



## FEATURED OPTIONS RADAR REPORT



### Simon Put Sales See Limited Downside as Reopening Gains Momentum

**Ticker/Price:** SPG (\$115.50)

#### Analysis:

**Simon Property (SPG)** with 1000 May \$115 puts sold to open \$5.80 this morning and follows sellers in the January \$115 and October \$105 puts recently as well as a buyer of the April \$125/\$100 bull risk reversal last week. SPG has some large open interest in the May \$115 calls, over 3000X, as well as the April \$110 calls, over 2000X. SPG has been trading in a narrow range above its rising 50-day MA and a break higher has room out to \$135-\$140. MACD is nearing a bull crossover and RSI remains in a bullish trend but not yet oversold. The \$37.8B company trades 25.85X earnings, 8X sales, and 37X cash with a 4.45% yield. SPG is positioned well for a snapback year as retailers gradually reopen stores and vaccinations drive more confidence in in-person shopping experiences. They also took advantage of the macro environment in 2020 to add real estate at attractive valuations and they partnered with Authentic Brands to buy distressed names in bankruptcy like Brooks Brothers. SPG expects cash flows and rents to stabilize in 2021 even if occupancy isn't back to normal levels for another year or two as they sport a better long-term balance as healthier retailers take a more prominent spot in their portfolio. Analysts have an average target for shares of \$91.50 with a Street High \$130. Piper raising estimates on 3/5 as they think the company will emerge in almost a stronger position after the pandemic. Deutsche Bank positive in February as they think SPG is near a major inflection point for the remainder of the year and management's 5.7% funds from operations growth guidance midpoint for 2021 increases confidence that the worst is behind them. Short interest is down to 5% from around 9.5% in October. Hedge fund ownership rose 14.5% in Q4, Zimmer Partners a new buyer of stock. Insiders active all year in 2021 with ten different directors adding stock around \$71.90 in March.

#### Hawk Vision:



**Hawk's Perspective:** SPG is the most attractive of the mall REITs and thematically should continue to have tailwinds throughout the year, setting an alert for a move above \$118

**Confidence Ranking:** \$\$