



FEATURED OPTIONS RADAR REPORT



Canadian Solar Bullish Trades into Solar Dip

Ticker/Price: CSIQ (\$36.50)

Analysis:

Canadian Solar (CSIQ) bullish spreads today are selling the December \$30/\$20 put spread to buy the \$42 calls, up to 2000X now on the day and follows the June \$40/\$60 call ratio spread bought on 10/29. CSIQ has near 3,000 Jan. \$50 calls in OI from 10/7 and the April \$45 calls and Jan. 2023 \$45 calls also with buys in early October. Shares are putting in a big hammer reversal today off the rising 50-MA and above \$37.50 can clear a recent pullback with room back to \$42.50. A breakout to new highs targets \$52.50+. The \$2.25B company trades 10.88X earnings, 0.7X sales, and 3.88X cash with low-20% growth. CSIQ is coming off a strong quarter with demand sharply rebounding across the US, Latin America, Europe and Asia with a number of delayed projects resuming. CSIQ is running back at full capacity and expects to see both module shipments and gross margin expansion into year-end. The company is aggressively positioning themselves for a multi-year growth cycle as they look to double shipments next year. They recently listed their MSS subsidiary CSI Solar in Shanghai and raised \$260M in fresh capital which they plan to use for capacity expansion and “enhance their pricing power over peers as they better control manufacturing costs.” Analysts have an average target for shares of \$30.50 and Street High of \$49.40 from GLJ Research. The firm positive in August noting that CSIQ offers strong value given their low cost of production as well as the pipeline and backlog of its energy segment. Short interest is 8.4% and up from 3.5% in mid-August in the run-up to the Election. Hedge fund ownership rose around 1% in Q2, Lion Point Capital a top holder with 4.5M shares.

Hawk Vision:



Hawk's Perspective: CSIQ working on a nice hammer reversal today putting the 55 MA as a key level to trade against though I much prefer the **SEDG**, **ENPH** types longer term.

Confidence Ranking: \$\$