



FEATURED OPTIONS RADAR REPORT



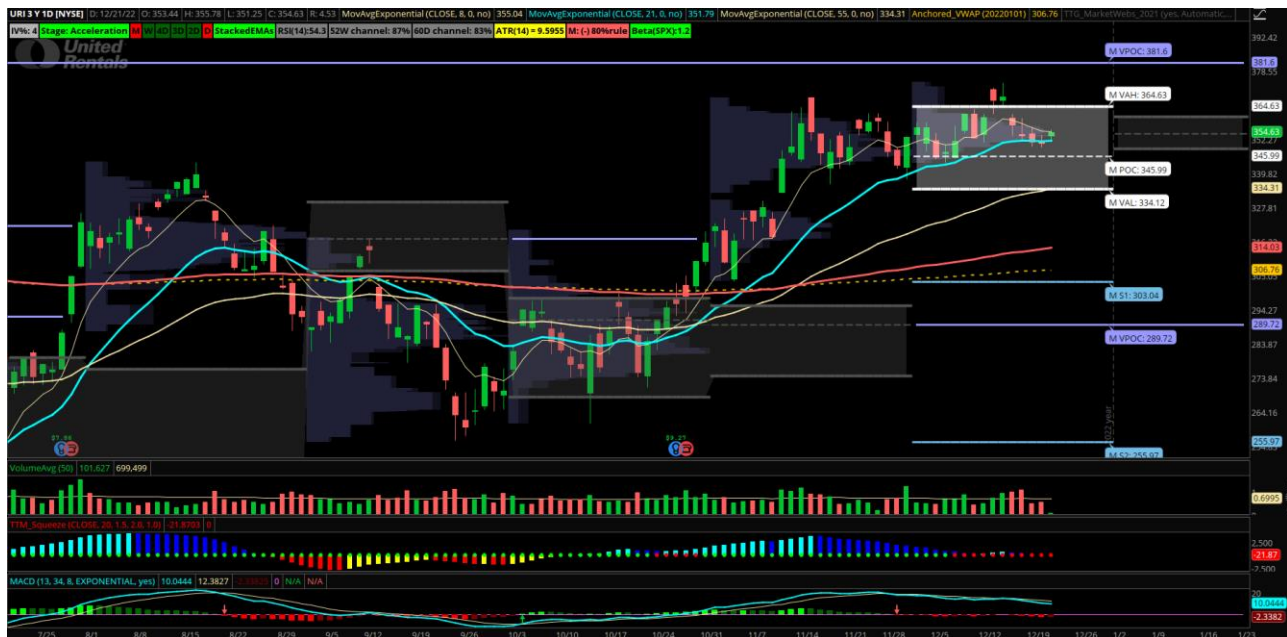
Relative Strength Industrial Sees Large ITM Call Buyer Look Higher

Ticker/Price: URI (\$355.33)

Analysis:

United Rentals (URI) on 12/20 saw a massive buyer of 750 January 2024 \$300 deep ITM calls bought for \$98.15 for over \$7.3M in total. URI has seen smaller mixed flow but this large trade stands out based on the size and being opened as the stock consolidates near highs. URI has seen opening put sales as well for 1000 Jan 2024 \$210 puts at \$12.40 and still has 225 of the Jan 2024 \$230 short puts in OI from sellers at \$38.90. Also, on 11/8 a buyer of 100 Jan 2025 \$300 deep ITM calls at \$106.50 and still holding. Shares have trended strong since the October breakout above 200-day EMA at 300 and now consolidating at 360 above all key moving averages. URI has a VPOC just above at 381 which is likely next target and then the 400 round number as it nears the all-time highs at 415. Support is seen below at 346 and monthly value low at 335. The \$24.6B company trades at 9.3x earnings, 2.5x sales, FCF yield at 5.4% while revenue is expected to grow +20% in FY22 and +16% growth estimated in FY23. United Rentals is an equipment rental company. The Company operates through two segments: general rentals and specialty. Average analyst target is \$390. Stifel raised its target this week to \$450 from \$425 and keeps a Buy rating and expects typical late-cycle trends - including slowness in housing but non-residential accelerating - to unfold and also expects the price/cost environment to generally improve. Keybank raised to \$425 and has an Overweight rating as they expect continued growth in larger projects to support secular build-outs for Semiconductor Fabs, EV/Battery Plants, and Energy/Petrochem production, which should more heavily favor United Rentals versus its smaller competitors given its position as the largest player in the industry. UBS also bullish with a \$420 target and Buy rating citing the accretion from the Ahern acquisition and a roll out to a 2024 valuation, noting that while the deal is partly opportunistic, it is also further evidence of United Rentals' confidence in strength of the demand outlook. Short interest is at 4.5%. Hedge fund ownership rose 0.6% last quarter.

Hawk Vision:



Hawk's Perspective: URI is a quiet name seeing a strong trend continue to dips to 21 EMA are buyable here with stops on a close below to keep things tight as market still a bit shaky but looks like URI can see 400 eventually.

Confidence Ranking: \$\$