



## Options Hawk Report - Notable Open Interest and Analysis Sep. 2013 to Jan. 2015

### Introduction

The following report details 55 stocks with notable Institutional option trades in open interest, along with a brief view on fundamentals, technicals, and potential catalysts. If you have followed the OptionsHawk website you know that I utilize options flow to find trading opportunities, generally directional trades. Without going into too much detail the notion behind this method is that Institutions have the best access to information that impacts stock performance, and by following the large money trades you can piggy-back on that knowledge and take part in the profits.

Most of the trades discussed below have taken place in Q2/Q3 and are positioned in options for September to March 2014, a broad array of companies in various industries. With each I provide the initial entry price to allow easy comparison to the current price, and one can decide to keep things simple, or develop more complex strategies based on the options positioning. The details of the trade will give you a good idea about the expected target move for shares, and the timeframe.

As with any trade it remains important to do your own due diligence, but these stocks are presented as ideas, a starting point to find your own profitable trades. In any case it is always important to manage risk, and determine entry and exit points as appropriate whether through valuation techniques, or important technical levels on the chart. It can be utilized as a watch list, and look for entry with names oversold at support via the stock or an option strategy deemed appropriate. Most of the charts provided are a long-term view with weekly and monthly candles just to gain a better overall perspective with many stocks testing multi-year highs.

I will also note that most 55 of the trades noted below are of the bullish variety, and this is for a couple reasons. First, we are in a raging bull market, and the Institutional options flow has been positioning with sizable bullish trades since last November, and been very accurate to this point, just as they were positioning for downside ahead of the Financial Crisis. Secondly, a large opening position in calls provides much more clarity than one in puts, as puts are often utilized to hedge long stock, and although one could argue that calls are hedging short stock, this can be discounted by observing short interest trends in the stocks, and also a lot of Institutions are not apt to take short positions.

I tried to keep the language simple and not get too complex in the trade descriptions, but if you are confused feel free to visit the OptionsHawk site and check out the Education tab, and also learn more about the art of following options flow.

## Baker Hughes (BHI)

### Options Open Interest:

- ☆ January 2014 \$55 Calls: A buyer of 5,000 at \$1.30 on 7-9 Raised OI to 9,583 (Currently 11,229)
- ☆ January 2015 \$52.50 Calls: A buyer of 10,000 at \$4.50 on 5-22-13

Fundamentals: The \$21B Oil Services Co. trades 11.6X earnings, 0.98X Sales, and 1.21X Book with a 1.26% yield and 16.65% forward EPS growth projections. BHI is cheaper on most metrics vs. its large cap peers and also with superior growth, but Management efficiency ratios and margins have lagged peers.

Analyst Notes: Cowen upgraded BHI to Outperform with a \$57 target on 7-23.

Technical View: BHI's weekly chart shows the importance of the \$50 level and shares in a clear uptrend off the 2012 low. Shares have support at \$46.50, and a move above \$50 can target a move to next resistance at \$53, followed by the 50% Fibonacci Retracement at \$58.



Potential Catalysts: Margin Improvements; North American Hydraulic Fracturing Recovery; Latin America Improvements

## Devon Energy (DVN)

### Options Open Interest:

- ☆ January 2015 \$65 Calls: A buyer of 10,000 at \$3.25 on 6-26
- ☆ October \$65 Calls: A buyer of 10,000 at \$1.36 on 5-23

Fundamentals: The \$23.5B Oil & Gas producer trades 11.5X earnings, 2.62X Sales, and 1.19X Book with a 1.5% dividend yield. DVN recently topped estimates on EPS and Revenues. DVN's mix is 24% oil, 17% NGLs, and 59% natural gas.

Analyst Notes: JP Morgan upgraded DVN to Overweight with a \$62.50 target on 5-23.

Technical View: DVN is trading in this \$50/\$60 sideways channel on the weekly chart yet RSI climbing in a bullish trend, and indication of a likely upside breakout hat has a \$70 measured move target. Shares recently broke a long term downtrend and are consolidating that move. The 50% Fibonacci Retracement target is at \$72.25.



Potential Catalysts: Q3 Filing for MLP Spin-Off; Asset Sales (Permian Basin) and Joint Ventures

## Walgreen (WAG)

### Options Open Interest:

- ☆ January 2014 \$50 Calls: OI > 45,000 from 4/2 (12,000 Bought \$2.35), 4/16 (10,000 Bought \$3.10), 5/10 (7,500 Bought \$2.94)
- ☆ September \$52.50 Calls: Buyer of 15,000 at \$0.98 on 7-24

Fundamentals: The \$47B Pharmacy trades 13.99X earnings, 0.66X Sales, 2.48X Book and 28.5X FCF with a 2.54% dividend yield, and 13% forward EPS growth projected. WAG's July same store sales jumped 6.3%, above expected.

Analyst Notes: BB&T raised its target for WAG to \$69 on 8-8-13 and SIG on 8-6 raised to \$67.

Technical View: WAG shares have formed an inverse H&S pattern below new highs at \$51, which is resistance as an extension off the prior longer term highs. The pause has allowed shares to move out of overbought on the weekly RSI, though this \$51 level is tough resistance. A 23.6% Fibonacci Retracement aligns with the 150 day EMA and 10 month trend support at \$46, a level to take serious interest.



Potential Catalysts: Alliance Boots M&A Synergies; Multiple Expansion on Same Store Sales Momentum

## Goodyear Tire (GT)

### Options Open Interest:

- ☆ January 2014 \$20 Calls: Buyer of 5,000 on 7-8 at \$0.65 to \$0.70, Buyer of 5,500 on 7-19 at \$0.95
- ☆ October \$16, \$17, \$18 Calls: OI > 10,000 in Each from Large Buys
- ☆ September \$19 Calls: Buyer of 5,000 at \$1.10 on 7-30; January 2014 \$18/\$22 Call Spread Bought 8,000X

Fundamentals: The \$4.69B tire-maker trades 7.18X earnings, 0.23X Sales, and 1.83X Cash with a lot of leverage, but a strong auto market and recently its closest peer Cooper (CTB) was acquired. GT recently beat earnings expectations and raised FY guidance.

Analyst Notes: Citi raised its target on GT to \$24 on 7-31.

Technical View: GT shares on the daily recently gapped higher on earnings and have traded in a range while the rising moving averages catch-up to price. A longer term view shows the long term channel \$10-\$18.85 in play, and a breakout would measure to \$25+.



Potential Catalysts: M&A; Improved Pension Strategy; Lower Raw Material Costs

## Michael Kors (KORS)

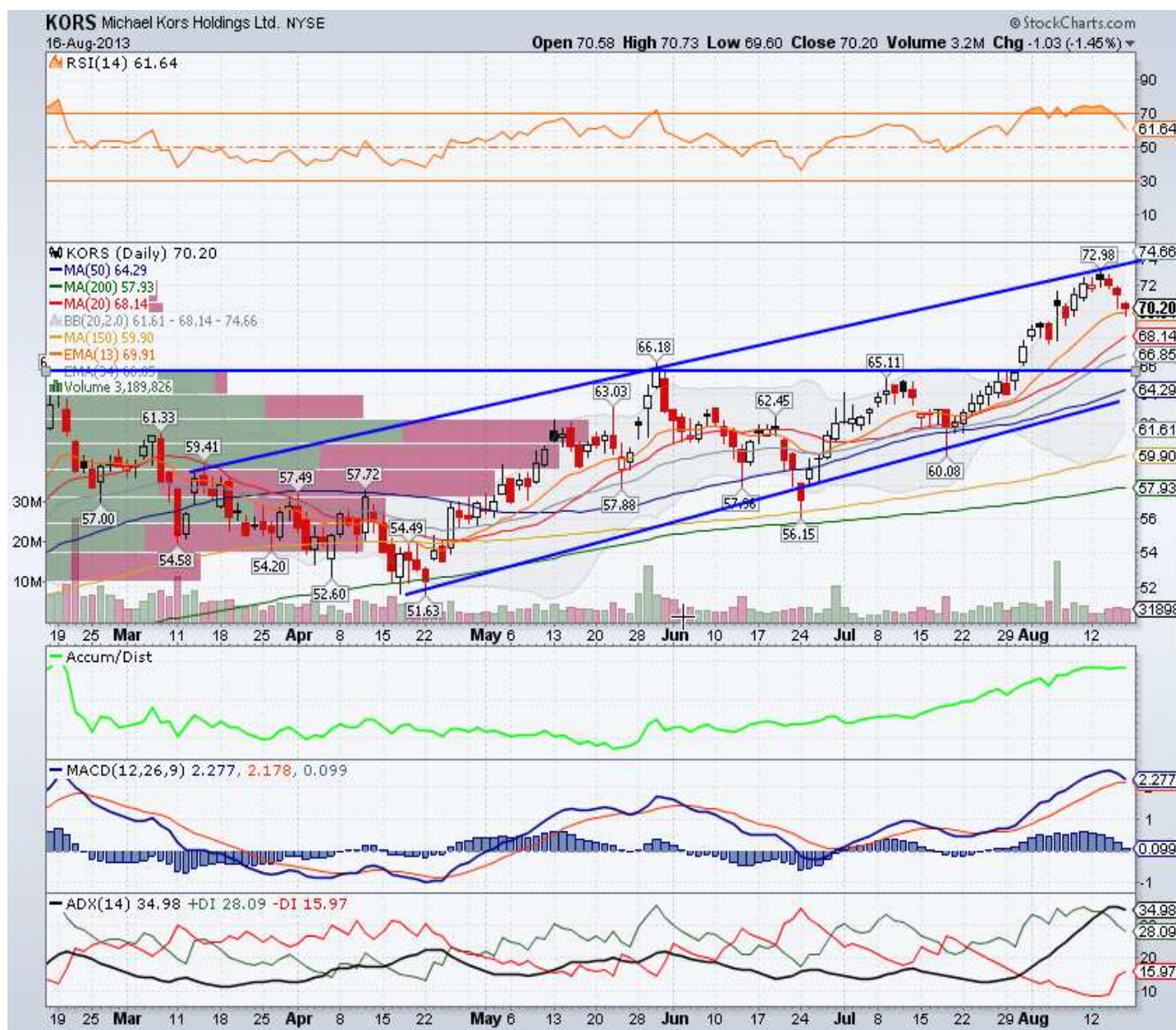
### Options Open Interest:

☆ January 2015 \$65 Calls: Buyer of 6,000 at \$13 on 7-12

Fundamentals: The \$14.42B apparel Co. trades 22.55X earnings, 1.27 PEG, 6.6X Sales and is one of the most impressive growth stories in the industry, recently posting another blowout quarter including 27.3% comparable store sales growth.

