



Cameco Attracts Bullish Positions for Long Term

Ticker/Price: CCJ (\$6.9)

Analysis:

Cameco (CCJ) seeing elevated options activity recently with 10,000 January 2022 \$7 calls accumulating last week and also a large buy of 20,000 June \$7 calls to open at \$0.95 on Friday as the \$9 calls adjusted back. CCJ shares recently traded back to decade lows but reversed higher the last two weeks. The \$2.74B producer of Uranium trades 0.77X Book and 13.6X EV/EBITDA with a 0.87% dividend yield and strong balance sheet, trading 3.6X cash on hand. CCJ is a leading play on a push for Nuclear power with global electricity demand set to rise 55% from 2018 levels by 2040. Uranium demand will be driven by the 53 reactors currently under construction, China a top user with 48 operating and 10 under construction. Uranium prices remain low and have been fairly steady the last few years. CCJ has retired \$500M in Debt with \$1B outstanding and has \$1.1B in cash. Analysts have an average target of \$10 on shares with short interest at 4.5% of the float. Axios reported in February the White House is aiming to increase the budget for funding nuclear weapons. On 3/23 Cameco suspended operations at Cigar Lake due to COVID-19. Analysts have been quiet with no recent notes on the name. Hedge Fund ownership jumped 12.9% in Q4 filings.

Hawk Vision:



Hawk's Perspective: CCJ is a rare commodity name with a strong balance sheet and does look to have value down at these levels with clear demand long-term, an intriguing own.

Confidence Ranking: \$\$