



## FEATURED OPTIONS RADAR REPORT



### Call Buyer in Jones Lang LaSalle Targets 'Return to Office' Trade into Year-End

Ticker/Price: JLL (\$190.70)

#### Analysis:

**Jones Lang LaSalle (JLL)** buyer of 1000 December \$220 calls for \$5.70, stock replacement, and follows 900 December \$250 calls bought in late May that remain in open interest. Shares have traded in a very strong trend since late 2020 and pulling back to the rising 21-week MA this week. JLL is also trading just above a big breakout level at \$178.50 that stretched back to early 2015. The broader range breakout targets \$280. The \$10B company trades 14.4X earnings, 0.6X sales, and 9.45X FCF with a small yield. JLL is a commercial real estate leader with investment management services for both retail investors and HNW individuals. The company said last quarter that office leasing activity remains subdued with volumes down 45% in the US but stage set for robust growth into year-end as the overall trajectory remains positive and leading indicators like property tours increase. JLL closed 2020 with solid momentum with strength in leasing activity around high-growth areas like data centers, life science and industrial. In April, Bloomberg reported the company was looking at potentially selling their China property management unit. A sale could fetch as much as \$500M. Short interest is 2.3% and down from around 5.5% in early 2021. Hedge fund ownership fell 16% in Q1. Vulcan Value has a 2.6M share position. Analysts have an average target for shares of \$170 with a Street High \$219 from JP Morgan. The firm thinks earnings continue to shine despite not trading like peers with similar results. Wolfe starting at Outperform in June as they think the company will benefit from favorable macro trends in transaction-based segments and see accelerating earnings growth. Goldman with a \$187 PT as they think the CRE Broker sector is well positioned to benefit from a cyclical rebound in real estate leasing and transaction activity as the U.S. and global economies rebound in 2021 and 2022.

#### Hawk Vision:



**Hawk's Perspective:** JLL is back at an ideal spot on the longer-term weekly chart and potential to put in a significant low/reversal that sets up a nice risk/reward for a run back at \$210 with plenty of tailwinds into the 2H

Confidence Ranking: \$\$