



FEATURED OPTIONS RADAR REPORT



Bullish Call Buy in Top ROE Bank

Ticker/Price: USB (\$57.1)

US Bancorp (USB) late day size buyers of 2500 September \$60 calls at the \$3.25 offer on 2/18 as the first notable activity in a while though USB does still have the 15,000 January \$90 calls bought in open interest and 2000 January \$80 and 4000 January \$85 calls. USB shares have been trading sideways in the \$53/\$62 range since last May and targets a move to \$71 on a breakout while \$73.65 is the 138.2% Fibonacci extension target. U.S. Bancorp is a multi-state financial services holding company headquartered in Minneapolis that has major lines of business as Corporate and Commercial Banking, Consumer and Business Banking, Wealth Management and Investment Services, Payment Services, and Treasury and Corporate Support. USB has a market cap of \$85.6B and trades 1.77X Book with a 3.22% dividend yield and 14% ROE. Forecasts see net income growing at a 21% CAGR the next three years. USB did a key acquisition of Union Bank last year for \$8B from MUFG which increases its presence in California and also preserves USB's industry-best ROE. Analysts have an average target of \$65 with short interest low at 0.8% of the float. Berkshire Hathaway has a large \$7.1B stake in USB. JPM out in early February with a \$72 target seeing benefits from higher rates and loan growth as well as a recovery in consumer spending. UBS started coverage at Buy in December with a \$70 target calling USB not boring after its latest acquisition.

Hawk Vision:



Hawk's Perspective: USB is an attractive Bank with a nice 3% yield and these calls fairly low risk for the quiet mover with potential to see \$70.

Confidence Ranking: \$\$