



## Next-Era Energy Calls Bought as Best in Class Utility Bases

Ticker/Price: NEE (\$236)

### Analysis:

**Next-Era Energy (NEE)** with buyers of 1,265 May \$260 calls today from \$5.00 to \$6.00 and name popular with put sales recently including 2,000 April \$250 puts sold back on 2/25 that are a bit underwater. NEE also has seen buyers in the September calls, although smaller size remains in OI. Shares are back above the 200-MA today after dipping down to the 50% retracement of the big bull trend from the 2016 lows around \$190. Shares also held a high-volume node from 2018 around \$180. A move above \$250 in the near-term puts new 52-week highs back in play above \$280 and a measured run up to \$300. The \$117B utility trades 3X book and 23X FY21 earnings with a 2.4% yield. They generate about \$8B in cash flows last year and their debt position, while rising recently due to some deals, is primarily longer-maturity and manageable. They sold \$1.1B in 5-year notes through their Florida Power and Light business on 3-26 as well. NEE is a leader in renewable energy generation with wind and solar in focus. They've been one of the most consistent names in the space while also pursuing a number of bolt-on M&A deals to expand their footprint. Analysts have an average target for shares of \$245. BMO starting at Outperform in February. Short interest is 1.4%. Hedge fund ownership fell 2.65% in Q4. Insiders active in March in the name with two different directors buying stock. On 3/11 and 3/12 one bought \$450k at \$212.50 to \$243 while another bought \$880k at \$220. On 4-3, media reports speculated the company was working with advisors on a bid for Evergy (EVRG).

### Hawk Vision:



**Hawk's Perspective:** NEE has long been our preferred Utility stock to own, and continues to act and operate as the best in class name.

**Confidence Ranking:** \$\$