



FEATURED OPTIONS RADAR REPORT



Put Sales in ASML Corp. See Limited Downside

Ticker/Price: ASML (\$685.8)

Analysis:

ASML Holding (ASML) has seen three opening put sales for over \$1M premium in the past week with 460 October \$660 sold to open for \$1.7M, 100 January 2023 \$660 sold to open for \$1M and 300 January \$670 sold to open for \$1.83M. ASML is trading at \$685 so indications of minimal downside seen for shares. ASML has been a strong performer with shares +40% YTD and recently retested the April highs where support was found just above its rising 34 and 55 day moving averages and an upside measured move target of \$750 remains. ASML will report on 7-21 as one of the early reporters for the quarter and also hosts an Investor Day on 9-29-21. ASML is an innovator in the chip industry providing hardware, software and services to mass produce patterns on silicon through lithography, increasing the value and lowering the cost of the chip. Lithography is a driving force in the creation of more powerful, faster and cheaper chips. Today's most advanced processors, based on the Logic N5 node, contain billions of transistors. Next-generation chip designs will include more advanced materials, new packaging technologies, and more complex 3D designs, which will create the electronics of the future. ASML's customers are grouped into Memory and Logic chipmakers. ASML mature and advanced nodes are seeing strong demand from high performance compute, 5G and AI enabling digital transformation. ASML has a market cap of \$303B and trades 38.2X Earnings, 16X Sales and 88.7X FCF with a 0.48% yield. ASML grew revenues 20.5% in 2020 and sees 35% revenue growth in 2021 along with 49% EBITDA growth. ASML has seen positive pricing dynamics for its EUV tools, which have recently been sold for an ASP of around €145mn for the past three quarters. ASML expects the positive ASP dynamics to be sustainable into 2022. ASML expects to ship 55 EUV units in 2022 with some supply constraints and strong demand while 2023 may ship over 60 units. ASML expects to start high volume manufacturing of High NA in 2025/2026 which will be leading edge and an ASP of EUR270M. Analysts have an average target of \$750 with short interest minimal at 0.2% of the float. Barclays raised its target to EUR750 this week and CSFB at EUR720 on 5/13. Hedge Fund ownership rose 8.8% in Q1 filings.

Hawk Vision:



Hawk's Perspective: ASML is one of those overlooked names that is one of the best Tech names in the entire market, though limited liquidity to position in options and a high share price. It is more of a core own type with a 5-10 year outlook.

Confidence Ranking: \$\$