



SSR Mining Draws Unusual Call Buying

Ticker/Price: SSRM (\$11)

Analysis:

SSR Mining (SSRM) trading over 34X average call volume today with buyers of more than 12,000 July \$10 calls up to \$1.30. SSRM shares have pulled back from highs earlier this year around \$14.50 and back at a big level where shares broke out of a two-year consolidation late last year. A move back above the 20-EMA at \$11.25 and has room up to cloud resistance at \$12.50 and then a high-volume node near \$13.75. The \$1.32B gold miner trades 21X earnings, 2.93X sales, and 33X FCF with over \$4/share in cash on hand and limited debt. SSRM has been a steady name over the last decade hitting their production guidance in seven straight years while keeping their portfolio lean to help drive better efficiency and lower costs. SSRM has focused on investing in mine utility to grow margins while increasing milling rates. Their two primary mines, Marigold and Seabee, are both set to see a big jump in value as production increases in 2019 and 2020. SSRM has a number of exploration projects underway which could provide significant upside. They estimate that Seabee alone has over 57,000 ha of underexplored land which could yield high-grade production. SSRM also has a JV in Argentina which will ramp production in the 1H of 2019 for the first time. Analysts have an average target for shares of \$15.50 with 5 buy ratings and 4 hold. Short interest is 2.6%. RBC has a \$16 PT and Outperform rating. BMO with a \$12.50 PT citing their 'best in class' balance sheet and production which far exceeds expectations. Institutional ownership fell 4%.

Hawk Vision:



Trading Strategy: SSRM is putting in an interesting reversal candle to trade against, intriguing action to take a shot in a tricky gold miner group.

Confidence Ranking: \$\$