in FY24. V.F. Corp is an apparel, footwear and accessories company. It owns a range of brands in the outerwear, footwear, apparel, backpacks, luggage, and accessories categories. Its brands include Vans, The North Face, Timberland, and Dickies. Average analyst target is \$31. Deutsche Bank lowered its target to \$36 from \$43 and keeps a Buy rating saying that while VF noted that softness has been seen across all categories, trends at The North Face remain solid with guidance for that brand likely intact. Sentiment on the shares is likely to remain in the negative camp as concerns around the Vans brand and overall margin pressure is likely to keep investors cautious. Credit Suisse downgraded the stock to Neutral with a target at \$28 citing the CEO transition being abrupt and a lack of clarity on which brand is seeing incremental pressure add too much near-term uncertainty. Short interest is at 5.0%. Hedge fund ownership fell 8.6% last quarter. Insiders have been active this month with the CEO buying 10,000 shares at \$28.50 on 12/13 for over \$284k and increasing his stake by +13% while two directors also buying near the \$28 level on 12/9 for \$254k and \$490k worth of stock.

#### Hawk Vision:



**Hawk's Perspective:** VFC is a beaten-up name likely nearing a reversal based on sentiment alone and potential candidate for end of year tax loss selling ending which can pop shares. Looking for a move back over 28.50 to get long.

**Confidence Ranking:** \$\$