



FEATURED OPTIONS RADAR REPORT



Marathon Call Buyers Strength Continuing in 2H

Ticker/Price: MPC (\$61.35)

Analysis:

Marathon Petro (MPC) aggressive buyer on 6/22 for 600 September 2022 \$62.50 calls at \$6.15 offer and later aggressive buyers 4,350 January \$62.50 calls \$4.50 offer. MPC has seen a lot of bullish flow since early June including buyers of 11,000 October \$65 calls. Shares are back just above trend support from the November lows as well as the 50-MA with room back above to June VPOC at \$63.50. Longer-term, MPC is also back-testing a breakout from late April and extension of the range out to \$71 and above multi-year resistance. The \$41.45B company trades 17.7X earnings, 0.56X sales, and 66X cash with a 3.8% yield. MPC is targeting 20% revenue growth in 2021 with 51% growth in EBITDA after a down year in 2020. The company recently closed on their sale of Speedway to Seven & I which significantly strengthened their balance sheet and capital return plan including a newly announced a \$10B buyback plan and Dutch Auction to buy back up to \$4B in stock between \$56-\$63. MPC has bounced back in 2021 as the oil environment improves and refiners now banking on a summer surge in miles driven as pent-up demand for travel translates into more trips. MPC has a potential catalyst upcoming in Washington as President Biden is considering cutting biofuel targets to appease refiners. Analysts have an average target for shares of \$61 with a Street High \$83. CSFB reinstating at Outperform in May as MPC is a much stronger company today versus when CEO Mike Hennigan took over and the company offers the most insulation against renewable identification number price escalation. Short interest is 3.7%. Hedge fund ownership fell 5.5% in Q1, Elliott Management a top holder with 10.5M shares.

Hawk Vision:



Hawk's Perspective: MPC is running back into resistance here and could see a further pullback to the 21-week MA at \$57 which would be ideal risk/reward for a move back higher

Confidence Ranking: \$\$