

SPOTLIGHT OPTION TRADE



Best in Class 5G Play Nears Major Volume Pocket Move Higher

TRADE SNAPSHOT

TICKER	TMUS
SECURITY	T-Mobile US
SECTOR	Tech – Communications
CURRENT PRICE	\$124.83
LONG/SHORT	Long
TARGET	\$140
STOP	\$117
TIMEFRAME	2.5 Months

Trading Strategy: Long TMUS June \$130 Calls at \$4.75

Net Debit/Credit: Debit \$4.75

Profitability Zone: TMUS Above \$134.75 on June OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: TMUS shares are consolidating right near the 200-day moving average and upper end of a major volume zone with potential for a breakout to extend this multi-week bull flag consolidation into a very thin volume profile with room back to \$144.



Fundamental Analysis: TMUS is the top Telecom name that has been consistently winning share from AT&T and Verizon and now positioned with the best 5G network into the ramp cycle, a company with industry-best margins, growth and FCF. TMUS currently has a market cap of \$158B and trades 21.5X Earnings, 2X Sales and 8.4X EBITDA with 2022 an investment year before growth starts reaccelerating in 2023. Analysts have an average target of \$160 with short interest at 2.6% of the float. KeyBanc upgraded to Overweight this week and a \$155 target citing the top 5G network, margin expansion, synergies driving cash flows and reasonable valuation. TMUS is a top pick at MSCO with a \$150 target and \$210 bull case noting the a 1-2year head start on building out mid-band 5G with a significantly deeper spectrum portfolio than peers. It sees significant share gain opportunities in small town/rural and enterprise. They also note that the company is in the early stages of penetrating the \$90B home broadband market with its new fixed wireless product. MSCO expects TMUS to commence its \$60B share buyback program later this year, which represents ~40% of the current market cap.

Options Activity:

Date	Ticker	Contract	Volume	OI	Price	Delta	IV	Premium
02-08-2022	TMUS	TMUS 100 16 JUN 23 110 CALL	2,751	0	\$26.8	0.70	33.53%	\$7,372,680
02-09-2022	TMUS	TMUS 100 16 JUN 23 110 CALL	4,500	2,751	\$28.35	0.72	32.17%	\$12,892,500
03-15-2022	TMUS	TMUS 100 16 JUN 23 110 CALL	3,001	7,353	\$28.7	0.71	37.23%	\$8,612,870
01-20-2022	TMUS	TMUS 100 20 JAN 23 100 CALL	5,200	276	\$16.6	0.61	33.89%	\$8,632,000
12-30-2021	TMUS	TMUS 100 20 JAN 23 110 CALL	1,001	896	\$19.05	0.64	31.42%	\$1,926,925
01-07-2022	TMUS	TMUS 100 17 JUN 22 110 CALL	633	38	\$8.89	0.54	30.72%	\$562,737
01-11-2022	TMUS	TMUS 100 17 JUN 22 110 CALL	1,747	570	\$8.55	0.53	31.26%	\$1,537,360
12-30-2021	TMUS	TMUS 100 19 JAN 24 110 CALL	1,000	35	\$25.07	0.64	32.48%	\$2,520,000
11-24-2021	TMUS	TMUS 100 20 MAY 22 115 CALL	1,500	46	\$8.65	0.52	28.89%	\$1,297,500
11-30-2020	TMUS	TMUS 100 20 JAN 23 100 PUT	450	32	\$10	-0.21	32.3%	\$450,000
03-31-2021	TMUS	TMUS 100 20 JAN 23 100 PUT	2,000	1,731	\$7.8	-0.22	28.91%	\$1,610,000
12-08-2021	TMUS	TMUS 100 20 MAY 22 125 CALL	750	216	\$5.4	0.37	29.66%	\$405,000
03-09-2022	TMUS	TMUS 100 19 JAN 24 105 PUT	661	4	\$11.3	-0.28	30.68%	\$776,675
01-07-2022	TMUS	TMUS 100 20 JAN 23 115 CALL	713	253	\$11.65	0.50	30.97%	\$830,645
02-03-2022	TMUS	TMUS 100 17 JUN 22 130 CALL	2,013	913	\$5.3	0.37	29.84%	\$1,066,890
02-04-2022	TMUS	TMUS 100 17 JUN 22 130 CALL	2,003	2,657	\$4.8	0.37	29.2%	\$961,440

Potential Catalysts: May Earnings / Buybacks

Disclaimer:

Not Investment Advice or Recommendation

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