



FEATURED OPTIONS RADAR REPORT



Large Bear Bet on Top Packaging Name

Ticker/Price: BLL (\$94.25)

Ball Corp (BLL) on 3/23 with 2500 August \$90 puts bought to open for \$1.35M as the only size notable open interest while some short May \$100 calls remain in OI 2500X as well. BLL shares rebounded the last two weeks back to the upper value resistance and trend resistance with potential to reverse off this resistance, though a move above \$97 would set the stage for a major monthly bull flag breakout. BLL has long been a high-quality name and insiders active buyers in early March in the \$85-\$89 range but may face some headwinds near-term. Ball is one of the world's leading suppliers of aluminum packaging for the beverage, personal care and household products industries while also having 14% exposure to an aerospace segment. BLL has been benefitting from their investments into sustainability, greater scale, and expanding market position in the beverage can industry since their Rexam deal. The company sees significant long-term tailwinds from the move away from single-use plastic. Ball has some notable exposure to the Ukraine/Russia regions where geopolitical impacts may be seen. Ball is already a premium-valued packager at 20X Earnings, 2.2X Sales and forecasts for 10.6% revenue and 7.7% EBITDA growth in 2022. Analysts have an average target of \$105 with short interest at 2.7% of the float. BAML upgraded to Buy on 3/7 noting momentum in North and Central America offsetting weakness in South America and risks in Europe. Northland raised its target to \$130 seeing benefits from contractual price escalators that phase in throughout the year as well as normal cost pass-throughs.

Hawk Vision:



Hawk's Perspective: BLL is a quality name but definitely could face some multiple contraction and with shares at the top of its trading range potential to capitalize on these puts.

Confidence Ranking: \$\$