



Alnylam Bullish Positions Accumulate into Commercial Launch Phase

Ticker/Price: ALNY (\$76.40)

Analysis:

Alnylam (ALNY) late yesterday with a trade opening 3500 December \$90 calls for \$4.50 as September calls adjusted though open interest today still showing over 4,500 September \$80 calls remaining. A 12/17/18 buyer of 600 January \$80 calls also remains in OI, a \$1.1M trade. On the chart ALNY shares have been pulling back since peaking in March of 2018, though in somewhat orderly fashion. Shares are now forming a weekly base in the \$62/\$65 zone, retesting a monthly base breakout from June 2017 and key VPOC, so an important level to hold above \$66 now with a downward channel pattern. In March the company announced that givosiran met primary and majority of secondary endpoints in a study and on 7-16 announced a collaboration with 23andMe. The \$8.55B Biotech trades 6.85X cash and sees sales ramping this year 182% followed by 100% growth in FY20 and longer term estimates forecast over \$2.2B in sales by FY23. ALNY is involved with RNAi Therapeutics as a new class of innovative medicines with transformational potential. Onpattro is the first approved RNAi Therapeutic targeting ATTR Amyloidosis and coming off a strong launch in Q1. ALNY is partnered with Medicine Co (MDCO) on Inclisiran with Phase 3 results due in 2019, partnered with Sanofi (SNY) with Fitusiran with Phase 3 results due in 2019, and also partnered with Regeneron (REGN) on a few programs. Analysts have an average target of \$120 and short interest at 5.4% of the float is near a three year low. ALNY will next report on 8/1. Cantor Fitzgerald was out positive on 6/11 with a \$138 target citing attractive entry on concerns with the Onpattro launch and competitor Vyndamax, but sees Givosiran seeing significant uptake in its early 2020 launch. Piper has a \$142 target and more confident after its survey showed strength for Onpattro over Ionis (IONS) Tegsedi. Maverick Capital has a large \$300M position in ALNY it added to in Q1 as its 4th largest position and Gilder Gagnon Hower with a 0.98% weighted position.

Hawk Vision:



Hawk's Perspective: ALNY is a nice combination of an early commercial launch Biotech with a deep pipeline and declining short interest. I like it either against recent lows or utilizing \$65 puts to hedge risk.

Confidence Ranking: \$\$