



## FEATURED OPTIONS RADAR REPORT



### Bullish Open Interest Accumulates in Equipment Rental Leader

Ticker/Price: URI (\$325)

#### Analysis:

**United Rentals (URI)** setting up well in a bull flag below 52-week highs and back above its 21- and 55-EMA this week with a number of large bullish positions accumulating in open interest in June. URI saw a buyer of \$4.2M in January 2023 \$270 calls on 7/12, buyers of \$1M in December \$29 calls on 6/17, and \$1M in January 2023 \$340 calls on 6/1. URI has also seen sellers in the January \$320 puts for \$4.4M on 6/23. A move back above \$340 in focus for a run to recent highs and longer-term measured move to \$420. The \$23B company trades 13.39X earnings, 2.62X sales, and 7.7X FCF. URI is coming off a strong quarter as both construction and industrial markets continued their improvements. In April, the company announced a deal to buy General Finance who operates as Pac-Van and Container King in the U.S. and Canada, a leader in mobile storage and office solutions. The deal gives URI more diversity in offerings and makes them a much more full-service product offering for clients. URI sees strong growth in the 2H of the year as sentiment and visibility increase behind the infrastructure bill as well as their recent M&A deals. Analysts have an average target for shares of \$300 with a Street High \$390. UBS upgrading shares to Buy in June with a \$375 PT citing tailwinds from the infrastructure stimulus deal reached in Congress which will drive faster than expected recovery in the company's business as construction spending accelerates. The firm estimates that the \$579B of incremental spending amounts to about 15% upside to current non-residential construction spending. Citi upgrading to Buy in June as well seeing positive estimates revisions. Short interest is 1.7%, down from 11% in June 2020, and now at 10-year lows. Hedge fund ownership fell 7%. Bessemer Group a buyer of 500K shares.

#### Hawk Vision:



**Hawk's Perspective:** URI sets up well on the chart and remains an industry-leader that trades cheap at 7.5X EV/EBITDA and can continue to gain market share for years to come

**Confidence Ranking:** \$\$