



FEATURED OPTIONS RADAR REPORT



Call Buyers See New Highs for US Solar Leader Ahead of Margin Inflection

Ticker/Price: FSLR (\$97)

Analysis:

First Solar (FSLR) buyers this morning of the December \$110 calls for \$4.40, 2000X, as shares bounce off the rising 8-EMA. FSLR has seen bullish put sales recently in the January 2023 options while the January \$85 and \$87.50 calls as well as the Sept. \$85 ITM calls bought in size since mid-June. Shares have rallied recently and starting to work out of a weekly base above \$95 with sights on the 52-week highs near \$112.50 from January. The measured move from this base targets \$125. The \$10.3B company trades 32X earnings, 3.5X sales, and 5.85X cash. FSLR is coming off of a strong quarter behind positive commentary about module demand and better pricing. FSLR also continues to move forward with plans to open new facilities in Ohio and India as they prepare to boost capacity over the next 3-5 years and extend their leadership in the space. FSLR has a solid backlog and preparing for growth opportunities Internationally while recent talk that the US and China could remain at an impasse over tariffs would be a positive for the company who has recently pushed Biden to keep the policy in place. Guggenheim starting at Buy on 8/3 ahead of a return to growth for the company with capacity expansion plans in place. The firm thinks FSLR should continue to benefit from supportive U.S. policy and the stock is attractively valued. Susquehanna upgrading to Positive on 8/2 as average selling prices for new bookings appear to be stabilizing due in part to an increase in c-Si panel prices and c-Si supply disruption concerns. The firm sees margin expansion starting in 2023. Short interest is 7.5%. Hedge fund ownership fell 9%.

Hawk Vision:



Hawk's Perspective: FSLR sets up well to re-test the early 2021 high-volume node around \$105-\$110 and should continue to see supportive policy measures from Washington that can help it separate further from peers

Confidence Ranking: \$\$