

Bearish Positions in Uniti on Capital Intensiveness Concerns

Ticker/Price: UNIT (\$19.95)

Analysis:

Uniti (UNIT) with another 2,000 August \$17.5 puts bought \$2 after 2,900 opened late yesterday. **UNIT** also with 1,200 May \$17.50 puts bought for \$1.35 to \$1.45. UNIT does have over 10,000 February \$17.50 calls sitting in open interest from buys and has seen some May \$17.5 and \$20 calls accumulate. Longer term a large buy of 10,000 Jan. 2020 \$15 puts from 11/15 remains in OI. On the chart shares are back to high volume profile resistance at \$20.25, an area it could turn lower also being long-term trend resistance. The \$3.5B communication infrastructure REIT trades 7.9X FFO with a 12% dividend yield, and will next report on 2-28. UNIT is a top ten owner of Fiber, Small Cells and Macro Towers seeing a rapid expansion in wireless data driving the need for significant investments in its products. Analysts have an average target of \$19.50 on shares with short interest at 8.9% of the float, rising 25% Q/Q. MSCO downgraded shares back in December to Underweight with concerns on the capital structure and elevated costs of capital that could lead to a dividend cut or equity raise and pressure shares. Hedge Fund ownership dropped nearly 25% in Q3 filings and no real notable concentrated holders.

(UNIT_DELTA(90, P, -0.25) - UNIT_DELTA(90, C, 0.25)) / UNIT_DELTA(90, C, 0.50): n/a [**⊮**"](×] 0.00 -0 10 2019-02-06 O: 20.00 H: 20.08 L: 19.84 C: 19.91 Vol: 239.7k *****2 21.00 18 28 20.50 15 00 ويستعملوا ومستبيا البالي والمتعار والمتعار والمتعالية والمتعالية والمتعالية المتعار والمتعالية والمتعار والمتعا /olume: 5.0k Call Volume: 513.0 Put Volume: 4.5k [²⁷][×] - 30.0k 20.0k 10.0k Induced were been all a consideration of the state of the second state of the state Oct 2018 Nov Dec 2019

Hawk Vision:

Trading Strategy: UNIT looks like a viable short candidate with a near-by stop level on a close above \$20.50, these puts can make a nice move with a dividend cut related sell-off.

Confidence Ranking: \$\$