



FEATURED OPTIONS RADAR REPORT



Vroom Bulls Target Better Execution, Improving Used Auto Market into Spring

Ticker/Price: YETI \$66

Analysis:

Yeti (YETI) with 1,000 January \$70 calls bought \$13.75 to \$14.25 today to open into the pullback from recent highs. YETI has some smaller, high-dollar trades in the May \$60 and \$62.50 calls as well as the February \$57.50 calls while the January \$72.50 calls bought on 1/20 too. Shares have traded back to the rising 55-MA this week while volume support and the prior breakout spot at \$63 is just below. YETI has been in a strong trend since March and move back above \$72 sets up for a run at new highs and measured target of \$95. The \$6.13B company trades 32.6X earnings, 6X sales, and 26X cash. YETI has been an impressive story over the last two years as they expand their product portfolio, build on International growth and e-commerce investments. YETI has been investing in their wholesale channel which should help them against tough comps in 2021 as the economy re-opens more and in November, they noted they've started seeing corporate sales begin to turn positive again and that side could post a strong Holiday number. In 2021, the focus turns to potentially expanding their store footprint, taking advantage of the real estate market, restocking initiatives, and expanding their analytics and data investments on purchase behavior. Analysts have an average target for shares of \$66 with a Street High \$90 from Jefferies. The firm out last week noting that YETI saw "impressive" 90% web traffic growth over Q4, which the analyst views as reflective of success in capitalizing on the shift in consumer prioritization toward outdoor recreation. He expects outdoor recreation tailwinds to extend into 2021 as consumer leisure travel remains subdued. Short interest is 7.62% and tracking lower for months. Hedge fund ownership fell 16% in Q3. Wasatch Advisors a notable buyer.

Hawk Vision:



Hawk's Perspective: YETI is a best-of-breed retail brand and plenty of opportunity for them to continue to grow, they'll report on 2-11 and a mixed history, so one to watch for a potential over-reaction given the longer timeframe of these calls

Confidence Ranking: \$\$