



Trade of the Day

Diamondback Energy (FANG)

Today's *Trade of the Day* is Diamondback Energy (FANG), which closed yesterday at \$63.45. Our target price on the trade is \$72.90 with a stop at \$57.40. FANG is an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas.

FANG has had a rough go of it over the last six months as oil prices have collapsed. But we believe the stock is a “best of breed” name in the space, and as shown below, it looks to have broken out of its steep downtrend. Since mid-December, the stock has rallied 20% off of its lows, and its move above its 50-day moving average two days ago pushed it above the top of its downtrend channel as well. We expect the name and space to remain volatile, but we expect FANG to eventually make its way back up into the \$70s by the end of Q1.

Diamondback Energy (FANG): Last Six Months