Analyst Notes: On 8-7 Wedbush raised its target to \$80, Jefferies to \$85, and Goldman to \$100.

Technical View: KORs shares recently hit record higher and ran right into channel resistance, an extension off prior highs. It's likely shares will re-test the recent breakout and 50 day moving average near \$65, a healthy level to be a buyer.



Potential Catalysts: Sales Momentum

## Dollar General (DG)

### Options Open Interest:

- ☆ January 2015 \$65 Calls: Buyer of 3,500 at \$4.40 on 8-7
- ☆ January 2014 \$62.50 Calls: Buyer of 12,500 at \$1 on 6-5
- ☆ November \$60 Calls: Accumulation of 10,000 in OI from Large Buys
- ☆ November \$65 Calls: Buyer of 8,500 at \$0.75 on 7-16

Fundamentals: The \$17.75B discount retailer trades 14.6X earnings, 1.08X Sales, and 3.42X Book with 15% forward EPS growth outlook, the most attractive name in the group on valuation.

Analyst Notes: On 7-25 CL King initiated coverage at Buy with a \$64 target.

Technical View: DG shares are setting up with a 12.5 point cup pattern with a breakout over \$55 targeting a move to \$67.50, while the 50 week EMA at \$50 aligns with longer term trend support.



Potential Catalysts: Merger with Family Dollar (FDO); Soroban Capital Activism; Earnings 9/4; Margin Improvement and Store Footage Growth Opportunity

## MetLife (MET)

### Options Open Interest:

☆ September \$49 Calls: Buyer of 6,700 at \$1.87 on 7-24

Fundamentals: The \$55.1B insurance Co. trades 8.7X earnings, 0.82X Sales, 0.85X Book and 5.52X Cash with a 2.21% dividend yield.

Analyst Notes: RBC reiterated a Perform on 8-1 but raised its target to \$60.

Technical View: MET shares recently peaked at \$51 and have broken short-term momentum, and a healthy retracement to \$45.70 would also re-test the prior breakout, and be a level to consider a long as shares also re-test the 2011 top.



Potential Catalysts: Emerging Markets Driving Earnings Growth; Capital Return Plans; ROE Expansion on Improved Interest Rates



## Express Scripts (ESRX)

### Options Open Interest:

☆ On 7-24 the January 2014 \$70/\$60/\$50 Butterfly Put Spread Traded 3,500X7,000 at \$2.75

Fundamentals: The \$53.13B PBM trades 13.2X earnings, 0.5X Sales, 2.23X Book and 13.15X FCF with 16% forward EPS growth projected. ESRX beat estimates in Q2 on EPS and Revenues.

Analyst Notes: Monness Crespi Hardt initiated ESRX at Buy on 7-1 with a \$78 target. Lazard raised its target to \$75 on 7-23.

Technical View: ESRX shares have formed a rising wedge and at \$70 peaked as shares hit resistance off the extension of prior tops, while long term trend support now comes into play at the \$60 level that has played a key role over time for shares.



Potential Catalysts: Government Reform; Generic Drugs Resulting in Lower Profits; Contract Issues

## Eli Lilly (LLY)

### Options Open Interest:

- ☆ On 6-27 the October \$55/\$60 Call Spread Bought 8,000X at \$0.57
- ☆ On 7-28 the October \$57.5/\$50 Strangle Sold 10,000X at \$1.23 to Open
- ☆ On 7-11 the September \$52.5/\$47 Bull Risk Reversal Opened 5,950X at \$0.77

Fundamentals: The \$58.53B Pharma trades 19.6X forward earnings, 2.55X Sales, 3.84X Book and 29.6X FCF with a 3.62% dividend yield, rich among peers with a negative EPS growth outlook. LLY beat Q2 estimates by a wide margin on EPS and Revenues, also raising guidance.

Analyst Notes: On 5-29 SunTrust initiated coverage at Buy with a \$63 target. JP Morgan raised its target to \$59 on 7-25.

Technical View: LLY shares were recently rejected at \$56.50/\$57 resistance, and overall forming a longer term cup and handle, a break above \$57 can target a move to \$65.



Potential Catalysts: Onglyza (SAVOR) Study Outcome; Ramucirumab Phase 3 Breast Cancer Data; Alimta Patent Trial  
8/19/13

## Colfax (CFX)

### Options Open Interest:

☆ December \$60 Calls: Buyer of 2,500 at \$1.20 on 7-8; Buyer of 2,500 at \$1.25 on 7-11

Fundamentals: The \$5.19B maker of pumps, valves, and controls trades 21X earnings, 1.3X Sales, and 2.4X Book with 25-30% forward EPS growth, and a strong history of earnings.

Analyst Notes: On 7-29 Global Hunter raised its target on CFX to \$45 from \$40, Neutral rated. Deutsche Bank has a \$54 target.

Technical View: CFX shares have recently pulled back and an optimal support level is the 38.2% Fibonacci at \$50 that aligns with the July low and also a re-test of the June breakout. CFX needs to move above \$53 to regain upward momentum.



Potential Catalysts: Separation of ESAB and Fluid & Gas Handling Segments; Sale of Howden Segment

## Juniper (JNPR)

### Options Open Interest:

☆ On 7-8 the January 2014 \$21/\$18 Bull Risk Reversal Opened 6,000X at \$0.37 Debit

Fundamentals: The \$10.52B networking equipment Co. trades 15.6X earnings, 2.35X Sales, 1.48X Book and a 10-15% forward EPS growth outlook. JNPR announced strong earnings in Q2, but also that the CEO is retiring.

Analyst Notes: On 7-24 Topeka Capital reiterated a Buy and raised its target on JNPR to \$26.75.

Technical View: JNPR shares recently peaked near \$22 while also major resistance at \$23 and \$25 levels before a move to the 50% Fibonacci Retracement at \$29.60 can be seen. The recent uptrend off the lows has support at \$20.



Potential Catalysts: Order Booking Momentum and Cost Cuts for Higher 2H Profitability; Accretive Acquisitions

## Yelp (YELP)

### Options Open Interest:

☆ November \$40 Calls: Buyer of 8,000 at \$3.71 on 7-10

Fundamentals: The \$3.35B Internet Co. trades 199X earnings, 19.2X Book and 18.75X Sales, wild valuation, but also in the early stages of growth and posting very strong metrics with a strong growing presence in mobile.

Analyst Notes: On 8-5 MKM boosted its target on YELP to \$71 but noted potential to move to \$230/share.

Technical View: YELP shares have made a strong move and tested its earnings gap this week, but closed strong Friday with a bullish engulfing on the rising 20 day EMA. Trend support is at \$45, while above \$52.50 would clear a major volume at price level and give room for a run back to highs.



Potential Catalysts: Growth Momentum; Takeover Target for GOOG, YHOO or FB

## SanDisk (SNDK)

### Options Open Interest:

- ☆ October \$60 Calls with 18,000 in OI (4,000 \$60/\$70 Call Spreads 6-24)
- ☆ October \$57.50 Calls: Buyer of 8,000 at \$3.75 on 8-1
- ☆ September \$57.50 Calls Buyer of 3,500 at \$2.49 on 8-13

Fundamentals: The \$14B memory maker trades 11X earnings, 0.79X Peg, 1.91X Book and 14.9X FCF with a 1.55% dividend yield. SNDK has been posting strong earnings and in July authorized the initiation of a dividend and an additional \$2.5B in buybacks. SNDK has a very large cash position and strong balance sheet.

Analyst Notes: On 8-1 RBC raised its target to \$76, and on 7-19 Raymond James to \$73.

Technical View: SNDK shares have cleared a long-term sideways channel of more than 20 points, and the breakout was re-tested in July with a move down to \$53, but a strong close put in a hammer reversal. Overall the pattern projects a long-term move up to \$70+.



Potential Catalysts: NAND Prices on Tight Supply and Strong Demand; Flash Memory in New Gadgets; Continued Margin Expansion

## WellPoint (WLP)

### Options Open Interest:

- ☆ September \$82.50 Call OI > 15,000 (5,000 Added on 7-8 at \$3.50)
- ☆ September \$90 Calls: Buyer of 5,000 at \$1.58 on 7-23

Fundamentals: The \$26.17B managed care Co. trades 10.36X earnings, 0.83 PEG, 0.39X Sales, 1.07X Book and offers a 1.72% dividend yield.

Analyst Notes: On 7-26 JP Morgan raised its target to \$85 and CSFB up to \$92, while OpCo on 7-25 boosted its target to \$100.

Technical View: WLP shares are struggling to move through its 10 year high with \$88.50 providing resistance, but in a fairly narrow trading range for weeks. The \$84 level is trend support from the gap-up in May and aligns with the July low.



Potential Catalysts: Levered to Healthcare Reform and a Valuation Play

### Level 3 (LVLT)

#### Options Open Interest:

☆ On 5-6 the September \$24/\$29 Call Spread Bought 20,000X at \$1.15 and 20,000 \$19 Puts Sold to Open \$0.60

Fundamentals: The \$5B provider of communication services trades 0.79X Sales and 4.54X Book with a leveraged balance sheet.

Analyst Notes: On 4-9 UBS initiated shares at a Buy and \$26 target. BAML is bullish with a \$37.50 price target from 7-31.

Technical View: LVLT shares are in a triangle pattern on the weekly that is tightening and ready to make a move, resistance at \$25 and support and \$20, and a \$5 move expected on a break in either direction, though RSI indicates gaining momentum, so an upside breakout more likely.



