



FEATURED OPTIONS RADAR REPORT



Bulls Stay Active in Agricultural Leader with Renewable Diesel Demand

Ticker/Price: BG (\$77.85)

Bunge (BG) trade on 9/22 bought 2000 November \$80 calls for \$2.85 and has 4850 October \$80 calls in open interest while put sales have been the popular trade, a recent sale of 1000 January 2023 \$80 puts for \$1.25M, over 6000 January \$72.50 short puts in open interest, and large sales in early August of January \$75 puts that have nearly 5000 in OI and January 2023 \$67.50 puts 3000X for \$1.75M. BG shares put in a powerful candle last week before the market weakened and shares now back at the rising 200-day moving average and a long weekly rounded base forming while weekly MACD is nearing a bull cross signal. Bunge is a leading global agribusiness and food company with integrated operations that stretch from farmer to consumer as a leading global oilseed processor and producer of vegetable oils and protein meals, global grain processor, seller of packaged vegetable oils worldwide, and producer and seller of wheat flours, bakery mixes and dry milled corn products. BG also produces sugar and ethanol in Brazil, through its 50% interest in BP Bunge Bioenergia. BG has a market cap of \$11B and trades 10X Earnings, 0.22X Sales and 7.5X EBITDA with revenues seen rising 33.6% in 2021 with 10.4% EBITDA growth. BG stock performance is closely linked to soy crush margins and has seen demand from renewable diesel fuel have a positive impact on soft-seed crush margins. BG has spent two years focused on the portfolio and operations and is now focusing on growth with renewable diesel a key new source of growth. BG also sees the growth in demand for plant-based proteins as a positive business driver. BG also recently announced a \$1.2B MOU with Chevron it is excited about. BG has a strong balance sheet and is open to acquisitions. Analysts have an average target of \$96 and short interest is low at 2% of the float. Barclays raised its target to \$100 in May citing improving demand backdrop while CSFB to a \$95 target citing an extremely strong quarter.

Hawk Vision:



Hawk's Perspective: BG is a \$100 stock in my view and may not be a great name for options, though put sales work well for the value-approach, or owning the stock.

Confidence Ranking: \$\$