



FEATURED OPTIONS RADAR



Bull Option Trades See Value in Oil Services Leader

Ticker/Price: HAL (\$35.80)

Analysis:

Halliburton (HAL) saw a large trade on 12/12 sell 4000 December 2025 \$30 puts to open for \$3.85 seeing little risk in shares losing that level next year and comes into a multi-month pullback in Energy names. HAL also has 7000 of the Jan. 5th (W) \$34 short puts in open interest seeing little near-term downside, a buyer of 5000 January 2025 \$42 calls from 3/15 remains in open interest, 3500 February \$33 short puts and 2500 June \$35 short puts. HAL shares rebounded a bit last week to close with a hammer back above its rising 89-week EMA and potential to put in a higher low from the 2022 and Spring 2023 lows. A large ascending triangle pattern is building while VPOC near \$38.50 a near-term upside level to target. HAL is one of the world's largest providers of products and services to the energy industry. It delivers technology and services that improve efficiency, increase recovery, and maximize production for customers. Completion & Production accounts for 57% of revenues while Drilling/Evaluation is at 43%. HAL receives 47% of revenues in North America. HAL has a \$32B market cap and trades cheap at 10X Earnings, 7.5X EBITDA and 17X FCF with a 1.79% dividend yield. HAL revenues are seen rising 7-8% each of the next two years with 9-10% annual EBITDA growth, so it remains a solid growth story despite Energy prices coming down sharply. HAL is coming off a solid quarter with strength in North America. HAL continues to highlight investments in value-added technologies as a key differentiator, namely its Zeus e-frac fleets. HAL noted that offshore is more than 50% of revenues outside of North America Land. Analysts have an average target of \$49 with short interest low at 1.6% of the float and down 45% Q/Q. SIG raised its target to \$51 following the quarter seeing continued momentum in International markets boosting 2024 results. Barclays upped its target to \$55 seeing the global upstream spending cycle in the early stages.

Hawk Vision:



Hawk's Perspective: HAL is a compelling value and prefer the Services plays in Energy to the producers. Put selling is an optimal strategy into a beat-up value name.

Confidence Ranking: \$\$