

Figure 1: Stock graph shows the stock's trend

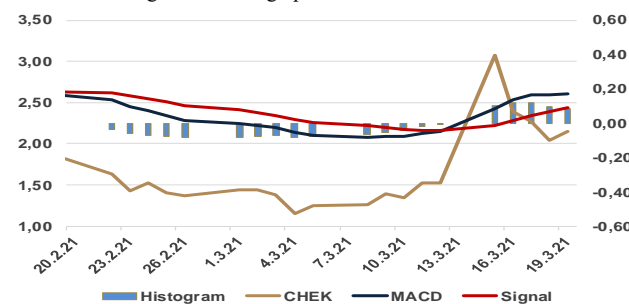


Figure 2: MACD shows a potential buy signal

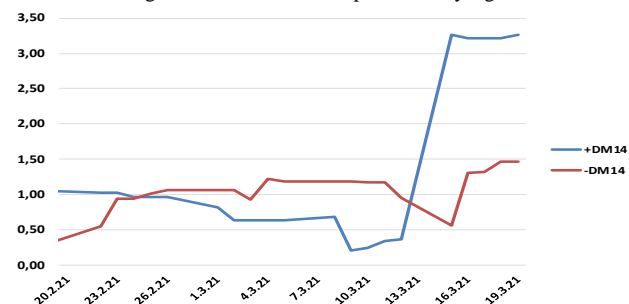


Figure 3: +DMI14 moved above -DMI14

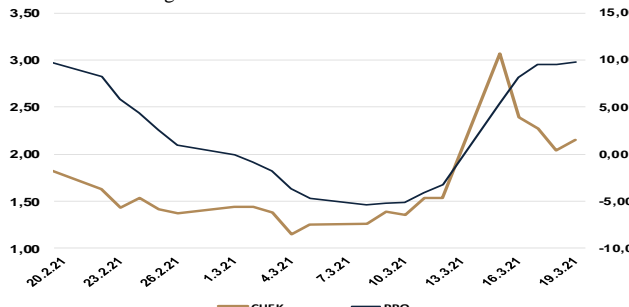


Figure 4: PPO above the zero-line

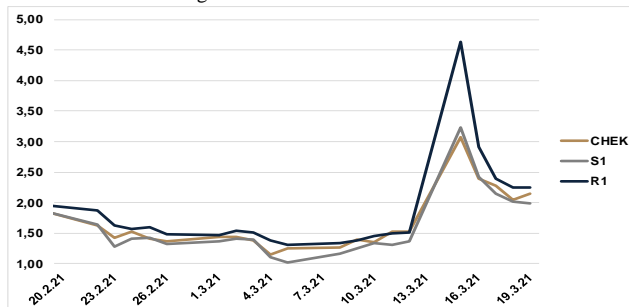


Figure 5: Support and resistance levels

Firm's Brief Description

Check-Cap is redefining colorectal cancer (CRC) screening and prevention through the introduction of C-Scan®, the first and only patient-friendly preparation-free test to detect polyps before they may transform into cancer. The company's disruptive capsule-based screening technology aims to drastically increase screening adherence worldwide and help millions of people stay healthy through preventive CRC screening. The technology has been evaluated in a pilot study in the U.S. and has received regulatory approval for marketing in the EU and Israel. Data from clinical trials showed promising results, including safety, high patient compliance, and high sensitivity at detecting precancerous polyps when the technology was compared to the FIT test. The C-Scan System utilizes an ultra-low dose X-ray capsule, an integrated positioning, control, and recording system, as well as proprietary software to generate a 3D map of the inner lining of the colon. C-Scan is patient-friendly and requires no preparation or sedation, allowing the patients to continue their daily routine with no interruption as the capsule is propelled through the gastrointestinal tract by natural motility.

Fundamental Approach

- Check-Cap receives FDA IDE approval for Pivotal Study of C-Scan.
- The FDA has granted the Company a Breakthrough Device Designation for C-Scan.
- During the full year 2020, Check-Cap strengthened its balance sheet through aggregate gross proceeds of \$25.9 million from a private placement, registered direct offerings and warrant exercise transaction. Throughout the first quarter of 2021, the company received aggregate gross proceeds of \$19.2 million through warrants exercised.

Technical Analysis

According to Figure 1, at the start of the month the short-term MA crossed below the long-term MA giving a sell signal and pointing out a bearish trend. This trend didn't last long since the mid of the month the 10-day MA crossed above the 20-day MA providing a potential buy signal. In Figure 2, MACD crossed above the signal line while it grown incrementally indicating a bullish trend. Additionally, +DMI14 surpassed -DMI14 on the 15th of March demonstrating a potential bullish trend. Also, the PPO had a downtrend from late February until mid-March, when it changed to an uptrend, resulting in an increase above the zero line on the 15th of March. Lastly, support and resistance levels were formed at 1.98 and 2.24 correspondingly, as the fifth graph depicts.

Prediction

Considering the recent swing trend of the stock which peaked on the 15th of March and had an unprecedented volume, after the announcement of approval from the FDA regarding the C-Scan, we recommend a long position. This position is further supported through the technical analysis that is provided in the above paragraph, as the figures cited in this report show a bullish path of the CHEK stock.

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