



FEATURED OPTIONS RADAR REPORT



Massive Surge in Call Buying for Large Cap Pharma Co.

Ticker/Price: PFE (\$45.20)

Analysis:

Pfizer (PFE) shares have shown impressive strength since the Delta variant has become a major issue and has also seen a surge in call buying since the month of August started. PFE has traded more than 500,000 calls each of the last two sessions compared to its 65,000/day average. PFE has seen action target longer term positions and have even seen way OTM calls bought in a slow-moving name, the June 2022 \$50 calls with 10,000 bought on 8/3, the September and October \$50 calls have been hot, and on 8/4 the October \$45 calls with more than 10,000 bought. PFE shares have been on a parabolic run since clearing \$40.50 and a move back to \$43.50 near-term would likely be a good entry. PFE shares are looking to clear the resistance near \$45.50 from 1999/2000 and its first Fibonacci extension target of the 2018/2020 correction is up at \$50.65. The \$255B Pharma now trades 13X Earnings, 9.7X EBITDA and 4.6X Sales with a 3.42% yield. PFE revenues are seen surging 86% in 2021 due to its COVID vaccine and recent news it could get full approval this Fall while it continues to see a surge in demand and potential for annual booster shots. PFE also reported positive data for a hair loss drug this morning. PFE is facing some headwinds in its core business but COVID remains a powerful tailwind. PFE also has Prevnar 20 as a potential catalyst at the October ACIP meeting while its gene therapy assets expect interim analysis in 2022. PFE will also be initiating its mRNA vaccine for seasonal flu in Q3 and Phase 2 data for a Lyme disease vaccine expected in January 2022. PFE won a \$3.5B Army contract recently for its COVID-19 vaccine. Analysts have an average target of \$44 with short interest low at 1.1% of the float.

Hawk Vision:



Hawk's Perspective: PFE needs to settle back a bit but keep these October calls in mind, seems like this name may continue to re-rate higher towards 15X Earnings.

Confidence Ranking: \$\$