



## FEATURED OPTIONS RADAR REPORT



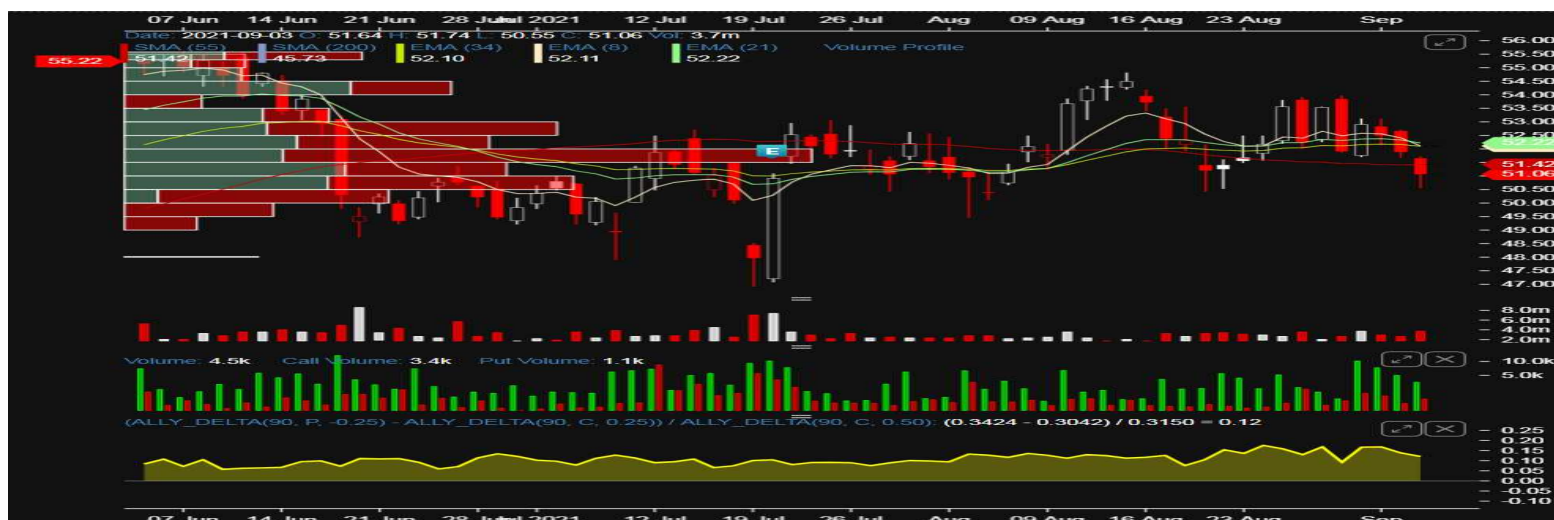
### Bullish Positioning in Digital Banking Play Sees Weakness as Opportunity into Year-End

Ticker/Price: ALLY (\$51)

#### Analysis:

**Ally Financial (ALLY)** shares have pulled back since an early June high near \$56.50 but has some notable bullish open interest positioning with a recent trade on 9/1 buying 3000 December \$50 calls for nearly \$1.5M to open while 4000 October \$55 calls bought since 8/25 and has 8900 September \$55 calls in open interest from buyer flow as well as a 3000 lot of September \$46 calls bought back on 4/19. ALLY also still has 30,000 January \$35 calls in open interest from large buys in October 2019. The December \$55 calls have over 7000 in OI from buy-writes and December \$60 calls sold to open on 8/31. ALLY closed last week below its 55-day moving average and touched lower value from August OpEx cycle as well as the 21-week rising moving average which has been supportive in the past, so near an ideal entry for a favorite name. YTD VWAP is near \$47.35 as a stop level on a weekly closing basis. ALLY is a leading digital financial-services company with over \$180B in assets. ALLY is one of the largest full-service automotive finance operations in the United States and offer a wide range of financial services and insurance products to automotive dealerships and consumers. Its leading digital Bank offers mortgage lending, point-of-sale personal lending, and a variety of deposit and other banking products, including savings, money-market, and checking accounts, CDs, and IRAs. Ally Invest offer securities-brokerage and investment-advisory services. ALLY sees a big opportunity to build out Ally Bank as home originations rise. ALLY has a market cap of \$18.7B and trades 7.35X Earnings, 1.24X Book and yields 1.96%. ALLY forecasts see revenues rising 6% in 2021 and EPS gaining 168%. ALLY is coming off a quarter with accelerating growth across several measures, including sustained, rapid expansion of engaged customers, industry-leading retention of balances and account holders and steady growth over the past 5 years among customers who use multiple Ally Bank products. ALLY is continuing to use levers to push its NIM higher, seeing benefits of a strong used car pricing backdrop, growing originations, seeing healthy credit trends, and is likely to return significant amounts of capital. Analyst have an average target of \$65 with short interest low at 3% of the float. Deutsche Bank raised its target to \$70 in July after strong Q2 results and following an initiation in May citing the secular shift in consumer transportation preferences providing for a strong auto environment. Hedge Fund ownership fell 6.3% in the latest quarter filings.

#### Hawk Vision:



**Hawk's Perspective:** ALLY remains a favorite Financial and think it closes the year closer to \$60, the December \$50/\$55 call spreads for \$2 are a reasonable play.

**Confidence Ranking:** \$\$