



## FEATURED OPTIONS RADAR REPORT



### Put Sales See Low in Small Cap Fabless Semi

Ticker/Price: HIMX (\$8.68)

#### Analysis:

**Himax Tech (HIMX)** with a big vote of confidence on 4/26 as more than 12,000 September \$8 puts were sold to open for \$1.15 and HIMX still has notable June \$11 and \$10 short puts in open interest from trades in January. HIMX is trading at its lowest level since January 2021 with shares -45% YTD but has a longer-term VPOC level at \$8.50 for potential support. HIMX is a fabless semiconductor solution provider dedicated to display imaging processing technologies, a market leader in display driver ICs and timing controllers used in TVs, laptops, monitors, mobile phones, tablets, automotive, digital cameras, car navigation, virtual reality (VR) devices and many other consumer electronics devices. The options activity followed Corning (GLW) providing positive commentary in Display and HIMX will next report on 5-12. HIMX has a 40% market share for Driver IC in Automotive Display and the company has 24% insider ownership. HIMX can also be a future metaverse play with its diverse Optical and AI non-driver solutions that fulfill different AR/MR/XR/VR application and functionality needs. HIMX has a market cap of \$1.6B and trades 2.3X EBITDA and in 2021 a 13.6% FCF yield. HIMX expects 10% revenue growth this year with EPS flat to lower. Analysts have an average target of \$13.75 with short interest elevated at 14% of the float. Nomura cut to Neutral on 4/7 on weaker demand and pricing from smartphone and TV.

#### Hawk Vision:



**Hawk's Perspective:** HIMX should be able to defend that \$8 level with a trade of this magnitude, an interesting name though it may have hit peak cycle for earnings in the near-term.

**Confidence Ranking:** \$\$