



## FEATURED OPTIONS RADAR REPORT



### Amgen Bulls Position for Rebound Off Trend Support

Ticker/Price: AMGN (\$240)

#### Analysis:

**Amgen (AMGN)** with buyers today of more than 1,150 September \$240 calls between \$7.15 and \$7.40 to open and name that has a lot of smaller, high-dollar trades in the October \$235, \$240, \$270 and \$280 strikes from this Spring. AMGN shares are back at channel support from the March lows as well as 1-year value, a nice risk/reward spot for a return to new 52-week highs above \$260. The longer-term move has a measured target up to \$300+. The \$142B healthcare company trades 14.35X earnings, 5.85X sales, and 12.4X cash with a 2.65% yield. AMGN expects high-single digit EPS growth and mid-single digit revenue growth but plenty of optionality in the outer years as they invest in their early-stage pipeline. AMGN has a strong balance sheet with lots of cash flow generation and they've committed to significant capital returns as well as actively looking for deals to augment their aging product portfolio. The company noted at the Goldman conference in June that they would like to find a deal in their areas of strength like oncology, cardiology and inflammation but could also pursue something in bone or neuroscience. AMGN is coming off a mixed quarter with sales up 6% despite COVID interruptions between patient and doctor, especially for some of their osteoporosis drugs which target older patients. They did note that late stage trials are still on track for 2H with both tezepelumab and omecamtiv mecarbil Phase III trials in severe asthma or advanced heart failure on deck. AMGN also has catalysts from AMG 510 data and a potential decision on the Enbrel IP appeal which they expect to be upheld. Analysts have an average target for shares of \$254 with Jefferies a Street High \$300. Cantor positive on 7-29 noting that AMGN navigated the difficult COVID period well. Piper positive despite some setbacks in the near-term as they see upcoming NSCLC data later this year as a positive driver. Short interest is 0.8% and near multi-year lows. Hedge fund ownership rose 1.5% in Q1.

#### Hawk Vision:



**Hawk's Perspective:** AMGN reward/risk sets up nicely versus its 200 day MA, a value name with potential catalysts for upside.

**Confidence Ranking:** \$\$