



## FEATURED OPTIONS RADAR REPORT



### Liberty Bulls Look for Strength through Summer After UK Deal

**Ticker/Price:** LBTYK \$22.39

#### Analysis:

**Liberty Global (LBTYK)** with more bullish flow yesterday, 7/9, with 1,000 March 2021 \$20 calls bought for \$4.30 and follows over 13,500 October \$25 calls bought recently and 17,500 October \$17.50 puts sold to open in risk reversals. LBTYK also has 7,000 July \$22.50 calls in open interest set for expiration next week. LBTYK is forming a multi-week bull flag under \$23.25 with the rising 55-MA just below this week's range and recently positive cross back through the 200-day. A breakout targets \$27.50 and a big volume node from early 2019. The \$9.21B company trades around 1.15X sales and less than 2X cash with strong FCF. LBTYK recently announced plans to merge their UK operations with Telefonica in a 50/50 joint venture with 46M video, broadband, and mobile subs and over \$11B in revenues. The new \$38B entity comes after LBTYK's failed attempt to jettison some assets in Eastern Europe and instead posits them to take a massive share lead in the UK at a time when 5G spectrum is soon to be auctioned by the government. Analysts have an average target for shares of \$27. Deutsche Bank positive on 6-10 noting that LBTYK has one of the highest exposures to telco infrastructure, a segment which should continue to "re-rate," as a number of telcos move to monetize the value of fiber networks. Short interest is 0.4%. Hedge fund ownership fell 2.5%. Luxor Capital, Oaktree, and Baupost all sizable holders.

#### Hawk Vision:



**Hawk's Perspective:** LBTYK isn't a super exciting name but the setup is strong and risk/reward is positive with more clarity in the near-term on their strategy and potential catalysts from the UK spectrum auctions and 5G growth

**Confidence Ranking:** \$\$