



## FEATURED OPTIONS RADAR REPORT



### HR Block Calls Hot on Seasonality, Big 2021 Tax Season

**Ticker/Price:** HRB (\$15.70)

#### Analysis:

**H&R Block (HRB)** with nearly 2000 April \$17 calls trading this morning after 4000 opened yesterday and also a buyer of 2000 January 2022 \$20 calls on 12/9. HRB shares are slipping under its 200-day moving average today and testing a 61.8% Fibonacci retracement, weak price action looking for a reversal. The positioning for April is interesting considering it lines up with tax season, shares higher in April the last four years by over 11% on average. The \$3.15B Company trades 6.8X Earnings and 10.7X FCF with a 6.35% yield. HRB is shifting more to digital/virtual in a transformational move. In September the CEO bought 25,150 shares just above \$15. The HRB bullish activity this week comes after it hosted an Investor Day earlier this week, so it appears it laid out its strategic vision well. Analysts have an average target of \$18.50 with short interest at 10.5% of the float. HRB shares have seen some selling on the Credit Karma deal causing competition as Square enters the tax prep business. Barrington sees a big FY21 as it will essentially be 1.5 tax seasons due to the pandemic push out. Hedge Fund ownership jumped nearly 15% in Q3 filings.

#### Hawk Vision:



**Hawk's Perspective:** HRB would be a buy and hold your nose type with this price-action, like to see it retake the 200-day MA but as it nears the insider buy level at \$15 the reward/risk shifts favorably.

**Confidence Ranking:** \$\$