



FEATURED OPTIONS RADAR REPORT



Tanger Puts Target Weakness As Outlet Trends Decelerate

Ticker/Price: SKT (\$18.50)

Analysis:

Tanger Factory Outlet (SKT) with 8000 September \$19 puts opening up to \$2.65 this morning and follows buyers in the September \$20 puts recently. Shares are rolling back under the 8-EMA today with trend support around \$17 and big gap below down to \$11.50. SKT has had some big spikes since January but all sold back quickly and momentum starting to turn a bit with MACD near a bear cross and RSI back under 60. The \$1.92B company trades 48.65X earnings and 5X sales with a debt-heavy balance sheet and raising cash through equity offerings twice so far in 2021. SKT has risks in 2021 from tenant restructurings that deferred a lot of rent payments in 2021, shrinking retail footprints, and long-term lease adjustments due to recent bankruptcy filings from some tenants. SKT also could face traffic challenges as their 'drive to tourist' destination shopping centers rose in popularity largely due to lack of sporting events, concerts, and other events which are all back at nearly full capacity now mid-year. Analysts have an average target for shares of \$9.25 and a Street High \$12.50. Goldman cutting to Sell in March noting that fundamentals are weaker today than pre-Covid and occupancy and leasing will remain challenged in 2021 which will limit Tanger's earnings recovery. Short interest is 22.5%. Hedge fund ownership rose 12% in Q1.

Hawk Vision:



Hawk's Perspective: SKT momentum is starting to turn a bit and under that \$16 level has a lot of downside potential while the long-term story remains challenged, a top short idea to keep on the radar if the market weakens

Confidence Ranking: \$\$