



FEATURED OPTIONS RADAR REPORT



T-Mobile Attracts Bullish Flow into the 200-MA, Prior Breakout

Ticker/Price: TMUS (\$123)

Analysis:

T-Mobile (TMUS) the May \$120 calls being bought 1350X for \$8.45 to \$8.75 this morning after pulling back near the 200-day last week and follows buyers on Friday in the March \$125 calls where volume is over 14,750X. TMUS saw sellers in the April \$110 puts and August \$100 puts last week as well and still has over 5,000 May \$125/\$145 call spreads in OI from mid-February. Shares pulled back last week to re-test a big multi-month breakout at \$117 as well as the 200-MA. TMUS has VWAP from the recent highs at \$125 and a run higher would target \$132.50 and then new highs. The \$150B company trades 33.8X earnings, 2.2X sales, and 14.5X cash. TMUS is guiding to 40%+ EPS growth in FY22 and then 57% growth in FY23. TMUS continues to blow away subscriber estimates and adds with over 5.5M new postpaid accounts in 2020, a true growth standout in the space. The company is executing well on synergies from their Sprint merger and expects a big potential tailwind as they focus on Sprint's incoming base which is much higher-churning. TMUS is also focused on 5G as the company owns around 50% of the sub 6GHz spectrum and looking to grow their overall market share from around 30%+ now. Analysts have an average target for shares of \$142 with a Street High \$172. Truist positive on 2/5 as TMUS is positioned well to pivot from competing on promotional activity to that of its network and drive incrementally profitable subscriber gains for the next several years. OpCo upgrading to Buy in December as TMUS is building the only true 5G network on 80MHz, giving it a two-year-or-so market advantage over peers. Short interest is 1.13%. Hedge fund ownership fell 3% in Q4 and a top five position for Viking Global, Egerton, and Appaloosa.

Hawk Vision:



Hawk's Perspective: TMUS is the best-in-class telecom name and deserves a premium to peers, one to target as it consolidates under this \$125 level

Confidence Ranking: \$\$