



## FEATURED OPTIONS RADAR REPORT



### Alamos Bulls See Upside as Gold Prices Stabilize

**Ticker/Price:** AGI (\$8.45)

#### Analysis:

**Alamos Gold (AGI)** with 5,200 May \$7.50 calls bought this morning from \$1.10 to \$1.15 and volume now running 10,000+, more than 11X average. AGI has recently seen buyers in the January \$10/\$7.50 bull risk reversals, 2500X, and the January \$10 calls have over 10,000 in open interest with buyers going back to November. AGI also has 8000 June \$7.50 short puts in open interest. Shares are nearing a wide base breakout above \$8.40 with a measured move out to \$10. AGI has been in a downtrend since July but longer-term trend is positive and pulled back to the 50% retracement of the 2020 rally with momentum appearing to turn higher again. The \$3.16B company trades 26X earnings, 4.2X sales, and 1.11X book with a 1.25% yield. AGI has met or exceeded production guidance for six straight years and 2021 expected to be a big year as they expect their new expansion at Young-Davidson to boost output by 15% and they work towards finalizing projects at Island Gold and La Yaqui, the latter one of the highest-return mines in their portfolio. AGI has been focusing on costs and boosting margins which has allowed them to expand capital return plans and fund more internal projects in 2021. Analysts have an average target for shares of \$14 with a Street High \$20. JP Morgan starting coverage recently with an \$11 PT but on the sidelines until they see steadier production and an update on growth opportunities into 2021 that would boost shareholder returns. Short interest is minimal at 0.72%. Hedge fund ownership fell 7% in Q4, First Eagle a buyer of 2.3M shares.

#### Hawk Vision:



**Hawk's Perspective:** AGI sets up well on the chart with a stop under the recent lows and plenty of upside as it works out of a longer-term downtrend and base

**Confidence Ranking:** \$\$