



FEATURED OPTIONS RADAR REPORT



Antero Bullish Open Interest Positions for Weekly Breakout

Ticker/Price: AR (\$10.40)

Analysis:

Antero Resources (AR) with bullish flow this week in the January \$10 calls, January \$11 calls, and November \$12 calls. The May \$11 calls have over 21,000 in OI from buyers on 4/26 as well while the August \$12 calls with buyers on 4/5. Shares are near a range breakout above \$11 that measures out to \$13 and has a wider low-volume gap back to \$16.50 from 2019. The \$3.22B company trades 27.8X earnings, 0.95X sales, and 3X FCF. AR is a leading natural gas producer in the US with a large acreage position in the Marcellus and Utica shale. The company has been benefitting from higher NGL prices while propane inventories sit at record low days of supply. Analysts have an average target for shares of \$7.65 with a Street High \$12. MSCO upgrading shares in March citing the more constructive commodity backdrop and what he sees as a change in the company's leverage profile. Raymond James with an Outperform in February noting that Antero has addressed upcoming maturities through a combination of asset sales, debt refinancing, equity offerings, and projected free cash flow, and its firm transport has allowed it to escape the worst effects of Appalachian differentials while its heavier NGL barrel gives it exposure to surging propane and butane prices. Short interest is 9.75% but down from around 20%+ in late 2020. Hedge fund ownership rose 3% in Q4, Victory Capital buying 2M shares.

Hawk Vision:



Hawk's Perspective: AR looks good to clear this multi-week range above \$11 begin another leg higher as the fundamental backdrop remains favorable

Confidence Ranking: \$\$