



FEATURED OPTIONS RADAR REPORT



Barrick Gold Bulls Look for 200 MA Bounce

Ticker/Price: GOLD (\$25.40)

Analysis:

Barrick Gold (GOLD) with over 24,000 January \$26 calls bought on the day between \$1.25 and \$1.28 to open and follows a large sale of 4,500 June \$23 puts on Friday. GOLD had 10,000 December \$31 calls bought in mid-October which remain in OI and sellers active at the January \$27, June \$25, and March \$27 strikes as well. Shares have pulled back to the 200-MA and lower end of its weekly Bollinger Bands for only the second time in the last two years, a name due for a bounce. A move back to \$28.50 sets up for a wedge breakout and run to \$33+ and new highs. The \$46.2B company trades 16.5X earnings, 3.8X sales, and 9.75X cash with a 1.4% yield. GOLD sees double-digit top and bottom line growth in FY21. GOLD is coming off a strong quarter with better price realizations driving higher cash flows and royalty payments while they actively reduced debt and pushed out significant maturities to 2033. GOLD is focusing on building out production through both exploration and acquisitions and recently met with New Guinea officials to discuss re-opening arrangements for their Porgera mine. The company has also been noted as a potential buyer in the market with their CEO saying in May he'd like to buy a copper company with significant assets and speculation he could target Freeport (FCX). Analysts have an average target for shares of \$32 and Street High \$35 from Deutsche Bank, although not a lot of current notes. Hedge fund ownership fell in Q2 but buyers in size the most recent quarter from DE Shaw while Slate Path remains a top holder.

Hawk Vision:



Hawk's Perspective: GOLD ultimately will trade with GLD prices and waiting for any bullish technical resistance breakouts before allocation back to gold miners, **NEM** preferred but **GOLD** also quality.

Confidence Ranking: \$\$