



FEATURED OPTIONS RADAR REPORT



Novavax Bulls Position for Positive US Data, Rollout

Ticker/Price: NVAX (\$173.50)

Analysis:

Novavax (NVAX) buyer of 300 October \$250 calls this morning for \$29.25, a nearly \$900,000 buy and follows similar small but high-dollar value trades last week in the May \$180 and \$240 calls as well as the October \$120 short puts. NVAX still has 1,100 July \$210 calls in OI as well from a \$9M buy in March. Shares jumped higher in February and ran up to \$320 before pulling back and now in a narrow range around \$170-\$180 below downtrend resistance. A move above \$215/\$220 can make a strong move back to challenge those prior highs. Support is below at the 200-day around \$140. The \$13B company trades 5.5X earnings, 27X sales, and 18X cash. NVAX had positive data for their COVID vaccine in late January in Phase 3 UK trial and in a final analysis showed 96% efficacy against the original strain and more importantly showed strong results against the UK variant which is becoming the predominant strain. They also showed efficacy in a Phase 2b trial against the South African variant. NVAX expects US Phase 3 data any day now and the company has said previously they expect to file for EUA in the US sometime in Q2. NVAX has strong partnerships already in place for production and distribution including an announced agreement with GSK recently and said in December they have billions in commitments for their shot already. Analysts have an average target for shares of \$229 with a Street High \$338. HCW with a \$317 PT and positive on 3/12 noting that given Novavax's ability to rapidly adapt its nanoparticle vaccine technology to emerging strains of virus, as was demonstrated with its NanoFlu seasonal influenza vaccine's high immunogenicity against drifted strains of influenza virus, the company's prospects for a future role in COVID-19 are very bright. In addition, their established and growing global vaccine supply and distribution agreements are second to none. Hedge fund ownership jumped 33% in Q4, RA Capital and Perceptive both adding to their positions. Short interest is 6.75% and down sharply from around 25% in late 2020

Hawk Vision:



Hawk's Perspective: NVAX is clearly an event-driven play but I've come away liking it a lot versus the existing candidates given their strong infrastructure in place and flexibility on variants which are going to be increasingly relevant during this next big surge in cases

Confidence Ranking: \$\$