FEATURED OPTIONS RADAR REPORT

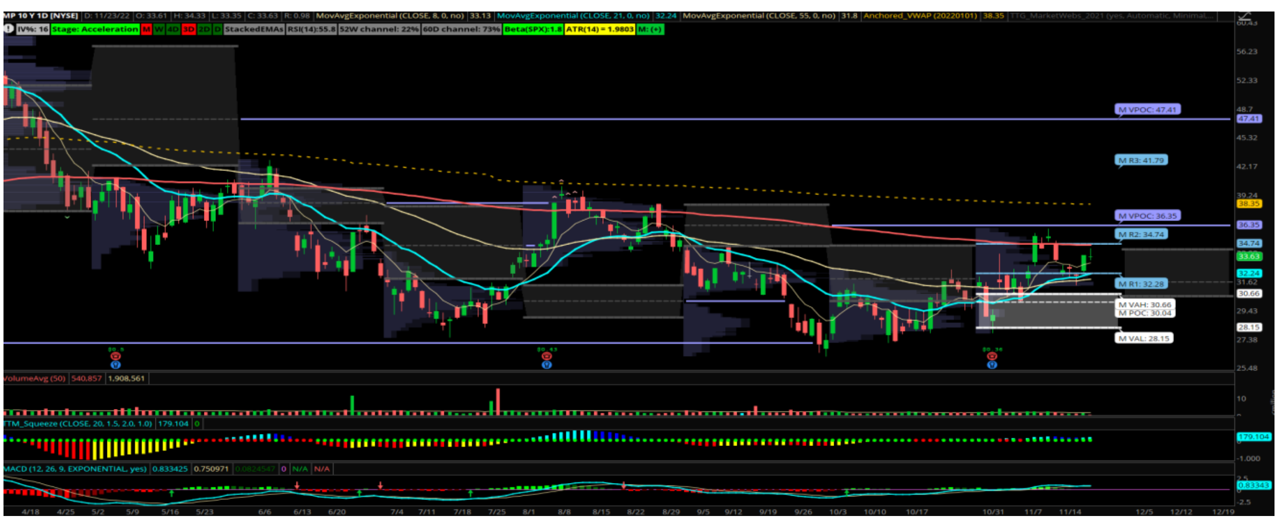
Rare Earth Materials Name Sees Large Bull Call Buyer

Ticker/Price: MP ($33.62)

Analysis:

MP Materials (MP) on 11/22 saw a massive trade for the small cap name that rarely sees $1M plus trades as 6900 March $35 calls were bought at $4.20 and nearly $3M total on the day. MP also still has size December $40 calls in open interest from buyers at $0.60 on 10/18 and large opening put sales earlier this summer in January 2024 $35 puts at $8.20 for nearly $1M and still holding in OI. Shares have been sluggish but popped this week back over the 8 EMA and held the recent pullback to the 32 level with monthly value support just underneath at 30.50. MP has the 200 EMA resistance holding it down at 34.50 but above that can see a quick move towards 36.50 and 38 where the YTD VWAP sits. Above that is yearly value area high near 41.75 as stiff resistance. Overall, the name has rangebound much of the last two years after the strong end of 2020 so holding above 35 can see a new uptrend emerge in 2023. The $6.0B company trades at 26.1x earnings, 10.7x sales, with FCF yield at 3.3% while revenue is expected to grow +56% in FY22 and -3% growth estimated in FY23. MP Materials is a producer of rare earth materials in the western hemisphere. The Company owns and operates the mountain pass rare earth mine and processing facility in California in North America's rare earth production site. Processing Facility (Mountain Pass), which is a rare earth mining and processing site of scale in the western hemisphere. The Company is focused on producing neodymium-praseodymium (NdPr), lanthanum, and cerium oxides and carbonates. Back in June MP was at the JPM Energy conference and stated, we are building a U.S. rare earth supply chain to support the growth that's required in rare earth permanent magnets to drive this electrification in the electric vehicle space, wind turbine space and really, anything that requires industrial motion often has a magnet. Average analyst target is $45 with a Street high at $60. Baird raised its target to $55 from $45 back in August and keeps an Outperform rating citing that the company continues to execute nicely, and production volumes were the highest in the mine's long history. Cash flow was strong and combined with cash from operations will continue to support growth this year and additional expansion. Northland has a Outperform and $60 target while Morgan Stanley lowered its target to $45.50 but keeps an Overweight rating. Short interest is at 9.6%. Hedge fund ownership stay flat last quarter.

Hawk Vision:



Hawk's Perspective: MP is looking better and can be bought here with a stop under 30 for potential larger move into 40 coming the next few months.

Confidence Ranking: $$