



FEATURED OPTIONS RADAR REPORT



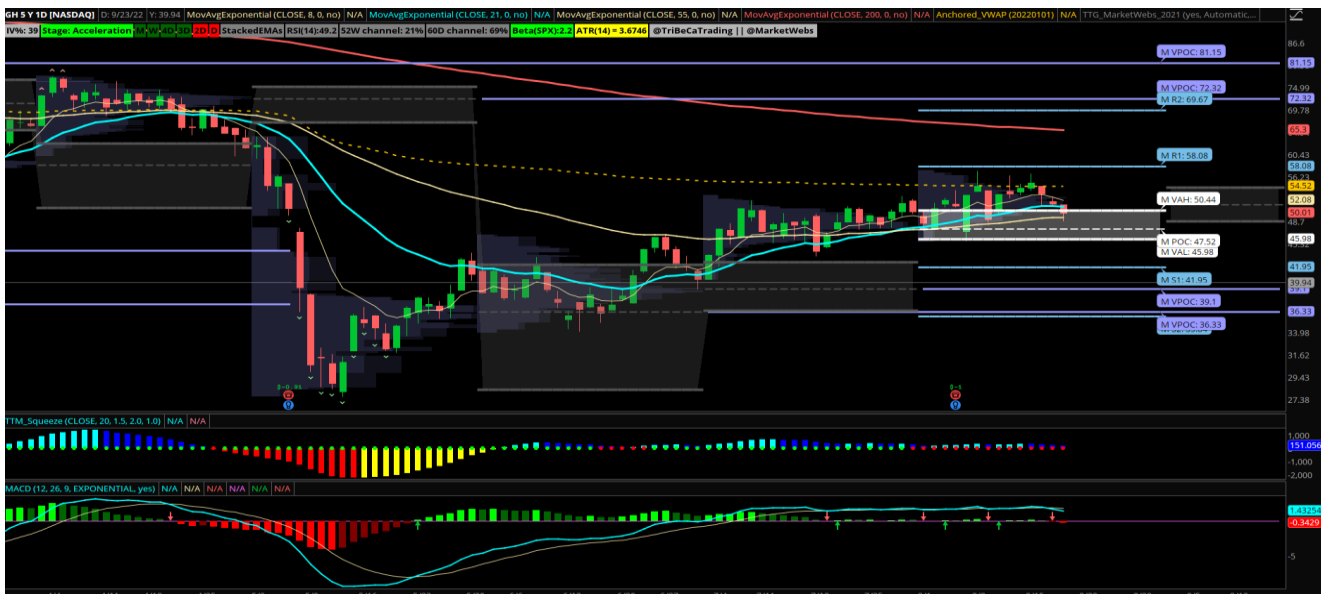
Precision Oncology Name Sees Bullish Flow Accumulate

Ticker/Price: GH (\$49.14)

Analysis:

Guardant Health (GH) on 8/16 saw a few large bullish trades as buyers of 2300 November \$65 calls at \$5.50 and 500 December \$55 calls bought for \$10.55 for combined amount of nearly \$2M. This follows recent bullish flows since mid-July with September \$55 calls active and on 7/19 a large December \$50 bullish risk reversal was opened for over 4200 Dec \$50 puts sold to open at \$13.10 as 3300 of the Dec \$50 calls were bought at \$10.20. Shares are continuing to grind up and hit the YTD VWAP recently near 54.50 after bottoming in May and nearly doubled since then. MACD seeing a bear cross lower here but likely a buying opportunity into support and a break above 55 can see a continuation move to 72 which is an untested VPOC and resistance from April. The stock has longer term support at the 38-40 level on the downside. The \$5.1B company trades at 9.3x EV/sales with revenues expected to grow 24% in FY22 and 32% growth estimated in FY23. The Company is focused on helping conquer cancer through the use of its blood-based tests, data sets, and advanced analytics. It has developed its Guardant360, Guardant360 CDx, and GuardantOMNI liquid biopsy-based tests for advanced-stage cancer. Last week GH announced that Guardant Reveal, the only tissue-free test for the detection of residual and recurrent disease for colorectal cancer (CRC), is now available for patients with breast and lung cancers. Average analyst target is \$95, with a Street high of \$165. Piper recently initiated coverage with an Overweight rating and \$65 target after the company announced that it will receive Medicare coverage for Guardant Reveal, a molecular residual disease test for stage II/III in colorectal cancer. The news is a notable positive as Guardant Reveal volumes were starting to become a higher percent of volume. Since the test is a novel approach that doesn't require tissue, it can carve out a pretty healthy chunk of the multibillion-dollar market. Goldman has a Buy rating on shares although recently lowered to a \$80 target from \$90. BTIG Research assumed coverage in late April and a \$115 price target saying they think 2022-2023 are the biggest data catalyst years in GH's history and rate the stock Buy given asymmetrical upside relative to downside from here. Short interest is at 4.1%. Hedge fund ownership fell 8%.

Hawk Vision:



Hawk's Perspective: GH is pulling back to monthly value are support near 50 and can be bought versus the value low at 46 as a stop if closes below. Since higher beta name the Dec \$60 calls at \$7 may be a better play.

Confidence Ranking: \$\$