



Large Call Buy in Iqvia as Nears 200 Day Moving Average

Ticker/Price: IQV (\$145)

Analysis:

Iqvia (IQV) with a large opening trade yesterday for 2,000 November \$145 calls for \$6.20 to \$6.50, a more than \$1.34M buy. IQV has seen little notable trades recently but does have some small November \$165 calls in OI from June buys. Shares have traded lower since late June and back near the rising 200- EMA at \$142.85 with yesterday's low. RSI and MACD both back near oversold levels and potential for a snap-back bounce to the August VPOC around \$155. On the weekly, IQV has been in a steady trend higher since 2016 with the prior range breakout and now support right around \$143.50 as well. The \$29.1B company trades 20X earnings, 2.72X sales, and 29.2X cash with mid-teens EPS growth and revenues accelerating to 7.5% and 8.5% growth through FY21. IQV continues to see their backlog growth in R&D solutions with a healthier CRO market and new products helping drive momentum. They won an additional \$800M in trial placements last quarter as well. Their OCE commercial ecosystem continues to be a big opportunity for IQV with an attractive longer-term license SaaS model. They expect to win more contracts in coming quarters as their analytics offering continues to gain traction. Analysts have an average target for shares of \$165 with 17 buy ratings. Credit Suisse with a \$170 PT in July citing strength from their Next Gen/Core offering and strong TAS organic growth. They continue to see upside from continuing momentum in outsourcing demand, its unique ability to leverage global data assets, and cost structure management. Sun Trust has a \$175 PT for shares citing bookings and backlog growth in the R&D segment and new product offerings and market share gains in Technology and Analytics. Short interest is 1.7% and near its lowest levels since 2015. Hedge Fund ownership fell 2.8% in Q2. TPG, Lone Pine Capital, and Jackson Square notable holders.

Hawk Vision:



Hawk's Perspective: IQV is a favorite fundamental name and back near attractive entry at the 200 day MA, though overall want to see the market stabilize before adding long exposure.

Confidence Ranking: \$\$