



## FEATURED OPTIONS RADAR REPORT



### Large Call Buy in Top Pharma Looks for Upside Break to Record Highs

Ticker/Price: AZN (\$69.69)

#### Analysis:

**AstraZeneca (AZN)** size trade on 2/15 bought 11,200 June \$72.50 calls for \$2.18 and also saw some follow-on buyers as volume rose to 17,000X on the day while the \$75 calls also attracted some buys. On 1/13 a trade sold 3500 January \$62.50 puts to open but otherwise AZN lacks much notable open interest. AZN recently put in a reversal at the 50% retracement off the September low, a low that came at the rising 200-week moving average with a multi-week base. AZN is now approaching its 2022/2023 record high with \$78.75 a potential upside 138.2% Fibonacci extension target. AZN focuses on discovery and development, manufacturing and commercialization of prescription medicines. The Company is focused on various therapy areas, such as Oncology; BioPharmaceuticals (comprising Cardiovascular, Renal & Metabolism (CVRM) and Respiratory & Immunology (R&I)), and Rare Disease. Its pipeline forms a robust portfolio of investigational therapies in various stages of clinical development. Its pipeline includes the Alexion Rare Disease portfolio and comprises approximately 177 projects, of which 161 are in the clinical phase of development. Its key marketed oncology products include Tagrisso (osimertinib), Lynparza (olaparib), Imfinzi (durvalumab), Koselugo (selumetinib), Farxiga/ Forxiga (dapagliflozin), Roxadustat, Onglyza (saxagliptin) and others. AZN has a market cap of \$213B and trades 16.75X Earnings, 14.5X EBITDA and 4.8X Sales with revenues seen rising just 2.7% in 2023 before accelerating to 10% growth in 2024 and EPS growth of 10% and 19% respectively. AZN also has a 2% dividend yield. AZN's growth and margin expansion are undervalued relative to peers as the company continues to migrate to higher-margin programs. The company's acquisition of Alexion, coupled with durable growth of Oncology, should accelerate AZN's transformation to a margin expansion story. AZN did a \$1.3B deal for CinCor Pharma earlier this year. Analysts have an average target of \$77 with short interest minimal at 0.2% of the float. BMO started shares Outperform on 1/5 with an \$82 target.

#### Hawk Vision:



**Hawk's Perspective:** AZN is a best-in-class Pharma name and this is a notable position, though time to let shares pull in a bit more after the recent post-earnings rally.

**Confidence Ranking:** \$\$