



## Bulls Active in Impressive Biotech Ionis

**Ticker/Price:** IONS (\$80.50)

### Analysis:

**Ionis Pharma (IONS)** with buyers of 1,750 July \$85 calls today for \$6.50 with shares showing relative strength recently. IONS had 1,200 July \$75 puts and 800 of the \$70 puts sold to open earlier this week. The May \$75 and \$80 calls had buyers last week while the Jan. 2021 \$75 and \$80 calls have also seen buyers. Shares are up sharply over the last two months following earnings and clearing a big range above \$75 which stretches back to 2015. The long-term measured move targets a move over \$100. Key near-term support is \$72.50 which aligns with the post-earnings consolidation breakout and 20-day MA. The \$10.95B biotech trades 108X earnings, 18.25X sales, and 5.25X cash. The company is in the earliest stages of profitability with expectations for \$1.35/share in earnings in FY20, up from a \$0.34 loss last year. Revenue is expected to grow 38.4% and 22.4% driven by Spinraza royalties which have more than doubled since 2017 as more adolescent and adult patients begin treatment. IONS has a deep pipeline with more than ten medicines moving into pivotal trials by YE 2020 including neurodegenerative treatments for Huntington's and ALS. Analysts have an average target for shares of \$60 with 1 buy rating, 5 hold ratings, and 1 sell. Short interest is 9% and down from 10.2% in mid-2018. Piper positive on 3/1 noting that CHMP positive response for Waylivra was a surprise and they anticipate approval within the coming months, a \$150M opportunity. BMO with an \$82 PT seeing upside from Tegsedi quarterly beats, potential for Waylivra refilling, and better visibility into an accelerated path for Huntington's. Institutional ownership rose 25.35% last quarter. Biogen (BIIB) the top holder with 11.5M shares.

### Hawk Vision:



**Trading Strategy:** IONS was a trigger back when it came out of the earnings consolidation (disclosure: Relativity Capital is long at \$69.77 basis), so it is hard to chase at this level, but a top Biotech to be aware of on dips.

**Confidence Ranking:** \$\$