



Anthem Size Call Buy into Modest Dip Off Recent High

Ticker/Price: ANTM (\$266)

Analysis:

Anthem (ANTM) size buyer here 1800 July \$290 calls \$9.80 to \$10 offers, and becomes the largest position in open interest, the June \$300 calls have 2500X that sold to open while there have been smaller contract call buys in January 2021. ANTM shares consolidating the last few weeks after a strong move off lows and testing major VPOC today, room to rebound while a bullish 21/55 moving average crossover sits near \$255. Shares still have an upside measured move target of \$315 from its bottoming base breakout. ANTM is coming off a very strong quarter beating estimates with solid premium pricing. The \$70.8B managed care company trades 10.7X Earnings, 0.65X Sales and 14X FCF with a 1.4% dividend yield, attractive valuation. Medical enrollment totaled 42.1 million members at March 31, 2020, an increase of 1.3 million, or 3.2 percent, from March 31, 2019. Analysts have an average target of \$330 on shares with short interest down 27% Q/Q to a low 1.3% of the float level. ANTM's CEO bought 7,600 shares at \$263.70 in late January. MSCO raised its target on shares to \$423 from \$310 last week. CSFB reiterated a positive view and \$355 target. Hedge Fund ownership fell 2.95% in Q4 filings, Viking Global a top holder.

Hawk Vision:



Hawk's Perspective: ANTM is an attractive value here and stable business in wake of current events, can also sell June \$300 calls against these to own a diagonal spread.

Confidence Ranking: \$\$