



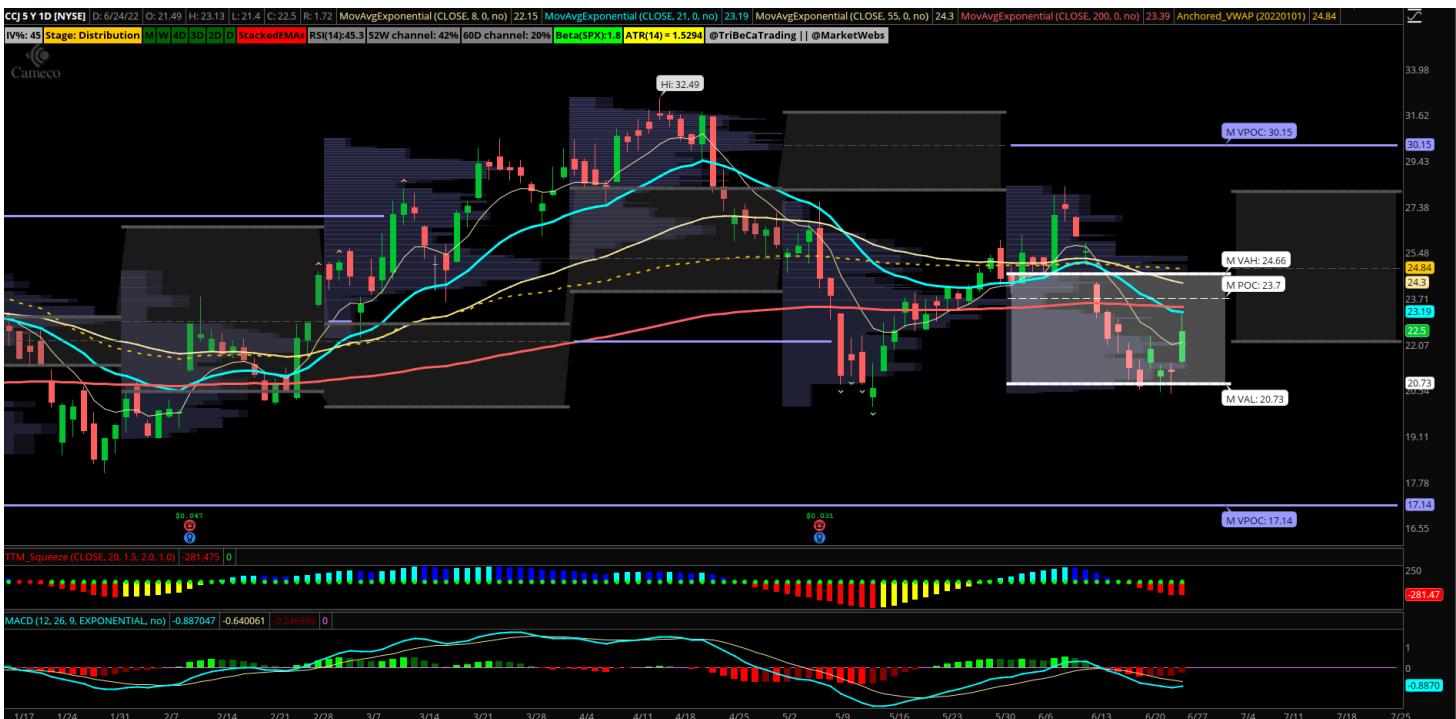
Top Uranium Producer Finding Call Buyers Interest

Ticker/Price: CCJ (\$22.50)

Analysis:

Cameco (CCJ) saw call buyers swoop last week as August \$20 calls were bought 3,400x at \$3.85 for over \$1.3M and this followed a large buy of 10,000 September \$27 calls bought for \$0.87. CCJ has also seen opening put sales in August \$18 puts at \$1.01 and July \$24 puts sold to open for \$2.33 in size back on 6/13. The stock has been consolidating between 20-25 the past month after peaking at 32.50 in late April. CCJ is still up year to date about 4% as the energy sector overall has been a standout. The stock rallied strong on Friday back to its 200-day EMA nearly at 23.40. A move back above 24.60 monthly value high and YTD VWAP would likely produce a rally back to 30 which is an untested VPOC. The \$8.9B company trades 27X earnings and 4.8X EV/sales with a FCF yield of 3.3%. CCJ is an integrated uranium supplier, offering refining, conversion, and fuel manufacturing services. It's the best pure nuclear fuel investment option with a strong reputation and is positioned well to take advantage of rising demand for safe, affordable and carbon free energy. In early June, Bloomberg reporting US to purchase some \$4.3B in enriched uranium from domestic producers to wean off Russian imports. On 5/5, the company beat on EPS and reported inline Revenues and stated as the market continues to transition, we expect to continue to place our uranium and conversion services under long-term contracts and to meet rising demand with production from our best margin operations. Average analyst target is \$40 with a Street high of \$50. In April, BAML raised their target on shares to \$46 from \$40 and upped their 2022-27 uranium price forecasts as prices have surged since the Russian invasion and they expect continuation. RBC also out recently upgrading the stock to Outperform with a \$50 target, and they believe the Russia/Ukraine war and subsequent shift in Western markets away from exposure to Russia have fundamentally changed the uranium market outlook and sees Cameco as best positioned to meet market needs in this transition. Short interest is 2.5%. Hedge fund ownership fell 20%.

Hawk Vision:



Hawk's Perspective: CCJ has some congestion to get through with the 200 EMA and YTD VWAP just above but trading against the 20 level has been a good level to watch this year.

Confidence Ranking: \$\$