



FEATURED OPTIONS RADAR REPORT



Bullish Positioning in Linde

Ticker/Price: LIN (\$252)

Analysis:

Linde (LIN) narrow base and late day 1950 January \$270 calls being bought \$3.40 to \$3.50 and also has 1500 January \$230 calls in open interest from buyers in April 2019 while December 2021 \$380 OTM calls with 2,650X opening recently. The January \$150 calls have 3,150X in open interest from buyers in March 2019, now valued over \$25M. On the chart after recently trading to new highs shares pulled back to the 13 MA and retest of a key breakout, a name that has recently outperformed closest peer **APD** thoroughly. The next Fibonacci extension target is up to \$279. Linde combined with Praxair in 2018 and brought together two leading companies in the global industrial gases industry. Linde primary products in its industrial gases business are atmospheric gases (oxygen, nitrogen, argon, and rare gases) and process gases (carbon dioxide, helium, hydrogen, electronic gases, specialty gases, and acetylene). The company also designs and builds equipment that produces industrial gases primarily for internal use and offers customers a wide range of gas production and processing services such as olefin plants, natural gas plants, air separation plants, hydrogen and synthesis gas plants and other types of plants. In the latest quarter LIN achieved record margins in all gas segments with good cost and price management and improving volumes. The \$131B company trades 27.9X Earnings, 73.2X FCF, and 17X EBITDA with a 1.53% dividend yield. Forecasts see LINK hitting 6% revenue growth and 12% EPS growth in 2021. Analysts have an average target of \$275 with short interest minimal at 0.7% of the float. JPM at Overweight with a \$288 target citing cost reduction, better volumes and positive pricing. Deutsche Bank raised its target to \$300 after the latest quarterly beat. Green hydrogen is a notable growth theme for the industrial gas industry. Hedge Fund ownership fell 3.77% in the latest quarterly filings, Sustainable Growth, Winslow, and Egerton notable top holders.

Hawk Vision:



Hawk's Perspective: LIN is trading better than my preferred play **APD** and overall these industrial gas names are so much stronger and healthier than chemical industry peers, a can't go wrong group really.

Confidence Ranking: \$\$