



FEATURED OPTIONS RADAR REPORT



Agnico Eagle Calls Accumulate into Shallow Pullback

Ticker/Price: AEM (\$70.50)

Analysis:

Agnico Eagle Mines (AEM) with over 2,150 November \$70 calls bought this afternoon from \$6.45 to \$6.60, sizable buy in the name that has pulled back to VWAP from the April lows. AEM hasn't seen a lot of flows recently but does have notable put sales in the \$65, \$60, and \$55 strikes across the August and January expirations. The \$17B company trades 22X earnings, 5X sales, and 44X FCF with a 2% yield. AEM is coming off another record quarter for production as their brownfield opportunities continue to expand and they build out a strong long-term pipeline of projects. They've had positive exploration results lately at LaRone and Meliadine while they recently approved a \$1.3B construction project at Malartic which will help them move closer to their 20%+ production target. AEM has also been successful recently driving more value out of their existing mines as they cut down on costs and deliver more low-risk, high-quality returns. Analysts have an average target for shares of \$88 with a Street High \$115. JP Morgan positive earlier this year liking its steady production profile, attractive cost profile, and brownfield versus greenfield growth opportunities. Short interest is 0.58% and falling steady since 2018. Hedge fund ownership rose 3.35% in Q1.

Hawk Vision:



Hawk's Perspective: AEM sets up well with an orderly pullback after nice strength in April and May, eyeing a move back above the 8- and 21-day at \$72 where it can run

Confidence Ranking: \$\$