



## FEATURED OPTIONS RADAR REPORT



### Bulls See Opportunity in Top Gold Miner Weakness

Ticker/Price: AEM (\$51.10)

#### Analysis:

**Agnico Eagle Mines (AEM)** is seeing bullish action this week with 3000 January 2025 \$80 calls bought for \$1.1M and 1000 June 2024 \$45 puts sold to open at \$4 and in April saw opening seller sin November \$50 and \$40 puts. AEM also has some massive longer-dated open interest with 15,000 January \$55 calls bought, 11,000 January \$65 calls bought, 10,000 January \$60 calls bought and 11,000 January \$40 calls bought. AEM shares have pulled back hard the last three weeks with Gold prices and now -1.7% YTD but coming into key trend and VWAP off the 2022 low support in the \$50-\$51 zone with key VPOC at \$50.65. AEM is a Canadian gold mining company, producing precious metals from operations in Canada, Australia, Finland and Mexico. AEM has a market cap of \$25B and trades 23.1X Earnings, 8X EBITDA and 1.2X Book with a 3.13% dividend yield. AEM revenues are seen rising 13.9% this year and 5% in 2024 with EBITDA growth seen at 27.8% and 2.4% respectively. AEM is coming off a large M&A deal for Kirkland and also completed a deal for Yaman's Canadian assets. AEM spoke at the BAML Mining Conference last week and noted costs coming down nicely and also noted potential to divest its Australian business. AEM is maintaining a conservative balance sheet with Net Debt to EBITDA seen at 0.24X by year-end and authorized a \$500M buyback and has yet to utilize its buyback to be opportunistic. Analysts have an average target of \$66 and short interest is elevated at 8.5% of the float. Scotia started at Outperform with a \$64 target seeing \$2B+ operating cash flows each of the next two years.

#### Hawk Vision:



**Hawk's Perspective:** AEM is a preferred large miner but first we need to see Gold regain some of its luster. The AEM versus 48.50 sets up a real nice risk-reward here and January 2024 call open interest is stacked.

**Confidence Ranking:** \$\$