Potential Catalysts: Operating Leverage with Improving Core Network Services (CNS) Revenue Growth; Keith Meister of Corvex Mgmt. Disclosed Long Stake in LVLT at Ira Sohn



## Ford (F)

### Options Open Interest:

☆ November \$18 Calls: Buyer of 26,000 at \$0.75 on 7-24

**Fundamentals:** The \$67B auto Co. trades 9.7X earnings, 0.8 PEG, 0.47X Sales and 3.49X Book with 13-15% forward EPS growth and a 2.35% dividend yield. Ford has been posting much stronger than anticipated results and demand expected to continue with the average life of vehicles on the road at a high of 11 years.

**Analyst Notes:** On 7-30 Argus reiterated a Buy and raised its target to \$23 from \$21. BAML raised its target to \$24 on 7-24.

**Technical View:** F shares are forming a large cup pattern with the 2011 highs, 8.50/17.5 range, so a breakout targets a 2 year move to \$26.50 which is not out of the question the way fundamentals are improving. Shares have a fairly steep uptrend with support at \$15.75.



**Potential Catalysts:** European Auto Improvement; Continued Strong North American Demand; Earnings Momentum Leading to Multiple Expansion; De-risking of Pension

## ARM Holdings (ARMH)

### Options Open Interest:

- ☆ October \$42 Put OI > 8,000 (Buyer of 5,000 at \$3.30 on 7-18, 3,000 at \$2.60 on 7-24)
- ☆ September \$40 Puts: Buyer of 3,700 at \$1.85 to \$1.90 on 8-7

Fundamentals: The \$19B mobile chip supplier trades 31.2X forward earnings, 9.65X Book and 3.7 PEG with 22-27% forward EPS growth projected. ARMH trades at a premium and earnings have barely been hitting estimates, and if it cannot deliver the growth shares will see a large pullback.

Analyst Notes: On 7-24 Benchmark reiterated a Buy and raised its target to \$48.

Technical View: ARMH has a fairly sloppy chart to assess and Fibonacci levels of important at \$43.75, \$39.50, and \$36. The weekly chart shows a broken uptrend which shares recently re-tested and have since faded/consolidated, so a move back to the \$35 lows in June, and likely lower looks to be the set-up.



Potential Catalysts: Mobile Chip Slowdown; Multiple Contraction; Competitive Concerns with Intel (INTC) Mobile Chip Offering

## Liberty Global (LBTYA)

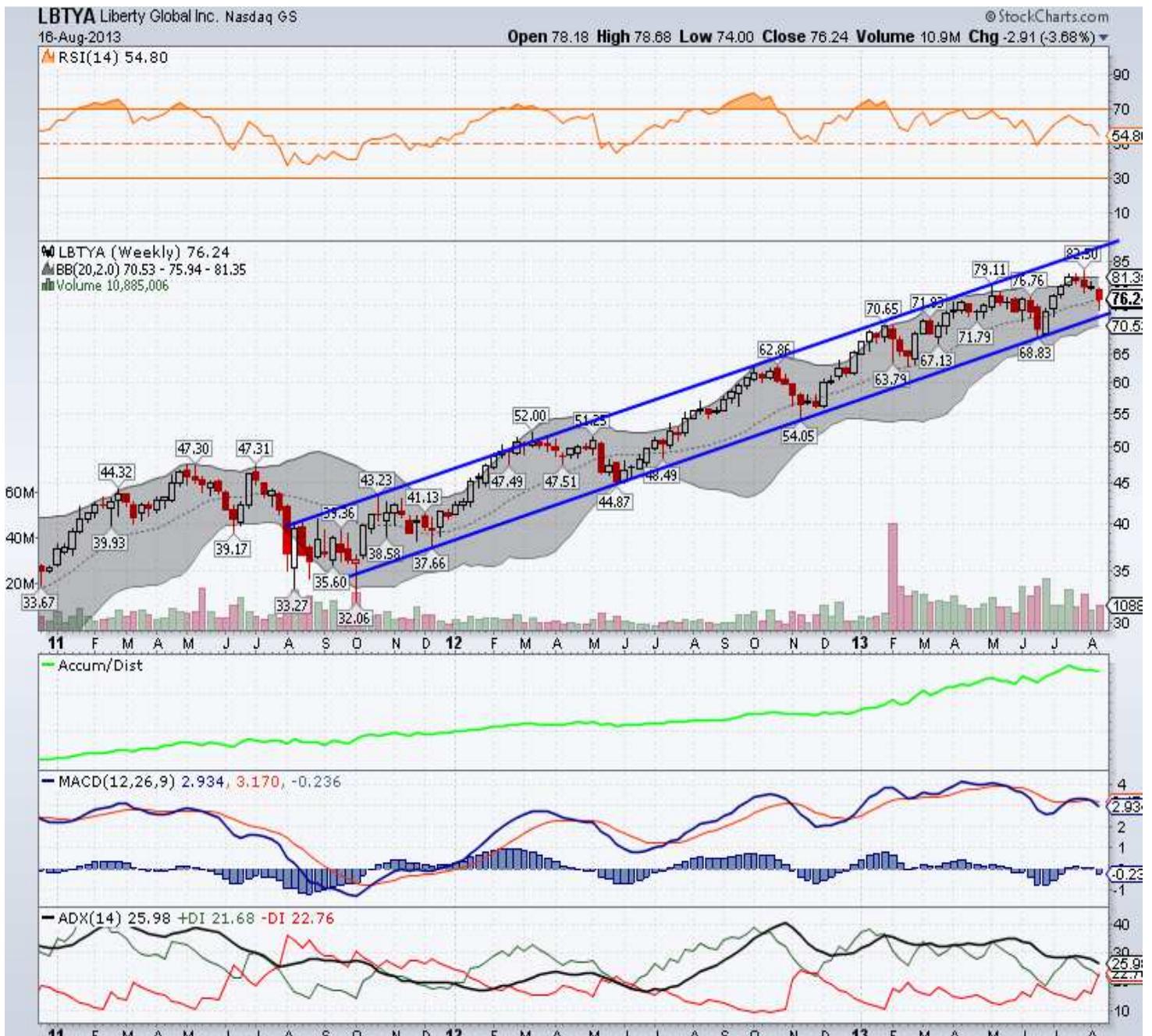
### Options Open Interest:

- ☆ January 2014 \$90 Calls: Buyer of 25,000 at \$2 to \$2.05 on 7-11
- ☆ October \$85 Calls: Buyer of 20,000 at \$2.55 on 7-17

Fundamentals: The \$20.3B TV, Telephone and Internet Co. trades 26.9X forward earnings, 1.93X Sales and 25.26X FCF with a strong EPS growth outlook.

Analyst Notes: Morgan Stanley initiated LBTYA at Overweight with a \$90 target on 7-31. On 7-29 Wunderlich raised its target for LBTYA to \$102.

Technical View: LBTYA is a simple channel up pattern with the 20 week EMA often acting as support, and trend support currently around \$72.50, while the next upward move should target \$85.



Potential Catalysts: Cable M&A

## eBay (EBAY)

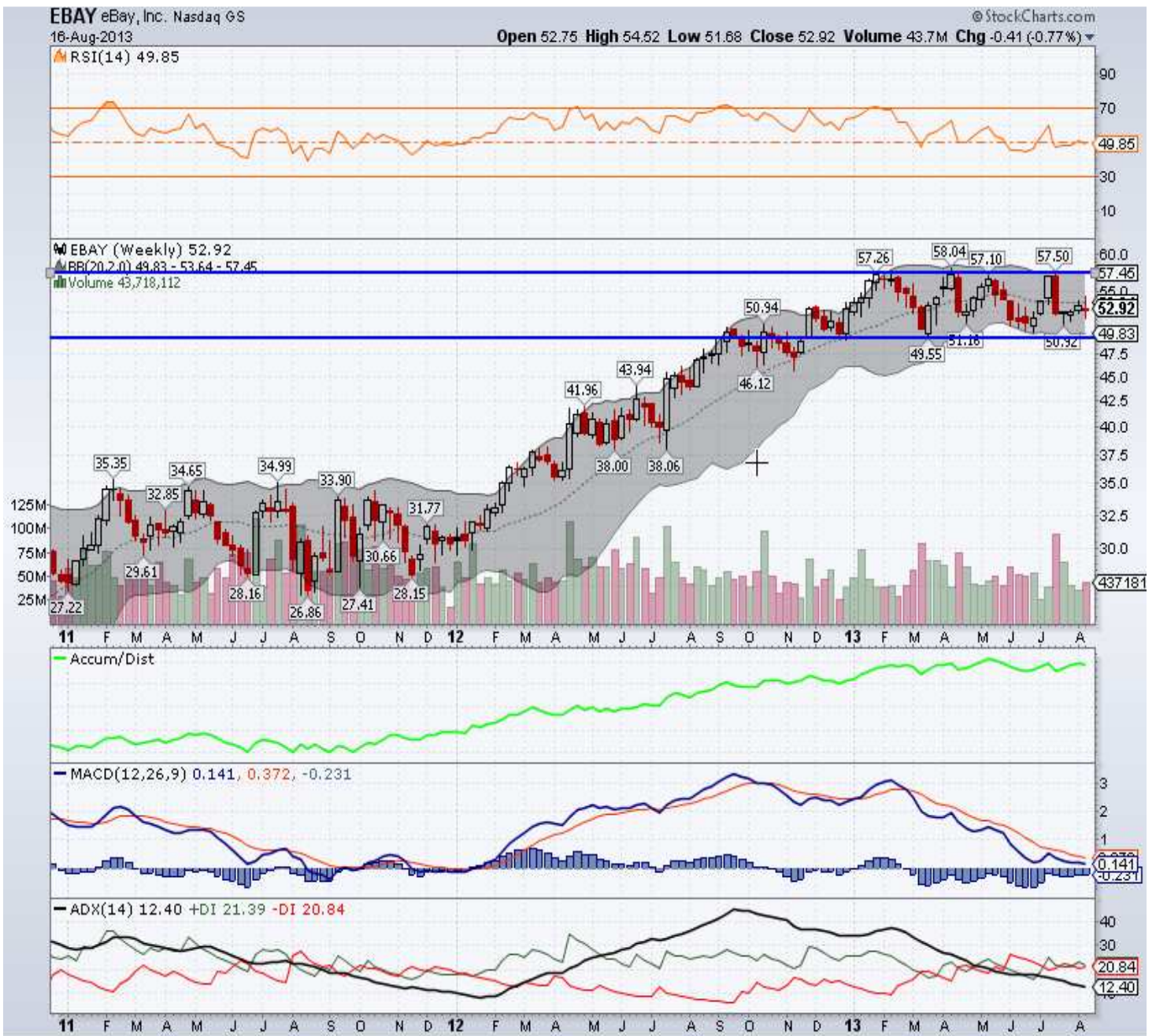
### Options Open Interest:

- ☆ October \$55 Call OI > 23,000 (Buyer of 6,000 October \$55/\$62.50 Call Spreads on 7-11 at \$2.71 Adds to OI with 16,000 Spreads in OI)

Fundamentals: The \$69.17B Co. trades 16.74X earnings, 1.75 PEG, 4.6X Sales, and 3.2X Book with 15-20% forward EPS growth, and maintaining a strong 20%+ same store sales growth. PayPal posted another great quarter with strong Total Payment Volume.

