



## FEATURED OPTIONS RADAR REPORT



### Large Call Buy in Office REIT as Employees Return to Cities

Ticker/Price: BXP (\$117.77)

#### Analysis:

**Boston Properties (BXP)** unusual large trade late in the day on 7/9 as 5000 November \$130 calls were bought to open for \$2.12, a name lacking any other notable open interest. BXP shares recently pulled back to the rising 55-day moving average which held firm as support and put in a strong candle to close the session Friday. Shares need to work above \$120 to threaten a move past \$124 highs from early June and resistance from the COVID sell-off near \$129 while the upper range resistance from pre-COVID is near \$140. BXP is one of the largest publicly traded office REITs that develops, owns and manages primarily Class A office properties. Its properties are concentrated in five markets— Boston, Los Angeles, New York, San Francisco and Washington, DC. It has a portfolio of 196 commercial real estate properties, aggregating approximately 51.2 million net rentable square feet of primarily Class A office properties, including six properties under construction/redevelopment totaling approximately 3.7 million net rentable square feet. BXP has very few lease expirations the next three years, is positioned to benefit from the flight to quality trend of prior recessions, and sees a return of ancillary revenue streams such as parking, hotel & retail. Its portfolio is diversified across industries with Tech, Legal and Financial accounting for 59% and top tenants include Salesforce.com, Akamai, Biogen, Google, WeWork, and Arnold & Porter Kays Scholer. BXP has a market cap of \$18.1B and trades 18X FFO and 3.15X Book with a 3.35% dividend yield. Analysts have an average target of \$120 and short interest is 3.2% of the float. Deutsche Bank raised its target to \$120 in June seeing the return of ancillary revenues boosting earnings. Truist raised its target to \$130 citing the four new leases announces at the end of Q1 positioning BXP for strong future growth. Piper upgraded to Overweight in May with a \$135 target. Hedge Fund ownership fell 5% in 1 filings.

#### Hawk Vision:



**Hawk's Perspective:** BXP has put in a real nice candle to trade against on the weekly and we are seeing a lot of M&A across the REIT space, a high quality name like BXP should continue to recovery with the return to office theme.

Confidence Ranking: \$\$