



## FEATURED OPTIONS RADAR REPORT



### Bulls Position for Upside in Takeda as R&D Transforms Company

Ticker/Price: TAK (\$18)

#### Analysis:

**Takeda Pharma (TAK)** traded 134,000 calls on 1/22 which is 60X daily average with size buys in February \$19 calls, March \$19 calls, and July \$14 calls. TAK has seen action the last few weeks as well with size buys of April \$17.5 calls, June and July \$20 calls, January \$17.5 calls and opening sales of June and January \$17.50 puts in size. TAK shares have sold off since 2018 but the weekly and monthly charts showing signs of bullish RSI divergences and a large base breakout can occur with a move above \$20.30 that targets \$27-\$30. Cathie Wood has been accumulating shares in TAK the last three months. The \$57B Pharma company trades 21X Earnings with a muted revenue growth outlook. TAK announced in August plans to sell its consumer health business to Blackstone for \$2.3B as it looks to refocus on the business and reduce debt after its \$59B deal for Shire. TAK spoke at the JP Morgan Healthcare Conference earlier this month noting plans to grow revenues 50% by 2030 driven organically by its pipeline and global brands. TAK is a R&D transformation story with 12 new products to be launched between now and March 2025 and 40 products in clinical stage. TAK is focusing on 4 disease areas: oncology, rare genetic and hematology disorder, neuroscience and GI. They also have very targeted R&D effort in plasma-derived therapy and vaccines. The FDA recently approved TAK's sNDA for Iclusig for adult patients with chronic-phase chronic myeloid leukemia with resistance or intolerance to at least two prior kinase inhibitors. In November the FDA accepted TAK-721 for review. Analysts have an average target of \$24 and short interest low at 0.2% of the float. Glenview is the largest holder in TAK and Paulson & Co. the 2<sup>nd</sup> largest.

#### Hawk Vision:



**Hawk's Perspective:** TAK looks to be a potential winner in Pharma the next five years and with shares depressed at these levels seems a nice reward/risk for a patient play.

**Confidence Ranking:** \$\$