Analyst Notes: On 7-19 Citi reiterated a Buy with a lowered \$64 target.

Technical View: EBAY shares have spent 2013 in a sideways consolidation in the \$50/\$57 range after a long uptrend, and a breakout move will target a run up to \$65 as an extension off prior highs.



Potential Catalysts: PayPal Spinoff; Multiple Expansion on Europe Turning the Corner

## Merck (MRK)

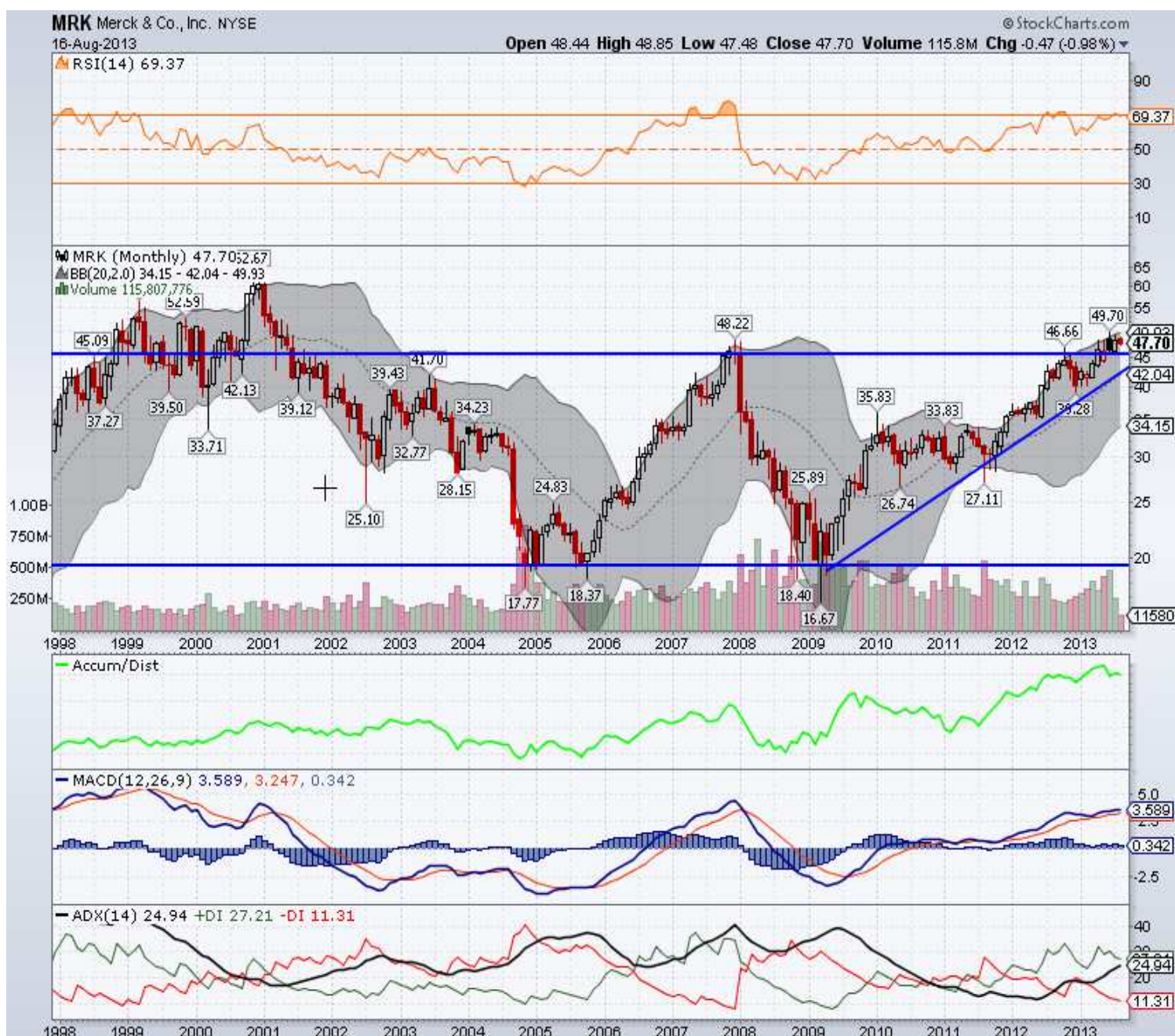
### Options Open Interest:

☆ October \$45 Calls: Buyer of 80,000 on 6-18 at \$3.85

Fundamentals: The \$145.65B Pharma trades 13.16X earnings, 3.24X Sales, 2.75X Book and 9.1X Cash with a 3.55% yield.

Analyst Notes: On 7-12 Jefferies reiterated a Buy but lowered its target to \$54.

Technical View: MRK shares have formed as ascending triangle below \$49 resistance the last few months, and a key level to clear to make a move back to levels seen in 2000 when shares traded above \$60. Trend support of the 18 month channel up is at \$47 and a break above \$49 targets a move to \$55.



Potential Catalysts: Launches of Liptruzet and Bridion; Preladenant Data for Parkinson's; Buybacks and Cost Cuts; Phase 1 Data for Lambrolizumab in Lung Cancer on 10-27 to 1-30

## Discover Financial (DFS)

### Options Open Interest:

- ☆ October \$55 Calls: Buyer of 4,000 at \$0.55 on 5-17 (Current OI 7,350)
- ☆ October \$60 Calls: Buyer of 2,500 at \$0.30 on 5-31; Buyer of 6,000 at \$0.40 on 6-3 (Current OI 9,373)

Fundamentals: The \$24.54B credit card Co. trades 10.1X forward earnings, 1.16 PEG, 3.3X Sales and 2.48X Book with a 1.59% dividend yield. DFS has industry-leading loan growth and superior credit trends to peers.

Analyst Notes: On 8-8 Guggenheim raised its target on DFS to \$62.

Technical View: DFS shares are in an 18 month channel up and when weekly RSI gets to the 50 level has been a prime entry point. Support currently is at \$49 while \$51.50 resistance, and a move above targets \$55.



Potential Catalysts: Buybacks and Acquisitions; Dining Club Spinoff

## Cognizant Tech (CTSH)

### Options Open Interest:

- ☆ January 2014 \$80 Calls: Buyer of 8,000 at \$3.10 on 8-7
- ☆ October \$72.50 Call OI > 12,000 from Large Buys

Fundamentals: The \$22.07B Tech Co. trades 15.5X earnings, 1.05 PEG, 2.75X Sales and 25.43X FCF with 17-20% forward EPS growth, a top growth play in large cap Tech. CTSH has industry-leading revenue growth and forecasts a pick-up in discretionary spending.

Analyst Notes: Nomura reiterated a Buy on 8-7 with a raised \$91 target. Needham boosted its target on CTSH to \$100 on 8-7.

Technical View: CTSH shares have spent the last 4 years trading in the \$55 to \$77.50 range for the most part, a high of \$83.50 in 2011. Shares are currently supported by the \$70 level and needing to clear \$75 to target a run above \$77.50.



Potential Catalysts: Removal of Immigration Reform Uncertainty; Multiple Expansion to 20X Historical Norm

## Cobalt Energy (CIE)

### Options Open Interest:

☆ October \$27.5, \$30, \$32.5 Call OI > 20,000 from Buys with October \$25 and \$22.50 Put OI > 10,000 (Sold to Open)

Fundamentals: The \$11.88B offshore Oil & Gas Co. trades 4.76X Book and 7.5X Cash and is not near profitability currently, but prospects for future Oil finds remain bright.

Analyst Notes: On 7-10 JP Morgan reiterated an Overweight and raised its target to \$32. On 6-3 ISI Group raised to Strong Buy and a \$35 target.

Technical View: CIE shares made a big run in early 2012 and have since spent time consolidating, recently below \$30 resistance, while \$28 offers support. Shares have seen strong accumulation despite the sideways move, and looking to break back to the highs.



Potential Catalysts: Drilling Results from Lontra, Mavinga, Diaman, Ardennes, and Heidelberg Sanction in 2H 2013. Year-End results from Bicular, Aegean and Shenandoah.



## Ocean Rig (ORIG)

### Options Open Interest:

☆ December \$20/\$17.50 Bull Risk Reversals in OI 9,500+ from May-June Accumulation

Fundamentals: The \$2.44B oil services Co. trades 8.55X earnings, 0.84X Book and is a leveraged play in the industry. On 8-7 ORIG posted results above the Street expectations. ORIG has a large backlog with clear earnings visibility and as a pure-play ultra-deepwater driller.

Analyst Notes: On 7-17 Barclays reiterated Overweight with a raised \$29 target.

Technical View: ORIG shares on the weekly formed a large ascending triangle and need to clear \$19 for a major breakout that can target a move as high as \$25.



