



## FEATURED OPTIONS RADAR REPORT



### US Bank Attracting Bullish Positioning into Weakness

Ticker/Price: USB (\$34.70)

#### Analysis:

**US Bancorp (USB)** with over 4000 March \$30 puts sold to open near \$2 on 9/24 in large afternoon trades and follows recent unusual January 2022 far OTM call buys with 12,000 of the \$62.50 and 8,000 each of the \$65 and \$67.50 opening recently. USB also recently with 3000 December \$35 puts sold to open and seen a lot of October short puts open as well. USB shares have pulled back to a 61.8% Fibonacci retracement of the post-COVID range and sit near July support which is just above a key breakout level from 2013 that shares have now re-tested as well as 30-year trend support. The \$52.7B Bank trades 12.3X Earnings, 1.14X Book and yields a 4.84% dividend with a ROE of 10.7%. USB businesses include Consumer & Business Banking (40%), Payment Services (29%), Wealth Management (14%), and Corporate & Commercial Banking (17%). USB has been making great strides through its digital transformation. Fox Business reported in November 2019 that Goldman was potentially looking at USB in a M&A deal. USB ranks just behind the big four in terms of scale and has best-in-industry ROE averages and superior credit quality. Analysts have an average target of \$43 and short interest minimal at 1% of the float. On 7/31 Wolfe Research started shares Outperform with a \$54 target while being Underweight the group. On 7/29 Deutsche Bank upgraded shares to Buy with a \$42 target as a higher quality bank. USB is a defensive play among banks and has a payments business that could provide upside the next few years. Hedge Fund ownership grew 4% in Q2 filings, Berkshire Hathaway with a large \$4.85B stake and D1 Capital with a \$650M position.

#### Hawk Vision:



**Hawk's Perspective:** USB is a high-quality name but in a group with limited attractiveness. A current stop level would be \$32.40 if looking to take a shot and see what these far OTM calls are about.

**Confidence Ranking:** \$\$