



FEATURED OPTIONS RADAR REPORT



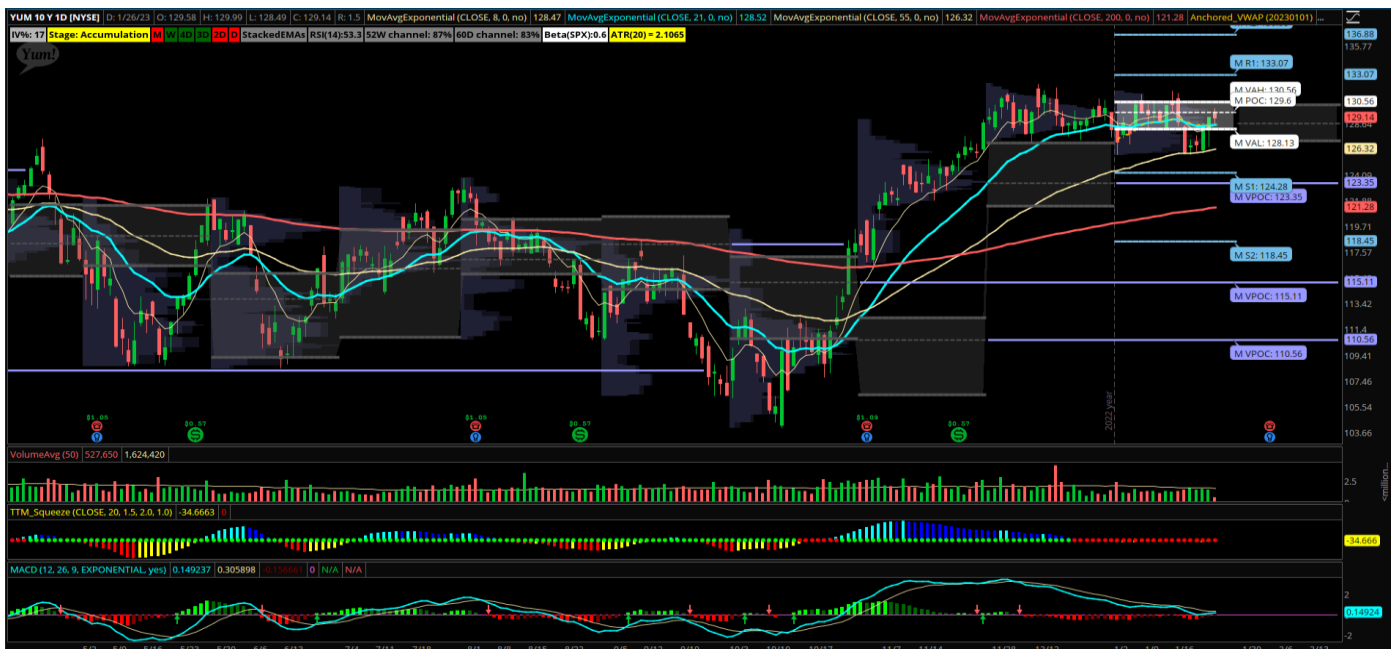
Consumer Fast Food Service Name Sees Call Buyer Look for Breakout

Ticker/Price: YUM (\$129.44)

Analysis:

Yum Brands (YUM) on 1/25 saw a large buy of 3250 January 2024 \$150 calls bought for \$3.30 and over \$1.1M in total. This was followed up on 1/26 with another 1500 Jan 2024 \$140 calls bought at \$6.90 and back on 1/5 saw a large opening put seller for 1000 April \$115 short puts at \$1.90. YUM also still has 1000 June \$115 calls in open interest from buyers on 9/20 at \$10.40. Shares have been coiling strong in a bull flag since early December and now nearing a move above monthly value area highs at 130.50 with no resistance until 135 and then the 139 old highs. Support is below at 128 and has a VPOC at 123.35 if decides to pullback but so far building a strong pattern since rallying off the October lows near 105. The \$36.4B company trades at 24.7x earnings, 6.6x sales, with FCF yield at 3.5% and a dividend yield at 1.9% while revenue is expected to grow +6% in FY23. YUM operates a system of approximately 53,000 restaurants in 157 countries and territories under the concepts of KFC, Taco Bell, Pizza Hut and The Habit Burger Grill. Average analyst target is \$140. Wells Fargo initiated with a Overweight rating and \$145 target this week saying that Yum has "a premium business model" times three and the firm views it "uniquely positioned" to effectively play offense with accelerating global growth, Taco Bell momentum, China recovery, and Pizza Hut turnaround as well as defense with its highly franchised, asset light model. JPM raised its price target to \$130 from \$122 and cites restaurants are seeing a remarkable combination of events, with greater clarity on food and labor cost inflation being matched with the highest year-over-year menu pricing. Baird is a large bull and boosted its target to \$155 from \$146 and keeps an Overweight rating saying the analyst came away from its investor meeting with increased confidence that YUM has the drivers in place to fuel strong global growth and healthy shareholder returns on a near- and long-term basis. Short interest is at 1.1%. Hedge fund ownership fell 0.5% last quarter.

Hawk Vision:



Hawk's Perspective: YUM is a solid bull chart and can be bought here with a stop under the 55 EMA at 126 with potential breakout likely to see 135+.

Confidence Ranking: \$\$\$