Potential Catalysts: Contracts Wins; Deepwater E&P Spending Growth

## Dish Network (DISH)

### Options Open Interest:

- ☆ January 2014 \$50 Calls: Buyer of 10,000 at \$1.78 on 6-28; January 2014 \$50/\$37 Bull Risk Reversal 10,000X12,500 on 7-18
- ☆ January 2014 \$60 Calls: Buyer of 10,000 at \$0.45 on 6-28

Fundamentals: The \$20.79B satellite TV Co. trades 22.85X earnings, 1.46X Sales and has a large cash position that makes it an attractive buyout target, or will look to make a strategic acquisition shortly.

Analyst Notes: On 8-7 RBC raised its target on DISH to \$46. On 7-26 Deutsche Bank raised its target to \$50.

Technical View: DISH shares have trended higher since 2012 and recently \$46 resistance for the next stage breakout while \$43.50 is support. Longer-term the \$52.50 level is resistance and the likely upside target on a breakout.



Potential Catalysts: M&A (Target of DTV or Merger with T-Mobile (TMUS)); Capital Allocation; Operational Improvements

## Manitowoc (MTW)

### Options Open Interest:

☆ January 2014 \$22 Calls: Buyer of 8,000 at \$1.75 on 7-23; Buyer of 2,000 at \$1.60 on 7-31

Fundamentals: The \$2.72B cranes Co. trades 12.5X earnings, 0.36X Sales, 4.53X Book and 29X FCF with a 0.39% dividend yield and 35-40% forward EPS growth, a strong recovery play since a rough 2009. MTW recently posted \$0.45 EPS vs. the \$0.35 estimate.

Analyst Notes: On 6-12 Stifel initiated MTW at Buy with a \$25 target.

Technical View: MTW shares are in a sideways \$17/\$21 range and looking to breakout with a \$25 measured move target, while the \$23 high from 2011 offers some resistance, but overall a strong weekly trend in place with \$19 support.



Potential Catalysts: Spin-off / Sale of Food Services Business; Improved Construction Outlook

## Ingersoll Rand (IR)

### Options Open Interest:

- ☆ September \$60 Call OI > 10,000 (Buyer of 4,000 on 7-1 at \$1.20 Added to OI)
- ☆ September \$65 Calls: Buyer of 4,000 at \$0.35 on 7-1; Buyer of 3,000 on 7-19 at \$1.37

Fundamentals: The \$18.26B industrial trades 14.54X earnings, 1.29X Sales, 2.57X Book and 22.95X FCF with a 1.37% yield, double digit EPS growth and a healthy cash position.

Analyst Notes: On 7-22-13 Jefferies raised its target on IR to \$75 and UBS to \$71.

Technical View: IR cleared a key \$59 resistance in July with a strong week and have since channeled lower forming a bull flag that can target \$67.50 on a move above \$63. A re-test of \$59 is considered support, while the trend support level is closer to 57.



Potential Catalysts: Company Break-Up with Multiple Diverse Business Segments to Become Pure HVAC Play; Beneficiary of Home Construction

## Pepsi Co. (PEP)

### Options Open Interest:

☆ January 2015 \$105 Calls: Buyer of 7,000X at \$1.45 on 7-19-13

Fundamentals: The \$129.75B beverage and snacks leader trades 17.72X earnings, 1.97X Sales and 5.72X Book with a 2.71% yield and 8% forward EPS growth, so it looks rich on valuation, but the value can be unlocked by separating the beverage and snacks businesses.

Analyst Notes: On 8-2 Argus boosted its target to \$98, while JP Morgan on 7-25 raised to a \$92 target.

Technical View: PEP put in an ugly weekly candle last week and consider \$78.50 key support as it was the breakout past the 2007/2008 top. Most of the move recently contained in the \$80/\$84 range, while clearing \$85 sets up for a move to \$100 longer term.



Potential Catalysts: Trian's Peltz Plan to Merger Pepsi (PEP) with Mondelez (MDLZ)

## Dominion (D)

### Options Open Interest:

- ☆ September \$60 Calls: Buyer of 8,500 at \$0.89 on 8-1
- ☆ October \$62.50 Calls: Buyers of 4,500 on 7-25 at \$0.40 to \$0.50

Fundamentals: The \$34.73B Utility trades 16.9X earnings, 2.65X Sales and 3.16X Book with 6.5% EPS growth and a 3.75% dividend yield.

Analyst Notes: On 6-17 Jefferies reiterated a Buy with a \$68 target.

Technical View: D shares suffered some damage last week as the Utility stocks sold off, but the \$57 level as a re-test of the breakout and the 150 SMA should offer some support near-term, while \$61 is key resistance for a breakout to highs.



Potential Catalysts: Blue Racer MLP Spin-Off; Asset Sales (Cove Point / Transmission Assets)

## Archer Daniels Midland (ADM)

### Options Open Interest:

- ☆ On 5-1 September \$34 Calls Bought 2,500X and September \$35 Calls Bought 5,000X
- ☆ On 5-3 September \$35 Calls Bought 5,500X
- ☆ On 5-15 January \$35 Calls Bought 3,600X
- ☆ On 7-29 the March 2014 \$37 Calls Bought 2,150X

Fundamentals: The \$25.57B agricultural business Co. trades 12.48X earnings, 0.28X Sales, 1.34X Book and 11X FCF with a 1.97% dividend yield.

Analyst Notes: On 7-22 Scotia Bank raised its target on ADM to \$38 and on 8-7 JP Morgan raised its target to \$37.

Technical View: ADM shares recently cleared a long sideways range of \$24/\$36 that measures to a \$48 target, though major long term resistance up at the \$45 level, and Fibonacci resistance at \$38.50 rejected a move last week. The \$35 level is now trend support.



Potential Catalysts: Margin Improvement with Corn Prices Low; \$3.4B Acquisition of Grain Corp Adding Growth

## International Game Tech (IGT)

### Options Open Interest:

- ☆ October \$20 Calls: Buyer of 5,000 at \$0.90 on 5-28; Buyer of 4,400 at \$0.85 on 5-29
- ☆ January 2014 \$20 Call OI > 15,000 (Buyer of 1,750 at \$0.80 on 2-21; Buyer of 5,250 at \$0.60 on 4-3)

Fundamentals: The \$5B maker of gaming equipment trades 14.45X earnings, 2.15X Sales, 3.92X Book and 20.4X FCF with a 1.86% dividend yield and 14.5% forward EPS growth guidance.

Analyst Notes: Stifel reiterated a Buy on 7-25 and boosted its target to \$23.

Technical View: IGT shares on the daily have pulled back since making a run to \$20 and \$19.35 current resistance, while support at \$18.25. The longer term shares a key trend breakout and now brief consolidation with \$22 an upside target.



Potential Catalysts: Sale of Double Down Interactive to Focus on Core Products; Expanded Gaming in New Jurisdictions



## Medivation (MDVN)

### Options Open Interest:

- ☆ September \$60 Call OI > 6,500 (Buyer of 1,500 on 7/17 at \$7.70; Buyer of September \$60/\$80 Call Spread 3,000X on 7-31 at \$5.75)

Fundamentals: The \$4.2B Biotech trades 84.7X earnings, 22X Sales, and 15.5X Cash. MDVN is expected to reach profitability next year.

Analyst Notes: On 8-9 CSFB raised its target to \$77 with an Outperform rating. UBS upgraded to Buy on 7-17 with a \$74 target. Citi believes if the PREVAIL study shows 8 months or greater survival benefit the stock will move above \$80.

Technical View: MDVN shares have traded in a sideways \$44/\$60 channel for more than a year, while near-term support is \$54, a cup and handle has formed and a move above \$60 should bring a big move to \$75.



Potential Catalysts: PREVAIL Phase 3 Results for XTANDI; M&A Target

# Himax Tech (HIMX)

## Options Open Interest:

☆ March 2014 \$6 Calls: Buyer of 6,000 at \$2.40 to \$2.55 on 7-23

Fundamentals: The \$1.13B Semi trades 10.67X earnings, 1.52X Sales, 2.57X Book and 19.7X FCF with 30% forward EPS growth projected.

Analyst Notes: On 5-29-13 OpCo initiated HIMX at Outperform with a \$9 target.

Technical View: HIMX shares ran to \$8 from \$1.50 so a retracement is natural and looking at the 38.2% Fibonacci at \$5.55 as support, while the \$5/\$8 range is the key longer term, a move above targets \$11.



Potential Catalysts: Google Glass (HIMX a Supplier and GOOG Announced 6.3% Stake in July)

## Cameron (CAM)

### Options Open Interest:

☆ On 7-26 November \$65/\$50 Bull Risk Reversal Opened 15,500X10,500 (\$1.25X\$1.20)

Fundamentals: The \$14B oil services Co. trades 12.3X earnings, 1.55X Sales, 2.09X Book and with 30%+ forward EPS growth projected, a top value for growth name in its industry, but has posted some weak results in recent quarters.

Analyst Notes: On 7-29 Howard Weil lowered its target on CAM to \$68, and on 7-26 JP Morgan lowered its target to \$66. On 7-23 RBC named CAM a Top Pick with a \$73 target.

Technical View: CAM shares were recently hit on earnings and currently finding some support at the 38.2% Fibonacci at \$56.30, also re-testing a bottom breakout from early 2013, and a former downtrend breakout. Shares are oversold outside the lower weekly Bollinger Band.



Potential Catalysts: Stronger 2H Orders; Stock Repurchases

## TIBCO Software (TIBX)

### Options Open Interest:

- ☆ January 2015 \$18 Put OI 5,750 from Sold to Open; November \$20 Put OI at 9,400 from Sold to Open
- ☆ November \$23 Calls: Buyer 2,000 at \$2.76 on 7-25; Buyer 2,000 at \$1.85 on 7-26
- ☆ November \$25 Calls: Buyer 10,000 at \$1.35 on 7-11

Fundamentals: The \$3.9B Software Co. trades 20.25X earnings, 3.77X Sales, 4.48X Book and 20.5X FCF with EPS growth slowing to 12.5% looking forward.

Analyst Notes: On 7-12 Wedbush raised its target on TIBX to \$28 with an Outperform rating.

