



FEATURED OPTIONS RADAR



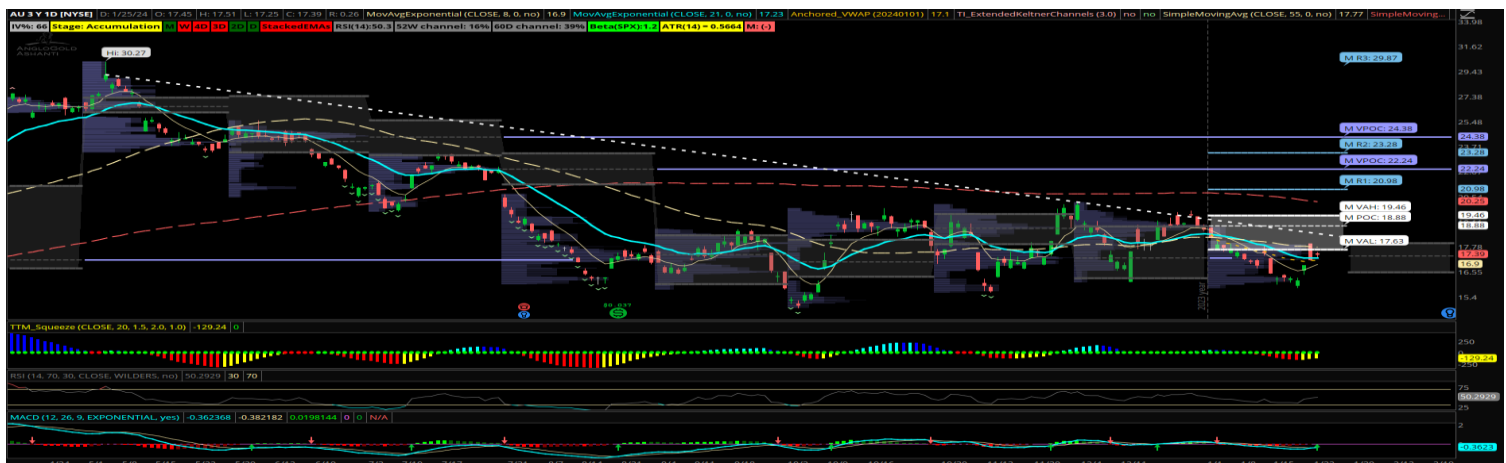
Gold Miner Sees Bulls Position for Rebound into Summer 2024

Ticker/Price: AU (\$17.37)

Analysis:

AngloGold Ashanti (AU) has seen some repeat opening put sales as well as large call buying the past week including over 8000 July \$16 calls accumulating in open interest with large buys on 1/22 and 1/23 for \$2.20 to \$2.60. This followed the prior week's opening sale of 1500 July \$14 puts at 0.90 and opening seller of 2000 January 2025 \$17 puts at \$2.10 as January 2024 \$20 adjust. AU also still has 1500 April \$19 short puts in OI and 1500 Jan 2025 \$22 calls bought for \$2 on 11/16. The \$7.3B gold mining company trades at 9.5x earnings, 1.8x sales, FCF yield of 4.3% and a dividend yield at 2% with revenues expected to rise +13% in FY23 and growth estimated at +12% in FY24. AngloGold Ashanti is a United Kingdom-based independent, global gold mining company. The Company is focused on a diverse portfolio of operations, projects and exploration activities across nine countries on four continents. The Company also produces silver (Argentina) and Sulfuric acid (Brazil) as by-products. The Company's portfolio includes Africa, the Americas, and Australia. Anglo last month announced it will make a strategic investment in G2 Goldfields Inc. G2 is actively exploring in Guyana, a country which hosts the Guiana Shield, one of the world's most prospective gold provinces. The Guiana Shield is host to a number of significant deposits including the Aurora (6Moz) and Omai (5Moz) mines. Shares have been sluggish as gold miners form a long basing pattern since last Fall and AU forming higher lows overall the past few months near the 16-17 range. Shares are nearing a trendline breakout above the 18.50 level with more upside if can close above 19.50 monthly value highs. A move above 20 can start to turn the longer-term momentum on the weekly chart and likely target a rally up to 22.75 where a key VPOC sits overhead and the value area highs for the year. If gold prices break out of the monthly chart bull flag then the sky is really the limit for some of these oversold gold miners. Average analyst price target is \$20. JPM reinstated coverage with a Overweight and \$24 target back in October as it sees further potential upside to its base case estimates if the company is able to fully crystalize intended cost savings and operational improvements under its Full Asset Potential program. AngloGold's combination of zero South Africa operations, plus a U.S. primary listing, could help to underpin a sustained re-rating. HSBC upgraded recently due to low valuation and increasing gold prices but notes risks to the bull case would be renewed upside in the US dollar and growth in supply. Scotiabank is still bullish with a \$27 target and BMO has a \$22 target after upgrading to Outperform in September citing the corporate restructuring can create a high-quality senior gold producer long term. Short interest is at 1.7%. Hedge fund ownership fell 2.6%. John Paulson maintained a large stake of 3.8M shares. Oaktree Capital is also a large holder adding 700K shares last quarter and now owns 5.4M in total as a long time shareholder.

Hawk Vision:



Hawk's Perspective: AU is a more volatile miner but the July \$17 calls at \$2.30 are a simple risk defined way to position for a breakout higher this year.

Confidence Ranking: \$\$