



FEATURED OPTIONS RADAR REPORT



Bull Target Permian Basin Leader into Weakness

Ticker/Price: PXD (\$147)

Analysis:

Pioneer Natural (PXD) will report after the close on 8/2 and shares higher five of its last six reports, an average max move of 5.65%. PXD on 7/21 with nearly 3000 September \$150 calls bought to open for over \$2M as well as December \$150 calls bought for \$1M and a name that has 6000 January \$150/\$190 call spreads in open interest from a large buy back on 2/22. PXD shares recently dipped to its rising 200-day moving average with energy weakness but has started to recover with major resistance of the range up near \$167. Pioneer is a large independent oil and gas exploration and production company that explores for, develops and produces oil, NGLs and gas within the United States, with operations in the Permian Basin in West Texas. PXD has been aggressive over the last year in building out their leading acreage position in the Permian and deploying capital towards deals with their Parsley acquisition in 2020 and their DoublePoint deal in early April. PXD has a market cap of \$35.85B and trades 6.5X EBITDA, 8.2X Earnings and 30.8X FCF with a 1.55% yield. Forecasts see EBITDA rising 177.6% this year and 37% in 2022. PXD expects to generate \$23B cumulative FCF over the next six years which can lead to a large dividend yield. Analysts have an average target of \$210 and short interest is low at 2.6% of the float. Piper raised its target to \$218 on 7/22 seeing attractive entry into E&P names. Bernstein upgraded to Outperform on 6/21 with a \$202 target expecting \$75 oil as a baseline. Hedge Fund ownership fell 6% in the latest quarter.

Hawk Vision:



Hawk's Perspective: PXD is a favorite Oil & Gas name along with FANG and has been weak due to integrating large deals, the recent 200-MA test a good level to trade against.

Confidence Ranking: \$\$