



## T-Mobile Attracts Bullish Positioning

**Ticker/Price:** TMUS (\$72.35)

### Analysis:

**T-Mobile (TMUS)** seeing July \$75 call open interest rise to nearly 3,000 today after another 1,250 were bought yesterday for \$3.30. TMUS has seen buyers in the January \$82.50 calls, June \$75 calls, and May \$77.50 calls recently as well. The August \$75/\$60 bull risk reversal was opened on 2/20 2,500X. Shares are flagging under \$74 and pulled back to the 13-EMA this week and uptrend support from the December lows. The recent consolidation comes above a big weekly range breakout above \$70 from February which targets \$77/\$80 on a long-term move higher. The \$61B wireless operator trades 15.5X earnings, 1.4X sales, and 50X cash with double-digit growth. TMUS sees 5.6% and 5% revenue growth over the next two years as they close their deal for Sprint. The company is coming off another strong quarter with 2.4M customer adds and record low postpaid phone churn. TMUS sees significant operating leverage in 2019 and upside from 5G which will become a bigger story in the 2H and early 2020. Analysts have an average target for shares of \$79 with 15 buy ratings and 1 hold. Short interest is 1% and down from 1.5% in July 2018. BTIG with a \$91 PT for shares. They see TMUS as the 'primary investment' for anyone looking for exposure to 5G expecting the company to beat all of its peers to market. The company's first-mover advantage as well as best-in-class sub metrics make it a leader in the space. Institutional ownership fell 7%. PointState a buyer of 2.1M shares and Point72 buying 1.7M shares. Regulatory approval for their Sprint deal is still expected in the 1H of 2019 despite recent clock stoppages.

### Hawk Vision:



**Trading Strategy:** TMUS remains the best fundamental story in a very boring Telecom group, though a move back to \$70 would be ideal for entry.

**Confidence Ranking:** \$\$