



FEATURED OPTIONS RADAR REPORT



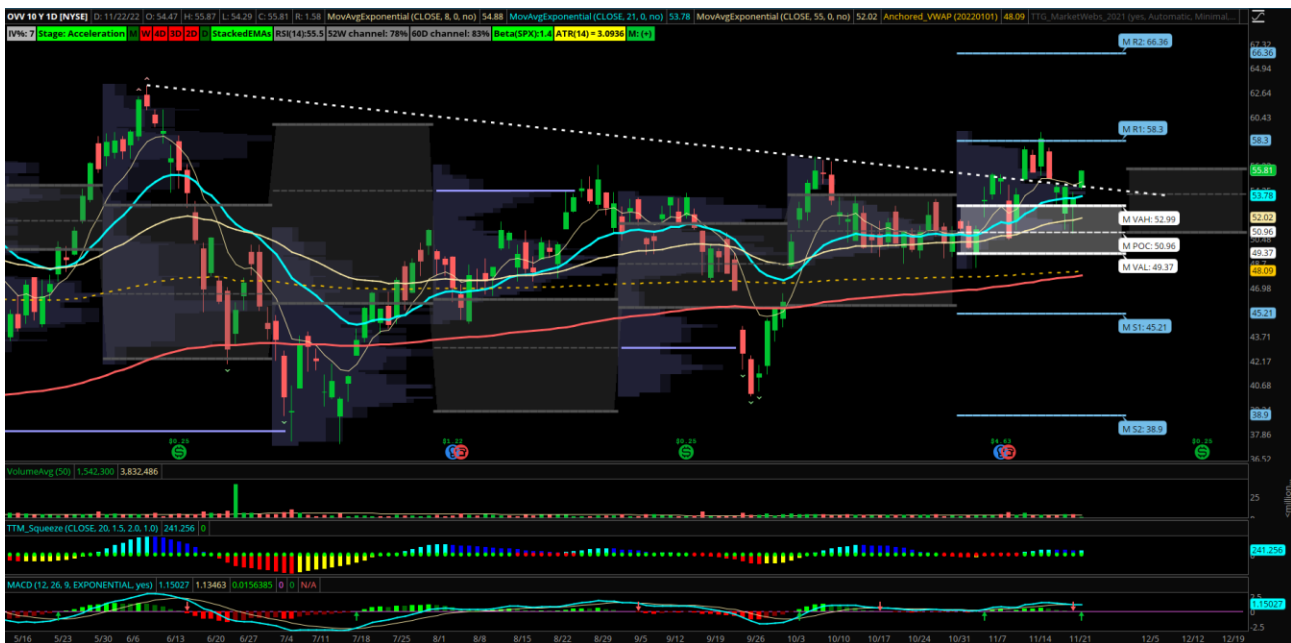
Multi-Basin Oil & Gas Name Sees Bull Flow into Pullback to Support

Ticker/Price: OVV (\$55.86)

Analysis:

Ovintiv (OVV) on 11/21 saw a large buy of 2000 January \$55 calls for \$3.10 for about \$660K total and this follows buyers for 1700 Dec \$60 calls last week at \$3.20 while also a 11/16 opening put sale for 1000 January \$55 puts at \$4.50. OVV also has seen size opening call sales in Jan \$60 calls so potential short-term target at that level which could act as a resistance level. Shares have been consolidating in a healthy pattern and recently rebounded off 55 EMA support and monthly VPOC at 51. Now above the 21 EMA and showing strength as oil pulled back as it could not close below its 21 EMA support. OVV has resistance at 60 above here but a breakout from the weekly chart coiled pattern can see 70-75 in due time. A big winner in 2022 being up 65% YTD and looking ready for more upside into 2023. The \$13.8B company trades at 3.8x earnings, 1.4x sales, with FCF yield at 19.5% with a dividend yield at 2% while revenue is expected to grow +31% in FY22 and +10% growth estimated in FY23. Ovintiv is an oil and natural gas exploration and production company, which is focused on developing its multi-basin portfolio of oil and natural gas assets located in the United States and Canada. The Company's operations also include the marketing of oil, natural gas liquids (NGLs) and natural gas. Average analyst target is \$69 with a Street high at \$115. JPM lowered its target to \$69 last month from \$79 and keeps an Overweight rating while Jefferies initiated on 10/19 with a Buy rating a \$75 target. BAML boosted its target to \$70 saying in September that OVV is a lead sector pick and changing dynamics of US natural gas markets have reset absolute value across gas weighted E&P's with the roll-off of onerous hedge positions put in place over the last year as the catalyst we believe can drive market recognition of value. Goldman also is bullish and boosted its target to \$70 recently while last week Cowen upped their target to \$79. Short interest is at 2.5%. Hedge fund ownership fell 80%. Duquesne (Stanley Druckenmiller) opened a position with 190K shares last quarter.

Hawk Vision:



Hawk's Perspective: OVV is a nice chart and clearing a trendline this week after retesting monthly VPOC so can trade long against that 52.50 closing level or give it more room to under 50 if playing the longer term weekly chart

Confidence Ranking: \$\$