



FEATURED OPTIONS RADAR REPORT



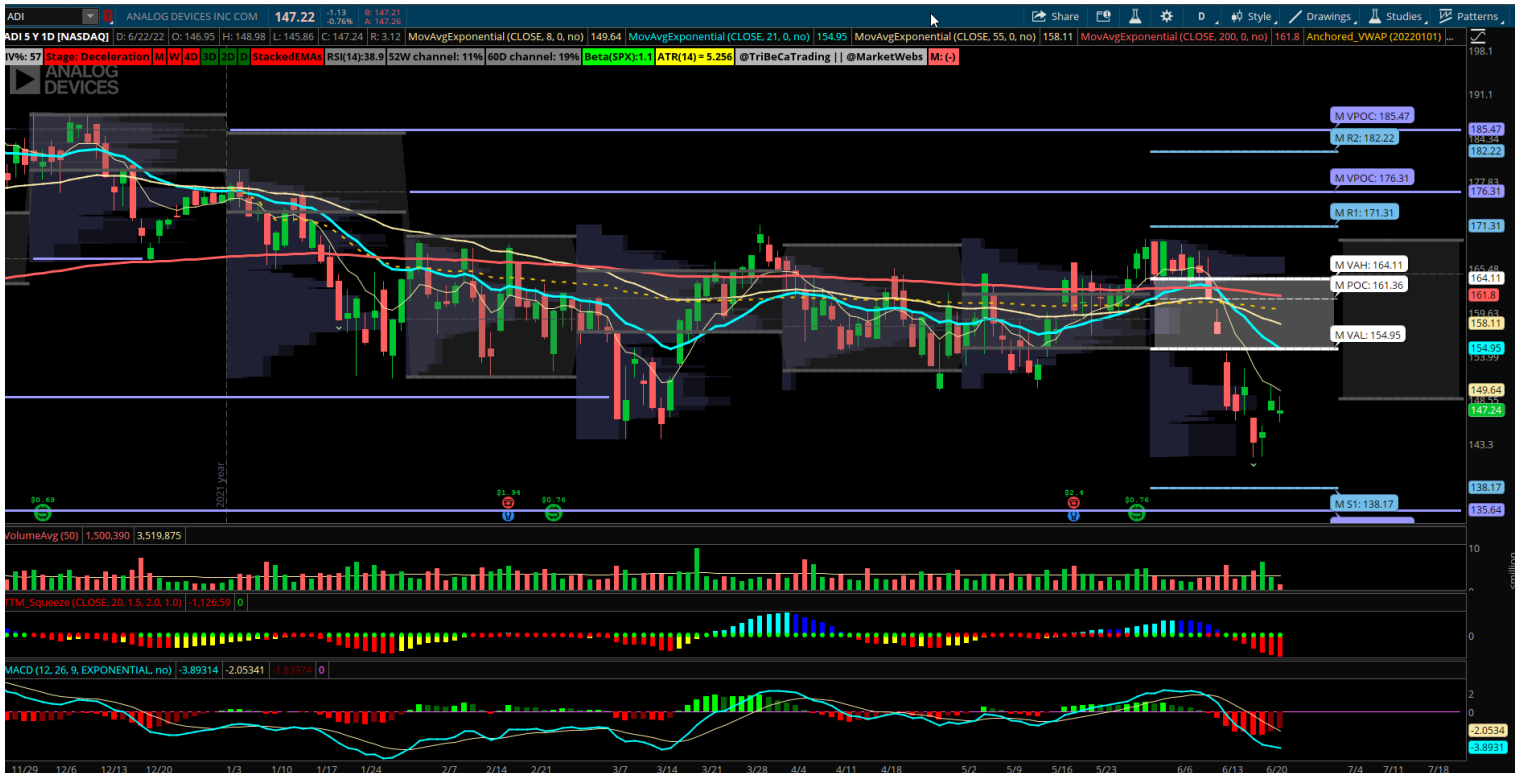
Chip Leader Sees Large Opening Put Sale

Ticker/Price: ADI (\$147.75)

Analysis:

Analog Devices (ADI) saw a large opening put sale on 6/21 for 1,000 June 2023 \$145 short puts at \$16.40 for over \$1.6M in premium. A longer term at the money put sale showing confidence in a potential floor at these levels. Also, on 6/13 a large call buy of ITM January \$125 calls at \$32.50 for over \$30M. The stock has held up reasonably well in 2022 compared to other Tech names, down just -15% YTD but recently made new lows below its May low near 144 and has stabilized and tried to reclaim 150 which is the lower value area for the year, long term support. The stock has upside to the YTD VWAP near 160 on a potential rebound but with the longer term put sale it likely develops a base pattern near current levels. The \$76.5B company trades 14.7X FY23 earnings and 6.5X FY23 EV/sales and a projected FY23 FCF yield of 6.4%. Also, with a dividend yield of 1.9%. In May, ADI beat on EPS and Revenues while guiding Q3 higher despite geopolitical uncertainty and ongoing supply chain disruptions. ADI is also a big player in the EV space where they lead in battery management systems and have doubled market share of their biggest competitor. Average analyst target is \$199 with a Street high of \$220. On 6/5 Citi named ADI a top pick "given its defensive nature. BAML out recently naming ADI a compelling valuation in Semi's as the recent 36% peak-to-trough price-to-earnings multiple contraction in the semiconductor index already reflects a "medium-sized" recession. On 5/19, Truist kept their Buy rating and raised their price target to \$203 from \$194 citing a "great" Q1 highlighted by cyclical strength, M&A, and execution. ADI saw an insider buy on 6/17 from a director who bought 3,650 shares at \$144.16, a purchase of \$526k, the largest open market buy since late 2021. Short interest is 1.8%. Hedge fund ownership fell 26%.

Hawk Vision:



Hawk's Perspective: ADI has held up well year to date and now testing a previous low from May, a compelling value Semi name at support longer term potentially.

Confidence Ranking: \$\$