



## Peruvian Precious Metals Co. Sees Surge in Call Buying as Prices Rally

**Ticker/Price:** BVN (\$17.25)

### Analysis:

**Minas Buenaventura (BVN)** early trades for over 4500 December \$18 calls at \$1.45 to \$1.48 where size opened Friday for 3000 contracts. BVN shares are nearing a breakout move above \$17.75 and has a measured move out of a cup pattern to \$21. The \$4.7B precious metals company out of Peru is seeing action after a recent surge in Silver prices that has followed the strength in Gold. BVN trades 23.2X Earnings, 1.56X Book and 9.7X EV/EBITDA. BVN will next report on 7-25 and speak at the Denver Gold Forum on 9-15. On 7-17 the Company reported preliminary Q2 production and updated the de-bottlenecking program. Peru is a leading global producer of Silver where BVN is 100% based. It has a robust financial position with Debt/EBITDA trending down and now below 1X. Current projects and development include Yanacocha Sulfide Project and Development and Capital Allocation (San Gabriel, Trapiche, Yumpaq & Río Seco). Analysts have an average target at \$16 with short interest low at 1.4% of the float. JP Morgan raised its target to \$18 in March citing numerous growth opportunities. Hedge Fund ownership fell 3% in Q1 filings.

### Hawk Vision:



**Hawk's Perspective:** BVN has a better financial profile than the majority of the Silver names and a preferred way to play precious metals, seeing the rally has a near-term pullback before starting to move higher again.

**Confidence Ranking:** \$\$