



## FEATURED OPTIONS RADAR REPORT



### Analog Devices Bulls Adjust into Support Bounce

**Ticker/Price:** ADI (\$155)

#### Analysis:

**Analog Devices (ADI)** working on a bullish weekly reversal candle and on 5/5 buyers of 4650 September \$155 calls around \$8.50 as the September \$165 calls rolled back. ADI had 10,000 May \$145 puts sold to open on 4/19 and has also seen accumulation in the June \$165 calls over 3,500X. Shares pulled back to support at \$150 that stretches back to January and the current range has room back up to \$165. The \$59B company trades 23X earnings, 10X sales, and 59X FCF. ADI recently had their \$21B deal for Maxim approved by the EU without conditions. The deal expands ADI into a position of strength in automotive and data center markets which adds to their existing industrial leadership. ADI was at the Raymond James conference in March and noted that they're seeing demand across every end-market but nothing yet near peak levels as leaner inventories are creating a strong supply/demand backdrop. Analysts have an average target for shares of \$157 and a Street High \$200 from Credit Suisse. The firm thinks demand is well ahead of supply and revenue growth should accelerate as ADI ramps internal Fabs and alleviates testing bottlenecks in the 2H. Argus raising estimates on 2/19 noting that ADI is profitably aligning its production with sustainable goals and following a longer-term period of underperformance, Analog Devices appears attractive relative to its technology peers. Short interest is around 10% but largely due to the Maxim (MXIM) deal. Hedge fund ownership rose 4%.

#### Hawk Vision:



**Hawk's Perspective:** ADI is a favorite semi with their Maxim deal expanding their end-market exposure nicely and should continue to post strong results in mid-May

**Confidence Ranking:** \$\$