



## FEATURED OPTIONS RADAR REPORT



### Quidel Bulls Active as Shares Base on 200-Day Moving Average

Ticker/Price: QDEL (\$194.5)

#### Analysis:

**Quidel (QDEL)** trading back to the 200-day recently where shares are basing and today buyer of the January \$230/\$280 call spread 1,200X2,400 for \$4.75 debit, nice risk-reward play on a return back near 2020 highs. QDEL has recently seen buyers in the December \$185 and \$195 calls as well as the longer-dated March \$220 calls. The 20-day MA has been resistance lately but above \$205 can move back to \$220 which puts shares into a gap from 11/9. The \$8.46B company trades 5X earnings, 8.4X sales, and 43.5X FCF. QDEL has reacted poorly lately as COVID-19 vaccines move closer to being publicly available but diagnostic and testing solutions likely still have a significant place in a post-vax world and QDEL with a vast array of leading testing solutions. The company sees multiple avenues for COVID to contribute in 2021 and beyond as they launch their Sniffles small-diagnostic test and expand into more applications like physicians, clinical, travel, entertainment, and occupational health. The company likely sets up well in early 2021 as their flu/COVID assay should see strong demand this Fall/Winter while public awareness of antigen testing has grown. Their longer-term pipeline is also robust with the company laying out plans at their 11/12 Analyst Day for launches of their TriageTrue High Sensitivity Troponin I Test and their Savanna assay. Analysts have an average target for shares of \$219 but Street High \$363 from Craig Hallum. Piper positive on 11/9 and buying the dip after the Pfizer news as diagnostics will remain the primary front-line defense with the Biden Administration naming Testing the First Point of their Seven-Point COVID-19 Plan. Short interest is 5.96% and near four-year lows. Hedge fund ownership rose 7% in Q3. Insiders have been active in the name lately as well with the CEO buying \$2.7M in stock between June and September from \$160 to \$175. A director bought \$1.2M in stock on 9/14 at \$166 and another bought \$1M in stock at \$288 on 8/5.

#### Hawk Vision:



**Hawk's Perspective:** QDEL recent weakness looks to be an opportunity in a high quality name and the idea it will not continue to do well after a vaccine seems way overblown, and I still consider it a top play in a diagnostics group with a bright future.

**Confidence Ranking:** \$\$