



FEATURED OPTIONS RADAR REPORT



Call Buyers Target Key Player in Decarbonization Theme

Ticker/Price: CCJ (\$19.15)

Analysis:

Cameco (CCJ) buyers of 12,000 October \$20 calls on 9/1 up to \$0.85/\$0.90 and later buyers in the December \$23 calls 1,500X. Yesterday's flows follow buyers in the December \$21/\$28 call spread 10,000X15,000 on 8/24, the December \$20/\$27 call spread 10,000X on 8/20, and the December \$22 calls bought 25,000X since early August. Shares are breaking out of a downtrend and back above the key short-term moving averages as it works back towards recent highs. CCJ has been in a strong trend higher since April and pulled back to the 38.2% Fibonacci retracement of the run where it found support. The \$7.32B company trades 175X earnings, 5.88X sales, and 29.66X FCF with a small yield. CCJ has benefited from better spot prices in 2021 for uranium and a major secular shift towards nuclear energy driven by increased electrification and mass decarbonization goals. In Europe, the EC has been focused on supplementing current legislation that would include nuclear energy as a sustainable energy source. In the US, President Biden's DOE requested \$1.8B for nuclear energy in the FY22 budget, the largest nuclear investment ever. CCJ also has a potential catalyst from more tax credits from the Federal level for nuclear energy. Analysts have an average target for shares of \$23 with a Street High \$27. GLJ with an interesting note on 9/1 raising estimates by 30% as they see Sprott's entry into the uranium spot market with the Sprott Physical Uranium Trust as the next potentially massive upside bull catalyst for the shares despite the stock already being up 61% since August last year. Sprott's aggressive purchasing strategy is set to very soon push the spot price of uranium to a level not seen since January of 2016. Short interest is 2.7%. Hedge fund ownership rose 1.5% last quarter. Aristotle Capital a buyer of 1.8M shares.

Hawk Vision:



Hawk's Perspective: CCJ has run 25% in the last two weeks and needs to consolidate and set up again but like the setup for a run back at the May highs

Confidence Ranking: \$\$