Technical View: TIBX shares held support just above \$18 and a downtrend breakout saw a strong move in July, but recently have dipped back nearly re-testing the \$22 support level where shares should bottom before looking to make a run back to the \$27-\$30 range.



Potential Catalysts: Spotfire Growth; Takeover Target

## Office Depot (ODP)

### Options Open Interest:

- ☆ January 2015 \$4 Call OI > 30,000 from 7/26, 7/29 and 8/1 Large Buys \$1.20 to \$1.25
- ☆ October \$4 Calls: Buyer 5,000 at \$0.55 on 6-20

Fundamentals: The \$1.25B office retailer trades 0.12X Sales, 2.19X Book, 12.65X FCF and 2.64X Cash with 18.7% of its float short.

Analyst Notes: On 8-13 KeyCorp raised its target on ODP to \$5.50.

Technical View: ODP shares have formed as ascending triangle with \$4.20 trend support and \$4.50 the key breakout level for a measured move to \$5.25.



Potential Catalysts: Outcome with Office Max (OMX) Merger; Starboard Activism



# Marvell Tech (MRVL)

## Options Open Interest:

- ☆ January 2014 \$13 Call OI > 22,500 from Large Buys Over Time
- ☆ September \$13 Calls: Buyer of 4,000 at \$0.74 on 7-31

Fundamentals: The \$6.62B Semi trades 14.13X earnings, 2.13X Sales, 1.52X Book and 21.34X FCF with a large cash position and debt-free balance sheet, also a 1.82% yield and 10% EPS growth outlook.

Analyst Notes: On 8-13 RBC upgraded to Top Pick with a \$17 target and B. Riley also to Buy with a \$16 target.

Technical View: MRVL shares have made a strong recovery from a long period of underperformance and \$12.50 current trend support, and next resistance the 50% Fibonacci at \$14.50.



Potential Catalysts: Design Wins (LTE Solution)

## Timken (TKR)

### Options Open Interest:

☆ December \$57.50 Calls: Buyer of 2,000 at \$4.35 on 7-31; Buyer of 1,000 on 8-1 at \$6

Fundamentals: The \$5.75B industrial trades 13.26X earnings, 1.3X Sales, 2.49X Book and yields 1.53% with EPS growth set to slow to 7.85%. TKR generates 69% of revenues from the US, 11% from Europe, and 11% from Asia with potential for growth seen in emerging markets.

Analyst Notes: ISI Group downgraded to Buy from Strong Buy on 8-9 with a \$68 target. BB&T reiterated a Buy on 7-26 with a raised \$66 target.

Technical View: TKR shares have been volatile and the earnings move down to \$55 was quickly bought up to \$61, and \$60 remains the key level to get above and hold, while \$58 is trend support.



Potential Catalysts: Strategic Alternatives for Steel Business



## Jive Software (JIVE)

### Options Open Interest:

- ☆ January 2014 \$15/\$12.50 Bull Risk Reversals in OI 15,000+
- ☆ October \$15 Calls: Buyers of 10,000 at \$0.45 to \$0.50 on 8-1

Fundamentals: JIVE is an \$879M enterprise software Co. trading 6.74X Sales and 6.52X Cash, and coming off a weak quarter with many of its orders seen pushed out to later this year with plenty of opportunity in growth markets like CRM and Collaboration.

Analyst Notes: On 8-1 Needham reiterated a Buy with a reduced \$16 target, and CSFB cut its target to \$20 from \$25.

Technical View: JIVE is a hold your breath type chart with shares back near IPO lows, and lacking true support, watching gaps overhead, while \$14.50/\$15 is resistance on a bounce.



Potential Catalysts: Takeover Target for SAP AG (SAP); Order Pick-Up

## Nektar Therapeutics (NKTR)

### Options Open Interest:

- ☆ November \$11 Calls: Buyer of 6,000 at \$1.10 on 6-18
- ☆ November \$13 Calls: Buyers of 13,000 at \$1.78 on 7-17
- ☆ September \$12 Calls: Buyers of 9,550 at \$1.35 on 8-1

Fundamentals: NKTR is a \$1.28B Biotech trading 13.3X Sales and 6.35X Cash that recently beat Street estimates on EPS and Revenues. NKTR has completed Phase 3 trials for Naloxegol which it is partnered with AstraZeneca, while also ongoing Phase 3 for NKTR-102 with Bayer and BAX 855 with Baxter. Naloxegol showed positive results and the Opioid Induced Constipation market is a \$14.8B opportunity.

Analyst Notes: MKM reiterated a Buy on 6-20 with a raised \$14 target, while in January Lazard initiated at Buy with a \$15 target.

Technical View: NKTR shares have a major double top near \$15.50 from 2010 as a potential upside target of resistance. The \$10.50 is supportive as a re-test of a key level, while \$10 is upward trend support.



Potential Catalysts: Takeover Target for AstraZeneca (AZN); NKTR-181 Phase 2 Data; October 8th R&D Day

## Nvidia (NVDA)

### Options Open Interest:

- ☆ January 2014 \$16 Calls: Buyers of 10,000 at \$0.59 on 8-1
- ☆ September \$15 Calls: Buyer of 5,000 at \$0.35 on 8-9
- ☆ January 2014 \$15 Call OI > 14,000 from Accumulation

Fundamentals: NVDA is an \$8.8B chip-maker trading 18.15X forward earnings, 1.39 PEG, 2.07X Sales, 2.11X Book and just 3X cash value with no debt and a 2% yield, plenty of room for buybacks and dividend raises. NVDA's Tegra is in Android devices and seeing a strong 109% CAGR.

Analyst Notes: On 8-9 Jefferies boosted its target to \$15 with a Hold rating and Deutsche bank to \$16 with a Hold rating. Nomura reiterated a Buy and raised its target to \$17.

Technical View: NVDA shares put in a strong week and broke above \$15 resistance with the 28.2% Fibonacci at \$16.60 a target, a stock in recovery mode and on very strong volume last week. The 50% Fibonacci target is at \$18.35.



Potential Catalysts: Device Announcements; Shareholder Activism

## Cabot Oil & Gas (COG)

### Options Open Interest:

- ☆ October \$77.50 Calls: Buyer of 4,100 at \$3.90 on 8-5; Buyer of 1,250 at \$3.60 on 8-6
- ☆ October \$70 Puts: 4,100 Sold to Open at \$1.30 on 8-5

Fundamentals: The \$15.73B Oil & Gas producer trades 27.57X forward earnings, 10.55X Sales and 6.88X Book with a 0.11% yield. COG recently beat estimates on EPS and Revenues with a 52% production growth year/year and has an industry-leading cost structure in place. COG has key assets in the Marcellus Shale, Eagle Ford Shale, and Marmaton-Penn Lime.

Analyst Notes: On 7-29 OpCo upgraded to Outperform with a \$100 target and on 7-26 Howard Weil upgraded to Outperform with a \$91 target.

Technical View: COG shares recently broke out and then the last 3 weeks coiled back to re-test that level, set-up for a move higher. The \$39 level is next resistance while \$36 support, and shares can likely make a run as high as \$45. Note that COG recently split when factoring in the strikes of the options action pre-split.



Potential Catalysts: Asset Sales; Production Strength

## F-5 Networks (FFIV)

### Options Open Interest:

☆ October \$92.50 Calls: Buyer of 7,750 at \$3.55 on 8-7

Fundamentals: The \$7.26B networking software Co. trades 18.14X earnings, 1.99 PEG, 5X Sales, 4.88X Book and 15.55X FCF with 12.5-14% forward EPS growth projected.

Analyst Notes: On 8-12 Barclays upgraded to Overweight with a \$107 target, and on 7-25 MKM raised its target to \$90 while Lazard raised its target to \$100.

Technical View: FFIV shares are at a pivotal level of downtrend resistance and also became overbought with a move outside the weekly Bollinger Band, so \$92 remains key resistance, while above can run to \$110. A pullback likely finds support at the gap \$85.



Potential Catalysts: Earnings Momentum with Opportunity in Security Segment

## Textron (TXT)

### Options Open Interest:

☆ December \$31 Calls: Buyer of 4,000 at \$1.20 on 8-5

Fundamentals: The \$8B Aerospace and Defense Co. trades 12X earnings, 0.67X Sales, 2.38X Book and yields 0.28% with 8.15% forward EPS growth forecasted. Cessna accounts for 25% of TXT's revenues and Bell Helicopter at 35%. Industrials account for 24% and a potential unit that could be sold to unlock shareholder value.

Analyst Notes: RBC noted in July that TXT may be worth \$42/share in a breakup.

Technical View: TXT shares are in a pattern of making higher lows and higher highs in this channel up, near-term resistance at \$29 for a run up to that higher high of \$32, while support at \$27.25 should provide a quality entry point.



Potential Catalysts: Restructuring / Company Break-Up

## Baidu.com (BIDU)

### Options Open Interest:

- ☆ January 2014 \$140 Calls: Buyer of 6,275 at \$13.55 on 8-9
- ☆ December \$130 Call OI > 5,000 from Large Buys 7/17, 7/19, and 7/24

Fundamentals: The \$47.2B Chinese Internet Co. trades 21.52X earnings, 1.33 PEG, and 30.65X FCF with 20%+ forward EPS growth guidance, and turned a corner in the most recent quarter with a strong report and making progress in mobile, a key growth market.

Analyst Notes: Citi upgraded to Buy with a \$167 target on 8-9-13 and on 8-1 HSBC boosted its target to \$166 with an Overweight rating.

Technical View: BIDU shares triggered a wedge breakout at \$102.50 and quickly ran up to \$140, so extended on the short-term timeframe, and a pullback to \$130 probable, and likely see basing action. Shares should be able to target \$152.50 resistance from the 2012 high and even look to make a run to all-time highs as growth reaccelerates.



Potential Catalysts: Expansion into Mobile App and Gaming Growth Markets; Margin Stabilization

## Foot Locker (FL)

Options Open Interest:

☆ September \$35 Puts: Buyer of 10,000 at \$1.30 on 8-7

Fundamentals: The \$5.21B footwear retailer trades 11.15X earnings, 0.83X Sales, 2.1X Book and yields 2.31% with 9-10% forward EPS growth, attractive on valuation, but has traded lower each of its last two reports as metrics have weakened.

