



FEATURED OPTIONS RADAR



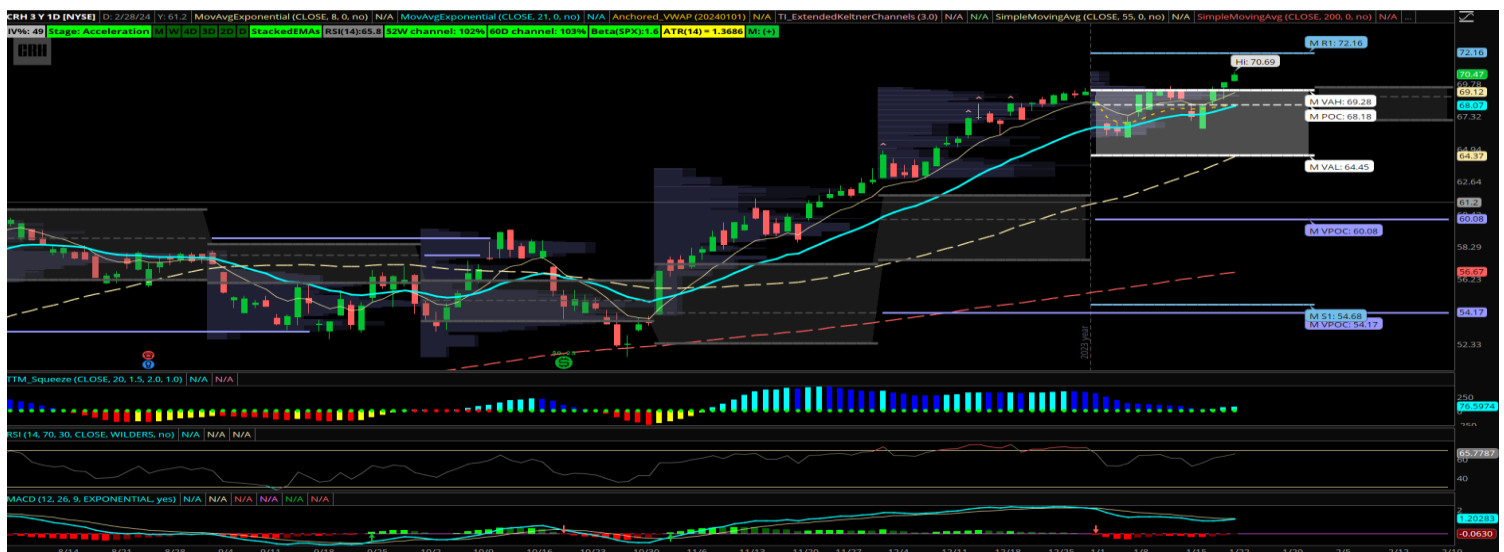
Infrastructure Name Sees Bulls Stick with Trend After Recent US Listing

Ticker/Price: CRH (\$70.46)

Analysis:

CRH (CRH) on 1/19 saw a large buyer of 3000 June \$75 calls at \$3.22 for near \$1 million looking for continuation higher for the name that has been on a strong run since the early November breakout. The March \$70 calls bought last month 4000x for \$2.85 appeared to be possibly adjusting to the June calls but both are holding in OI now it seems. CRH also still has 1100 March \$65 calls in OI from buyers in November that have more than tripled now. CRH rarely sees options activity so this continuation of bull flow since the action began in September bodes well for a bigger upside move to follow. CRH last month announced its continuing its share buyback should go through February 2024. The \$48.4B construction materials company trades at 14x earnings, 1.5x sales, FCF yield at 6.7% and a 2.1% dividend yield with revenues expected to rise +7% in FY23 and growth estimated at +4% in FY24. CRH is an Ireland-based company, which is a provider of building materials solutions. The Company's segments include Americas Materials Solutions, Americas Building Solutions, Europe Materials Solutions, and Europe Building Solutions. The Company's solutions include essential materials, road solutions, building and infrastructure solutions, and outdoor living solutions. Essential materials include cement, lime (in Europe), and the full range of construction-grade aggregates. CRH also announced a recent strategic agreement with Caterpillar for electric off highway trucks to advance the deployment of Caterpillar's zero-exhaust emissions solutions. CRH is the number one aggregates producer in North America and the first company in that industry to sign such an agreement with Caterpillar. Shares have been strongly trending since November and now into new highs above 70 but a name that can likely continue higher towards 75-80 as no resistance above here and being in the right sector with building products and materials continuing to see strong demand as interest rates likely get cut by Spring. Average analyst price target is \$78. DA Davidson initiated with a Buy last week and \$82 target as they cite CRH's recent primary listing conversion to the NYSE should enhance visibility with the U.S. investor base. U.S. market tailwinds support gains for its Americas platform, which represents the majority of EBITDA. Citi raised its target to \$82 from \$76 this month and keeps a Buy rating saying its selectively positive on homebuilders given mortgage rate and share gain tailwinds. Truist also bullish on the name and group overall as it initiated coverage last month with a Buy rating and \$81 target citing its primary stock listing to the NYSE, portfolio mix is also shifting towards the U.S. CRH is a lot more than just U.S. materials, the firm adds, noting that CRH provides exposure to U.S. Building Products in the recovery. Short interest is at 0.8%.

Hawk Vision:



Hawk's Perspective: CRH is a great under the radar name with a strong trend and likely see more money flows into materials and industrials from here which could easily boost CRH to 80+. Any corrections to the 55 day MA are buyable.

Confidence Ranking: \$\$