



FEATURED OPTIONS RADAR REPORT



Bullish Long-Term Positions Position for Telecom 5G Winner

Ticker/Price: TMUS (\$116)

T-Mobile (TMUS) last week with large buys in January 2023 and January 2024 \$110 calls for 5000X and 2000X respectively spreading against the \$160 strike calls positioning for longer-term upside. On 11/17 TMUS had a buyer of 3000 February \$120 calls for \$1.6M, on 11/24 the May \$115 calls bought 1500X for \$1.3M and on 12/3 the March \$100 ITM calls opened 3300X for over \$4.5M. TMUS shares pulled back sharply in 2H21 and put in a hammer low right at a 50% retracement of the 2020 low to 2021 high and closed the year right near VWAP off the March 2020 lows and in a volume node from the October 2020 weekly flag breakout. TMUS looks to be forming a potential inverse head and shoulders bottom with the right shoulder forming last week and a pattern that measures to \$137 while VWAP off its highs is at \$126.50. TMUS disrupted the wireless industry with its Un-carrier strategy and merged with Sprint in April 2020 with a mission to build America's best 5G network. TMUS has a market cap of \$145.65B and trades 35.75X Earnings, 7.7X EBITDA, 1.83X Sales and 2.12X Book with revenues seen rising 2-3% the next two years and EBITDA growing 5-7%. TMUS has been our top Telecom name for many years with its industry-best margins, growth and strong FCF. Analysts have an average target of \$166 and short interest is low at 2% of the float. Ray-Jay upgraded shares to Strong Buy in November with a \$158 target as an attractive buying opportunity into the 5G rollout. TMUS has a multi-year opportunity to grow services revenues, expand margins and eventually start buying back stock. 2022 is expected to be a pivotal year for TMUS as it completes the 5G network upgrade and Sprint integration.

Hawk Vision:



Hawk's Perspective: TMUS is a favorite Telecom name and a buyback in 2H22 can be a major catalyst, a name that looks to offer 50% upside over the next two or three years providing an attractive entry.

Confidence Ranking: \$\$