

SPOTLIGHT OPTION TRADE



Pullback in Pharma Leader Attractive for Upside Calls into Year-End

TRADE SNAPSHOT

TICKER	PFE
SECURITY	Pfizer Inc.
SECTOR	Healthcare – Drug Manufacturer
CURRENT PRICE	\$44.77
LONG/SHORT	Long
TARGET	\$52
STOP	\$42.50
TIMEFRAME	2 Months

Trading Strategy: Long the PFE November \$45 Calls at \$1.65 or Better

Net Debit/Credit: Debit \$1.65

Profitability Zone: PFE Above \$46.65 on November OpEx

Options Volatility / Trade Simulator View:





Technical Analysis: PFE pulled back off a parabolic run to new highs and held the rising 13-week moving average also retesting a former 2018 high and currently trying to base above the rising 55-day moving average. The dip is also a 38.2% Fibonacci retracement, a nice reset level after a big move, and upside calls look cheap considering the potential to regain momentum. A 50% retrace lines up with the 21-week moving average near \$42.60.



Fundamental Analysis: PFE currently has a market cap of \$253B and trades 12.5X Earnings, 4.55X Sales and 20.2X FCF with a 3.5% yield. PFE has emerged as the clear winner from COVID-19 vaccines with the most effective & safest and continues to assess potential expanding to lower age groups as well as booster shots. PFE revenues are seen rising 91% in 2021 with EBITDA rising 106%. 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 spoke at the MSCO Healthcare Conference this week highlighting its 7 launches to date as a part of its 25 breakthroughs by 2025 strategic plan. PFE was very positive on its pipeline and sees little need for M&A though has done some recent deals with the Trillium acquisition for blood cancer, Arvinas partnership for breast cancer and the Myovant collaboration. Analysts have an average target of \$46.25 with short interest low at 1% of the float.

Options Activity:

Date	Description	Volume	Open.In	Price	Delt	Impl Vo	Prob.ITN	Premium Pai	Symbol	Current Price	Current OI
9/8/2021	PFE 100 17 JUN 22 45 PUT	5,283	4,262	\$3.71	-0.43	25.02%	52.68%	\$2,007,540	.PFE220617P45	\$4.40	8600
9/7/2021	PFE 100 16 JUN 23 45 PUT	1,034	438	\$6.10	-0.43	24.16%	58.84%	\$687,610	.PFE230616P45	\$7.02	1228
9/3/2021	PFE 100 16 JUN 23 75 CALL	2,106	883	\$0.98	0.119	29.44%	6.11%	\$206,388	.PFE230616C75	\$0.60	4095
9/1/2021	PFE 100 21 JAN 22 49 CALL	10,357	4,868	\$1.59	0.35	26.28%	29.33%	\$1,760,690	.PFE220121C49	\$1.00	13874
9/1/2021	PFE 100 18 MAR 22 44 PUT	2,000	783	\$2.76	-0.41	24.39%	48.49%	\$546,000	.PFE220318P44	\$2.98	4201
8/26/2021	PFE 100 16 SEP 22 42 PUT	1,500	223	\$2.80	-0.31	25.54%	41.51%	\$420,000	.PFE220916P42	\$3.75	2022
8/25/2021	PFE 100 17 SEP 21 45.5 CALL	1,160	12	\$2.56	0.7	31.75%	67.01%	\$302,760	.PFE210917C45.5	\$0.21	4598
8/19/2021	PFE 100 20 JAN 23 47 PUT	2,299	260	\$5.54	-0.41	25.86%	54.67%	\$1,310,430	.PFE230120P47	\$7.12	1518
8/19/2021	PFE 100 18 MAR 22 40 PUT	4,869	2,656	\$1.01	-0.17	31.46%	23.81%	\$710,874	.PFE220318P40	\$1.59	8593
8/18/2021	PFE 100 20 JAN 23 70 CALL	3,161	809	\$1.95	0.21	30.21%	12.79%	\$648,005	.PFE230120C70	\$0.53	8241
8/18/2021	PFE 100 20 JAN 23 65 CALL	6,555	5,107	\$2.18	0.25	30.28%	15.34%	\$1,533,870	.PFE230120C65	\$0.76	16295
8/18/2021	PFE 100 20 JAN 23 50 PUT	2,108	197	\$6.70	-0.47	25.93%	61.54%	\$1,538,840	.PFE230120P50	\$9.30	3062
8/17/2021	PFE 100 17 DEC 21 47 PUT	2,018	546	\$2.00	-0.37	26.69%	43.62%	\$441,942	.PFE211217P47	\$3.67	1221
8/17/2021	PFE 100 16 JUN 23 60 CALL	1,106	311	\$3.56	0.33	29.79%	20.23%	\$442,400	.PFE230616C60	\$1.45	1022
8/17/2021	PFE 100 15 OCT 21 49 CALL	9,229	3,921	\$3.03	0.58	33.02%	52.27%	\$2,860,990	.PFE211015C49	\$0.22	14889
8/17/2021	PFE 100 15 OCT 21 47 PUT	2,184	1,011	\$1.00	-0.27	27.82%	30.90%	\$218,400	.PFE211015P47	\$2.70	12120
8/16/2021	PFE 100 19 NOV 21 60 CALL	17,076	3,771	\$0.43	0.11	34.46%	8.29%	\$734,268	.PFE211119C60	\$0.09	17791
8/16/2021	PFE 100 18 MAR 22 41 PUT	5,217	637	\$1.21	-0.21	26.82%	27.61%	\$740,814	.PFE220318P41	\$1.71	13409
8/16/2021	PFE 100 18 MAR 22 40 PUT	2,171	454	\$1.02	-0.18	26.14%	24.02%	\$227,955	.PFE220318P40	\$1.59	8593
8/16/2021	PFE 100 16 SEP 22 40 PUT	2,275	264	\$1.85	-0.22	24.93%	30.77%	\$420,875	.PFE220916P40	\$2.80	2815
8/16/2021	PFE 100 16 JUN 23 45 CALL	1,062	1,386	\$7.10	0.59	27.90%	42.62%	\$764,640	.PFE230616C45	\$5.00	5296
8/13/2021	PFE 100 18 MAR 22 40 CALL	1,102	415	\$9.03	0.83	29.93%	73.77%	\$995,106	.PFE220318C40	\$5.65	1821
8/13/2021	PFE 100 17 SEP 21 49 CALL	5,988	7,535	\$1.20	0.41	29.63%	37.04%	\$736,524	.PFE210917C49	\$0.01	13145
8/13/2021	PFE 100 17 DEC 21 44 PUT	3,363	1,070	\$1.40	-0.28	26.47%	34.07%	\$487,635	.PFE211217P44	\$1.99	4733
8/10/2021	PFE 100 20 JAN 23 65 CALL	5,188	2,508	\$1.72	0.2	29.26%	12.32%	\$907,900	.PFE230120C65	\$0.76	16295
8/10/2021	PFE 100 18 MAR 22 45 CALL	5,503	2,987	\$5.30	0.64	27.52%	55.16%	\$2,944,105	.PFE220318C45	\$2.71	13822
8/10/2021	PFE 100 17 DEC 21 55 CALL	24,598	5,003	\$1.04	0.24	29.97%	18.54%	\$2,828,770	.PFE211217C55	\$0.22	51338
8/9/2021	PFE 100 21 JAN 22 41 CALL	2,215	2,723	\$5.35	0.74	26.07%	65.98%	\$1,196,100	.PFE220121C41	\$4.90	7315
8/9/2021	PFE 100 19 NOV 21 45 CALL	6,126	5,766	\$2.75	0.57	25.26%	51.21%	\$1,696,902	.PFE211119C45	\$1.64	17551
8/6/2021	PFE 100 19 NOV 21 45 CALL	5,460	525	\$2.15	0.503	24.11%	44.85%	\$1,173,900	.PFE211119C45	\$1.64	17551
8/4/2021	PFE 100 17 SEP 21 48 CALL	3,425	2,722	\$0.69	0.27	27.52%	24.05%	\$243,175	.PFE210917C48	\$0.02	16329
8/4/2021	PFE 100 15 OCT 21 60 CALL	8,169	313	\$0.26	0.07	42.16%	5.04%	\$212,394	.PFE211015C60	\$0.03	26857
8/4/2021	PFE 100 15 OCT 21 50 CALL	7,801	3,315	\$0.65	0.21	28.47%	17.95%	\$522,667	.PFE211015C50	\$0.16	46439
8/4/2021	PFE 100 15 OCT 21 46 CALL	2,445	580	\$1.81	0.47	26.70%	42.20%	\$447,435	.PFE211015C46	\$0.74	11490
8/4/2021	PFE 100 15 OCT 21 45 CALL	5,864	785	\$2.03	0.52	25.56%	47.65%	\$1,213,848	.PFE211015C45	\$1.11	12015

Potential Catalysts: Earnings Late October; Vaccine News

Disclaimer:

Not Investment Advice or Recommendation

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