



FEATURED OPTIONS RADAR REPORT



Ally Financial Bull Sees Relative Strength Continuing

Ticker/Price: ALLY (\$55)

Analysis:

Ally Financial (ALLY) with 3,500 September \$60 calls bought on 6/3 for \$2.05. ALLY has seen 3,500 June \$55 puts sold to open recently while the September \$46 and \$50 calls active with buyers in April. Shares have been in a strong trend since July 2020 and back at the 8-EMA this week as well as the prior base breakout with potential for a move back to \$60. The \$20.46B company trades 8.9X earnings, 1.4X book and 1.15% cash with a 1.5% yield. ALLY is guiding to accelerating growth in FY22 and FY23, 4.5% and 5.5% respectively. ALLY is benefitting from growth in retail deposits, lending volumes, and 97% growth in customer assets for Ally Invest. Automotive has also been a bright spot with demand for new and used vehicles surging and values remaining elevated as inventories were constrained. ALLY sees a big opportunity to build out Ally Bank as home originations rise. Analysts have an average target for shares of \$48 with a Street High \$65. Deutsche Bank with a \$65 PT and Buy rating last week. They are positive given the current benign credit environment, elevated auto prices due in part to supply shortages, and continued strong demand amid a secular shift in consumer transportation preferences brought to the forefront by the pandemic. Hedge fund ownership fell 5% in Q1. Oaktree Capital remains a top holder with 11.1M shares.

Hawk Vision:



Hawk's Perspective: ALLY remains a solid dip buy within the financials and a move back to the 21-day around \$53.75 would set up a nice short-term risk/reward

Confidence Ranking: \$\$