



FEATURED OPTIONS RADAR REPORT



Ally Financial Bullish Options Open Interest and Momentum

Ticker/Price: ALLY (\$32)

Analysis:

Ally Financial (ALLY) on 12/7 with a large block of 5000 June \$37 calls opening for \$1.96 in a stock replacement, a name that has seen March \$31 calls accumulate 10,000X in open interest and has 50,000 January 2022 \$35 calls and 29,000 of the \$25 calls in OI from size accumulation late 2019 into early 2020. ALLY shares are in a strong trend higher and broke out at the \$31 level recently that measures to a target of \$33 near-term while the \$35 highs from 2019 look ready to be challenged. The \$11.65B financial offers digital financial products and has Automotive, Insurance, and Mortgage operations. ALLY recently highlighted the strong auto consumer market with a material shift away from public transportation. ALLY trades 8.8X Earnings, 0.85X Book and yields a 2.37% dividend. Forecasts see EPS growing 52.5% in 2021 after a 35% decline in 2020 and another 30%+ growth year in 2022. ALLY continues to see strength across all core operating metrics, be that deposit growth, customer household acquisition, new accounts coming into the Ally Invest business and just record volumes in trading and investing activity and strength in the housing market. Analysts have an average target of \$36.50 and short interest dropped 35% Q/Q to just 1.9% of the float. BMO raised its target to \$36 after significant revenue and credit-driven earnings beat in Q3 with strong appreciation in used car prices as well as better net interest margin and auto net charge-off guidance. Goldman in July noted ALLY is one of the better self-help stories in Financials. Hedge Fund ownership fell 2.6% in Q3 filings, Oaktree Capital with a large concentrated position and Lakewood & Wedge notable top holders.

Hawk Vision:



Hawk's Perspective: ALLY is a Financial I always keep in mind with the size January 2022 positions as a top buy the dip name and continues to act very well, a market cap small enough it could make a real nice acquisition target in 2021.

Confidence Ranking: \$\$