Analyst Notes: On 8-9 Goldman downgraded to Neutral and lowered its target to \$37, while Sterne Agee on 8-12 named it a Top Pick with a \$41 target.

Technical View: FL shares have an ascending triangle formers with \$37.50 being recent resistance and threatening a break of trend support at \$33 that can lead to a move as low as \$28, though \$31 also an area of support.



Potential Catalysts: Earnings on 8/23; Weak Mall Traffic Leading to Same Store Sale Softness



## CBS Corp (CBS)

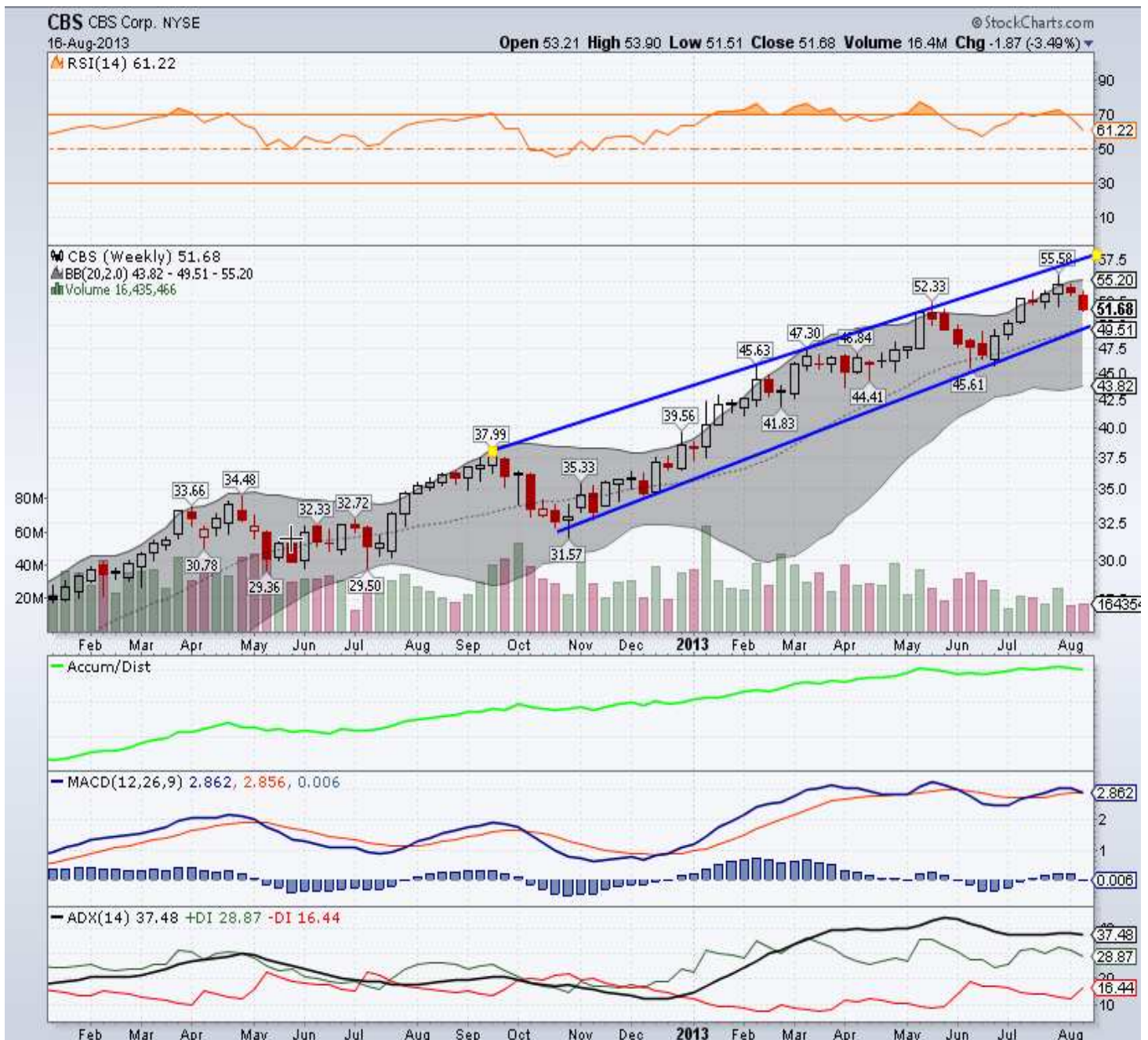
### Options Open Interest:

☆ On 8-2 the January 2014 \$60/\$65 Call Spread Bought 7,000X at \$1 and Sold 7,000 \$47 Puts at \$1.35

Fundamentals: The \$31.65B media Co. trades 14.95X earnings, 1.32 PEG, 2.19X Sales and 3.3X Book with a 0.92% yield and 12-15% forward EPS growth.

Analyst Notes: On 8-7 Benchmark raised its target to \$63 from \$50 with a Buy rating and on 8-2 Argus took its target way up to \$70.

Technical View: CBS shares are in a strong multi-year trend and the 20 week EMA has been the buy point on pullbacks, currently at \$49.50. The rising channel projects the next upside target at \$57.50.



Potential Catalysts: Strong Fall TV Lineup; Strong Advertising Rates; Earnings Momentum; Outdoor Monetization and REIT Conversion in Q1 2014; Accelerated Buybacks

## Momenta Pharma (MNTA)

Options Open Interest:

☆ On 7-26 the September \$19/\$16 Bull Risk Reversal Opened 5,000X at \$0.30 Debit

Fundamentals: The \$775.4B Biotech trades 2.46X Book and 2.58X Cash with no debt. A recent legal ruling invalidating Teva's (TEVA) patents on Copaxone in 2015 and partly in 2014 sent MNTA shares higher.

Analyst Notes: Bernstein sees a 75% chance of a favorable ruling for Momenta and if able to introduce generic Copaxone by May 2014 values the shares at \$30. On 7-26 Canaccord raised shares to Buy with a \$22 target.

Technical View: MNTA shares have retraced the entire spike move and now the 80 day EMA and re-test of the June breakout at \$14.50 looks to be support. MNTA shares have longer-term resistance up at \$21.



Potential Catalysts: Court Decision for Copaxone; Copaxone ANDA

## Monsanto (MON)

### Options Open Interest:

- ☆ On 8-12 a trader sold 7,500 January 2014 \$85 puts to open \$2.30 and bought the \$100/\$110 ratio call spread 5,000X7,500

Fundamentals: The \$52.4B leader in seeds trades 18.43X earnings, 3.55X Sales, and 3.78X Book with a 1.53% yield and 12.5-16% forward EPS growth projections.

Analyst Notes: On 8-13 Goldman Sachs reiterated a Conviction Buy and \$122 target. On 7-3 Topeka Capital reiterated a Buy and \$120.50 target.

Technical View: MON shares have pulled back after an impressive run and currently holding its 38.2% Fibonacci at \$94.35 as support, though long term trend support and a re-test of a key level puts \$90 to \$92.50 as important support. Shares are clear in a downtrend and need to regain the \$100 level to see upward momentum.



Potential Catalysts: Recovery in Corn Prices; Latin America Growth; CSFB Ag Conf. on 9-17; Earnings; Soy Opportunity; Legal Battles

## Masco (MAS)

### Options Open Interest:

- ☆ On 8-15 a trader sold 8,500 January 2014 \$17 puts at \$1.05 to open and bought the January 2014 \$21/\$26 ratio call spread 8,500X17,000 at \$0.80. Additionally the October \$21/\$15 bull risk reversals were opened 2,500X at \$0.30.
- ☆ October \$21 Calls: More than 7,050 in OI notably from 6-21 with 4,500 bought at \$0.90 to \$1

Fundamentals: The \$6.66B building materials Co. trades 17.4X earnings, 0.84X Sales, and yields 1.57%. MAS recently posted a strong beat on EPS and Revenues. MAS sees 38% of revenues from plumbing products, 24% from decorative architectural products, 12% from cabinets, and 16% from installation of insulation. MAS has been lowering costs and expanding margins.

Analyst Notes: On 8-1 JP Morgan raised its target on MAS to \$20, while RBC is at Outperform and a \$25 target.

Technical View: MAS shares have a very topy look and the \$18.50 level vital to hold as support with \$21.50 resistance, that \$3 range the key and a breakout targets \$24.50. Shares have managed to close above the 23.6% Fibonacci at \$19 each of the last 7 weeks of consolidation.



