



FEATURED OPTIONS RADAR REPORT



Metlife Calls Target Reversal into Year-End as Macro Environment Improves

Ticker/Price: MET (\$57.40)

Analysis:

Metlife (MET) buyers of 5,000 January \$57.50 calls for \$4.15 to open into weakness. MET has seen buyers recently in the September \$65 calls, over 4000X, while sellers active across the September, December, and January \$65 puts. Shares have traded well since the March 2020 lows and now pulling back to the 23.6% Fibonacci retracement at \$57. MET broke out of a big monthly range earlier this year above \$53.60, a key area if we pull back further with long-term upside to \$80. The \$51.6B company trades 8.33X earnings, 0.8X book and 5.4X FCF with a 3.26% yield. MET is coming off of a strong quarter and should continue to benefit as the pandemic eases, the external environment continues to strengthen, and they execute on their Next Horizon strategy. The company has been busy with asset sales as they simplify their overall structure and recent report they are selling some EU assets to NN Group for \$740M. MET's Retirement solutions business has been a strong performer with higher underwriting and volumes growth and they highlighted recently a 'robust' pension risk transfer pipeline into the 2H. Analysts have an average target for shares of \$63 with a Street High \$74 from RBC. The firm was out in May noting that MET should be a big beneficiary of waning pandemic effects while they should continue to see upside from variable investment income and return to normalcy for their employee benefits business. UBS starting coverage at Buy in April seeing a clear path to portfolio simplification after their recent divestitures and further actions would be a driver for more upside. Short interest is 2%. Hedge fund ownership rose 4.85% in Q1,

Hawk Vision:



Hawk's Perspective: MET is putting in a nice hammer reversal today which gives an easy level to trade against short-term but overall ugly trend and would prefer to see it base around the \$53.50 level to establish a better long-term risk/reward

Confidence Ranking: \$\$