



Amkor Sees Surge in Call Buying as Earnings Gap Partially Fills

Ticker/Price: AMKR (\$12.40)

Analysis:

Amkor Tech (AMKR) calls unusually active with 30 day IV up 30% as 17,000 March \$13 calls open \$0.25 to \$0.55 and 6000 September \$15 calls also trading to open near \$0.85. Call volume running 57X average in just two hours and a name without a lot of notable open interest. AMKR shares gapped up big on earnings recently but now pulled back to support. A move back above \$13.35 can start a real trend breakout continuation move. The \$3B Semi trades 11.2X Earnings, 0.75X Sales and 15.35X FCF, attractive valuation. Forecasts see 15% revenue growth this year and 96% EPS growth. AMKR is the leader in assembly and test and the advanced packaging leader and plays an integral part of the worldwide semiconductor supply chain. Its flip chip has applications in smartphones, automotive, and high performance computing and AMKR sees 5G, IoT, Automotive and HPC/Networking as growth drivers. Analysts have an average target of \$13.70 and short interest is 3.5% of the float, rising 60% Q/Q. Deutsche Bank upgraded back in October with a \$12 target after a better than expected flagship smartphone launch. CSFB upgraded in October with a \$15 target. Hedge Fund ownership jumped 21% in Q4 filings, Hood River a big add.

Hawk Vision:



Hawk's Perspective: AMKR looks attractive on valuation and its positioning though disruptions to the Semi supply chain keep me a bit hesitant with the recent surge in short interest.

Confidence Ranking: \$\$