Potential Catalysts: Restructuring; Housing Data; Earnings

## CenterPoint Energy (CNP)

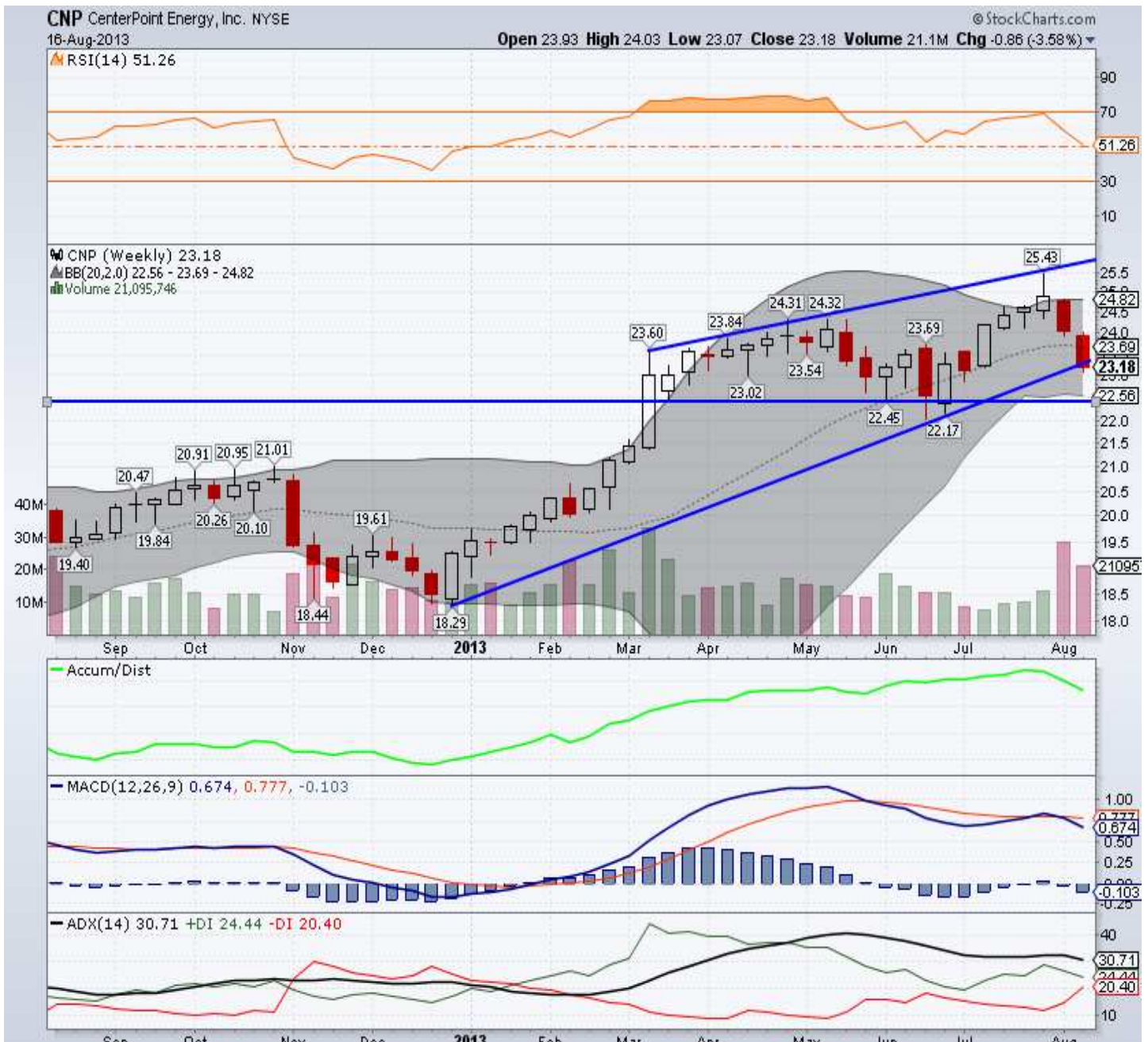
### Options Open Interest:

☆ November \$25 Calls: Buyers of 9,000+ on 8-13 at \$0.45 to \$0.55

Fundamentals: The \$9.98B diversified utility Co. trades 17.92X earnings, 1.23X Sales, and 2.38X Book with a 3.56% yield and 5% EPS growth, and is coming off an impressive Q2 earnings report. CNP is diversified with Electric Transmission, Natural Gas Distribution, Natural Gas Sales, Interstate Pipelines, and Field Services.

Analyst Notes: UBS downgraded to Neutral on 8-8 with a \$26 target, while Macquarie upgraded to Outperform with a \$27 target on 7-1.

Technical View: CNP is another utility hit hard last week and broke an uptrend but the low matched the 38.2% Fibonacci at \$23, so a level to work with, while \$22.25 next support, and resistance levels \$24 and \$25.



Potential Catalysts: Company Breakup - Spin-Off Midstream Partnership with OGE Energy (OGE)

## Anglo Gold (AU)

### Options Open Interest:

- ☆ September \$15 Calls: Buyer of 5,000 at \$1.40 on 8-15-13
- ☆ October \$14 Calls: Buyer of 5,000 \$14/\$21 Call Spreads \$1.50 on 6-20; Buyer of 7,000 \$14/\$17 Call Spreads on 6-27

Fundamentals: The \$5.84B gold miner trades 10.3X earnings, 0.96X Sales, and 1.05X Book with a 1.39% yield. In Q2 AU announced 955K ounces production at a cost of \$900/\$920 per ounce and cut its annual production guidance. AU receives 68% of its production from Africa.

Analyst Notes: On 7-17 Scotia Bank lowered its target on shares to \$17, and on 7-15 BMO cut to Underperform.

Technical View: AU, like many gold miners, put in a rounded bottom above \$12.50 and now trying to breach downtrends, and its RSI just cleared a major hurdle over 50, lacking much resistance until the \$18 level.



Potential Catalysts: Recovery in Gold Prices; Portfolio Restructuring via Asset Sales and Mine Closures; In-Stope Reef Boring technology Initiative

## Assured Guaranty (AGO)

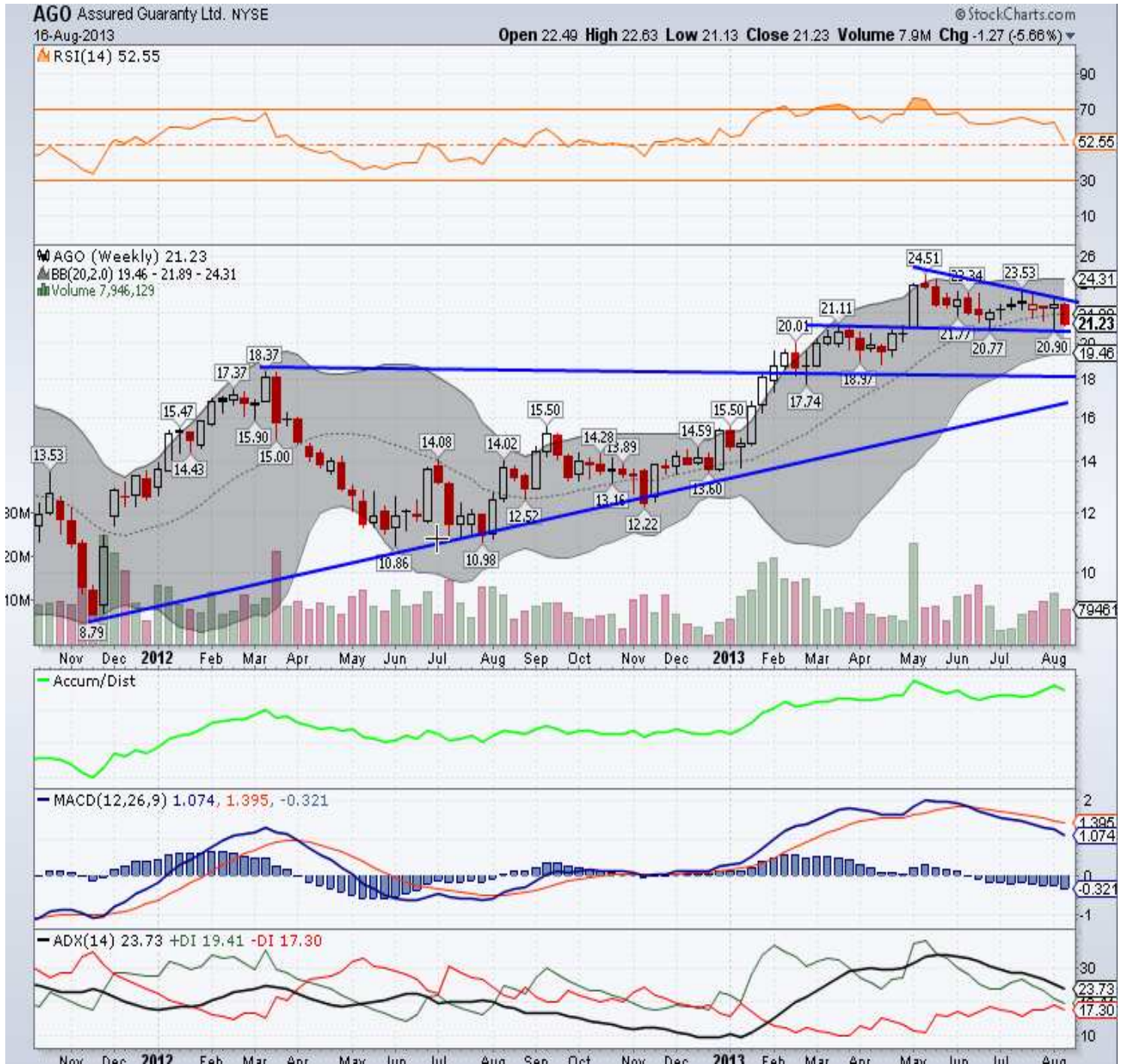
### Options Open Interest:

- ☆ October \$18 Calls: Buyer of 1,700 on 8-15 at \$3.65
- ☆ January \$24 Calls: Buyer of 5,000 at \$0.95 on 8-15; 7,000 Accumulated from Buyers July/Aug. in OI

Fundamentals: The \$4.12B financial trades 7.7X earnings, 3.56X Sales, and 0.87X Book with a 1.88% yield.

Analyst Notes: On 8-12 KBW cut its target to \$26 and on 5-10 MKM with a Buy and \$30 target.

Technical View: AGO shares have been threatening support near \$20.50 but holding up, and below \$18.50 is support. Shares need to clear the downtrend with a move above \$23 and can target a run to \$25+.



Potential Catalysts: R&W Litigation with Deutsche Bank, GMAC, and Credit Suisse

## Cameco (CCJ)

### Options Open Interest:

- ☆ January 2015 \$25 Calls: Buyer of 5,000 at \$1.40 to \$1.50 on 8-15; Buyer of 5,000 at \$1.35 to \$1.40 on 8-14; Buyers of 5,000 in Late April / Early May at \$1.45 to \$1.50

Fundamentals: The \$7.88B uranium producer trades 17.15X earnings, 3.63X Sales, and 1.64X Book with a 1.91% yield and after a 40% decline in EPS is looking for 30-40% forward growth.

Analyst Notes: On 2-20-13 Cantor Fitzgerald initiated CCJ at Buy with a \$30.50 target.

Technical View: CCJ shares have a multi-year bottoming pattern forming, and above \$23 opens up for a move all the way back to \$30.



Potential Catalysts: BAML Conf. on 9-13; Uranium Market Recovery; Japan Nuclear Reactor Restarts; Q3 2013 Start-Up of Cigar Lake Production



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