

New Year, Same Old Strength:

Planet Fitness is looking STRONG in 2019 (sound the Lunk Alarm)

Bullish Alert for \$PLNT

Takeaways/Key Points

1. Planet Fitness' Purchase Intent (PI) Mentions have a well-established history of predicting the performance of the underlying stock.
 2. Although shares of PLNT have increased by more than \$20 in the past year, Purchase Intent from consumers has also risen to a new high in early 2019.
 3. The quarterly average of Planet Fitness' Purchase Intent has grown Y/Y in the past six quarters; that growth has translated directly to the company's top line revenue, with an outstanding streak of six consecutive earnings releases where revenues exceeded analysts' expectations.
 4. PLNT reports their Q4 2018 earnings next Tuesday afternoon, and we expect to see further revenue improvement in the reported period, as well as an optimistic outlook for 2019. With the stock currently at an ATH, an ensuing move lower would provide for an excellent long entry point.
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Potential Trade Ideas

Simple Option: Wait for dips in price to buy the stock

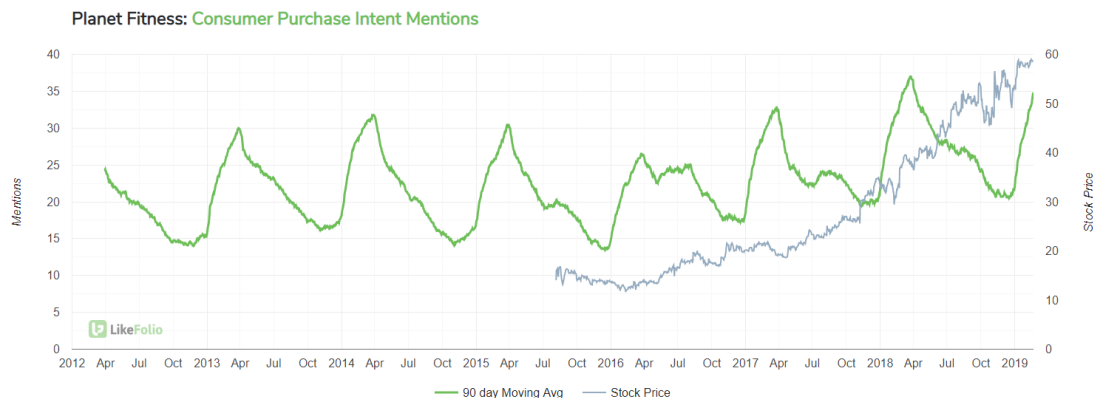
Option Spread: Sell the Mar. 19 60/57.5 Put Spread @ \$1.25 Credit. Max Gain: \$125 per contract. Max Loss: \$125 per contract.

Aggressive: Purchase far-dated Call options at the money

PLNT analysis:

Since their IPO in late 2015, Purchase Intent Mentions for Planet Fitness have proven themselves as an accurate indicator of the company's performance. PLNT managed to top revenue estimates in their past six releases, and the recent Y/Y PI growth strongly suggests a continuation of that strength into 2019.

Consider the chart below, which plots the 90-day moving average of Planet Fitness PI Mentions against their stock price.



[Open this view in Dashboard](#)

Like many other health-oriented companies, such as Weight Watchers, the moving average of Planet Fitness' Purchase Intent follows a distinctly seasonal

trend. The PI trendline typically reaches its annual peak in March, reflecting the influx of mentions brought on by New Year's weight-loss resolutions.

The relative strength of PLNT's Q1 Purchase Intent Mentions has been a remarkably predictive indicator of the stock's momentum in the ensuing year. In the all-important first quarter of 2019, the volume of PI Mentions for Planet Fitness has already surpassed the previous year, and the prevailing uptrend in consumer interest has yet to show any sign of slowing.

This impressive year-over-year Purchase Intent growth represents rising revenues for the company, which in turn signals future gains for PLNT shareholders. Although Planet Fitness could surprise again by reporting their 7th consecutive revenue beat next Tuesday, this company has far more potential as a long-term investment, so plan your trade(s) accordingly.

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