



## Intel Calls Open as Shares Rebound

Ticker/Price: INTC (\$52.55)

### Analysis:

**Intel (INTC)** block of 10,000 September \$45 calls opened for \$10.35 on 3/24 after the company suspended share buybacks with its \$20B plan, having bought back \$7.6B the last two quarters. INTC has seen minimal recent flow, the September \$60 puts sold to open 8500X on 2/20, and 1000 September \$47.5 calls bought on 3/20. The \$220B Semi is cheap again, trading 10X Earnings, 3X Sales, and 19.35X FCF with a 2.66% yield and solid balance sheet. INTC has been moving towards higher growth markets like Data, AI, IoT and Cloud and moving away from its former reliance on PC. INTC shares are down just 17% YTD, outperforming Indices after a strong start to the year and recently dipped back to a key 2018 and 2019 support level in the \$43-\$45 zone before recovering back to the 200 day MA this week. Analysts have an average target of \$65.75 and short interest is low at 1.1% of the float. Goldman upgraded to Neutral this week seeing multiple near-term positive developments such as resilience in high-end client CPU markets with many working from home though still concerns with increased competition, growing capital intensity and pressure on margins. Think Equity raised to Buy on 3/16 with the transition to a data-centric strategy and focus on new growth markets. Hedge Fund ownership rose modestly in Q4 filings.

### Hawk Vision:



**Hawk's Perspective:** INTC is a good combination of value and yield with a solid balance sheet. It also is putting in higher lows unlike many other stocks, so do favor it as a less risky own.

**Confidence Ranking:** \$\$