



## Size Buys in Macerich Puts with Short Interest Surging, Potential Capital Issues

**Ticker/Price:** MAC (\$37.15)

### Analysis:

**Macerich (MAC)** traded 10,500 puts on 5/29 with size buys in January \$40 and September \$37.50 puts for a combined \$3.2M which follows some accumulation of more than 4,000 June \$40 puts. MAC's President and CEO have each been buying stock in May for a combined amount around \$1M. MAC closed the day at its lowest level since 2011 and working out of a longer-term bearish pattern that measures down below \$20. The \$5.23B REIT is of the Retail variety with shopping centers across the US and trades 10.4X FFO with an 8.1% dividend yield. It has tenant exposure to many of the struggling Retailers. Analysts have an average target at \$48 and short interest at 9.6% of the float has been surging higher. Wells Fargo in February downgraded shares in a negative note citing MAC facing outsized capital expenditures the next 2-3 years for anchor re-tenanting and could struggle with cash flows to support capital needs and the dividend. Hedge Fund ownership fell 14.7% in Q1 filings, though Elliott Mgmt. is building a small stake.

### Hawk Vision:



**Trading Strategy:** MAC saw a bit of capitulation and would want to see a weak bounce for a higher quality entry, but definitely a name to be negative on.

**Confidence Ranking:** \$\$