



## FEATURED OPTIONS RADAR REPORT



### Unusual Upside Call Buy in Signature Bank

**Ticker/Price:** SBNY (\$79.65)

#### Analysis:

**Signature Bank (SBNY)** with a large opening buy of 2800 September \$100 OTM calls at \$5.40, reported earnings a week ago. SBNY shares are back near its March lows, a mixed quarter with net interest income missing estimates but balance sheet growth strong. SBNY does have 500 September \$90 puts in open interest from a 9/4 trade valued near \$1M. SBNY's daily chart is showing a bullish RSI divergence as shares make lows but RSI does not. The \$4.55B regional bank trades 7.2X Earnings, 0.9X Book, and 11.2X FCF with a 2.68% dividend yield. SBNY revenues are seen rising 19% this year and 9% next year with EPS forecasted to be -12% this year and +21% in 2021. SBNY is coming off a quarter that showed robust deposit and loan growth, its 2<sup>nd</sup> best deposit growth quarter in its history. Analysts have an average target at \$118 and short interest at 4% of the float has risen 71% Q/Q to near a five-year peak. CSFB started coverage at Outperform on 10/9 noting "Signature has generated compound growth in tangible book value and earnings well in excess of the peer median over a long time horizon (16% 10-year TBV growth CAGR vs. a peer median of 6%). Much of the bank's growth historically has come from commercial real estate—more recently, the bank has increased diversification of the loan portfolio with a greater proportion of growth in C&I lending." Piper started shares Overweight on 10/8 with a \$120 target seeing an attractive entry for its unique and successful approach to banking with geographic expansion opportunities. Hedge Fund ownership fell 11% in Q2 filings.

#### Hawk Vision:



**Hawk's Perspective:** SBNY is better than peers on most metrics but overall the Banks not my favorite group to invest and the trend remains bearish in the name, so would need to see some healthier price-action.

**Confidence Ranking:** \$