



Pfizer Calls Bought into Multi-Year Low, Investor Day in Focus

Ticker/Price: PFE (\$33.9)

Analysis:

Pfizer (PFE) with June \$33 call open interest rising to above 10,000 as 9000 were bought yesterday afternoon near \$2.25 to open and follows some recent activity in September where 7000 of the \$32 puts have been sold to open and buyers active for 5000 of the \$38 calls. PFE has been a laggard in Pharma the past year and shares this week moving to its lowest level since February 2018. Shares are nearing a 38.2% retracement level of the 2009 low to 2018 high at \$33.10 as potential support, also hitting its 89 month moving average this week. Pfizer has been active reshuffling its portfolio and in January Bloomberg reported it is eyeing an IPO of its joint-venture with Glaxo (GSK) in three to four years. Pfizer also announced in 2019 plans to spin-off its Upjohn business and merge it with Mylan (MYL) as its CEO sharpens Pfizer's focus on cancer drugs. PFE did an \$11.4B deal for Array (ARRY) in 2019. The \$188.5B Pharma now trades 10.75X Earnings, 3.65X Sales and yields a 4.48% dividend. PFE will be hosting an Investor Day 3-31 as a potential catalyst for shares. Analysts have an average target of \$42.5 and short interest is low at 1% of the float. Mizuho started coverage at Buy with a \$42 target on 2/6 seeing an opportunity into weakness ahead of a pivotal year, seeing the Upjohn transaction making strategic sense and strong interest in Vyndamax since launch. PFE is also a leader in the vaccine space and likely working on COVID-19. Hedge Fund ownership rose 3% in Q4 filings.

Hawk Vision:



Hawk's Perspective: PFE looks way oversold here and some cheap April or June calls into that Investor Day could pay off nicely.

Confidence Ranking: \$\$