



FEATURED OPTIONS RADAR REPORT



Large Put Sale in Leading Bank with Digital Platform Catalyst

Ticker/Price: SBNY (\$285.50)

Signature Bank (SBNY) large opening sale of 400 January \$280 puts for \$43.60 late in the session on 3/8. SBNY also with 400 August \$220 puts sold to open on 2/8, 250 May \$320 calls bought on 2/4 and has 400 January \$210 short puts and 300 January \$240 short puts in open interest from trades in July 2021. SBNY shares are -12% YTD and have dipped the last two weeks with the Banking industry touching the rising 55-week moving average on the low this week and nearly retesting a major range breakout from 2021 with the \$250/\$260 zone likely supportive. SBNY is a New York-based full-service commercial bank with 37 private client offices located throughout the metropolitan New York area, as well as those in Connecticut, California and North Carolina. Its Signature Financial subsidiary offers a variety of financing and leasing products, including equipment, transportation, commercial marine, and national franchise financing and/ or leasing. The Signature Securities subsidiary provides brokerage, asset management and insurance products and services. SBNY has a market cap of \$19.3B and trades 11.3X Earnings and 2.2X Book with a 0.78% dividend yield and 12.9% ROE. Forecasts are calling for 37% topline growth in 2022 and 27% growth in 2023 with 31.1% and 37.7% EPS growth respectively. Signature raised its loan and securities growth guidance for 2022 and management implied they likely reached a trough in their net interest margin. SBNY plans to announce enhancements to the Signet platform at some point in 1Q22, it was suggested on the call that Signature could possibly issue its own stablecoin as part of this enhancement. Analysts have an average target of \$430 with short interest low at 3% of the float. Ray-Jay raised its target to \$445 on 2/10 citing incredible balance sheet growth, high degree of asset sensitivity, and peer-best EPS growth, all while efficiently managing expenses.

Hawk Vision:



Hawk's Perspective: SBNY is a best-in-class name though struggling near the 200-MA and \$250 a better entry level, certainly a longer-term own to consider for a rising rate environment.

Confidence Ranking: \$\$