



FEATURED OPTIONS RADAR REPORT



Guardant Health Calls Bought into Share Offering Weakness

Ticker/Price: GH (\$106.50)

Analysis:

Guardant Health (GH) with 2000 April \$105 calls opening near \$20.50 as into weakness today and one of the more exciting growth stories in healthcare. GH has 3200 October \$105 short calls in open interest as part of a strangle sale, 580 December \$85 long calls remaining in OI, and 500 January 2022 \$80 calls bought on 6/24, otherwise limited open interest. On the chart GH shares ran to new highs recently but pulling back this week to test its rising 8 week MA and the prior resistance breakout point. GH was lower today after pricing a 7M share offering at \$102/share and clearly being received well, a positive sign. The \$11B oncology company that provides testing and analytical services is trading 26X FY21 EV/Sales with revenues growing 136% last year, seen growing 30% this year and 34% in 2021. GH is a leader in the liquid biopsy-based cancer testing market, a faster, more precise and more efficient solution to traditional tissue-based biopsies. GH believes that their platform can transform cancer management with a total market opportunity around \$50B in both clinical and biopharma customers working in early- and late-stage diseases. GH is positioned well with increased testing and clinical reimbursement momentum as well as expansion across further indications. Analysts have an average target of \$112 and short interest at 2.8% of the float continues to move lower. MSCO a recent initiation at Overweight with a \$110 target citing clear first mover advantage and exciting pipeline. Hedge Fund ownership surged 23% in Q2 filings, Softabank Vision Fund a top position while notable top holders include Viking Global, Coatue, Westwood, Hitchwood and Healthcor.

Hawk Vision:



Hawk's Perspective: GH has been a favorite name since it came public and have to be valuation-agnostic and just look at the opportunity, a long-term winner in diagnostics.

Confidence Ranking: \$\$