



Amicus Bullish Open Interest as Shares Move Out of Base

Ticker/Price: FOLD (\$12.63)

Analysis:

Amicus (FOLD) shares setting up well for a multi-week breakout above \$12.75 and name with a lot of bullish positioning in OI including 5,500 July \$13 calls bought recently. On 7-2, the August \$12 puts sold to open 1,500X and the January \$10 calls with notable bull calls in OI from buyers last year and holding. The July \$15 calls also have 7,500 in OI. Shares have room back to recent highs at \$14.50 and move back above the multi-month downtrend at \$14 has upside to \$18. The \$3B biotech trades 27.5X sales with limited debt. They have \$400M+ in cash. The company is several years from profitability and sees revenue growth of 53% and 41.3% through FY21. FOLD focuses on rare and orphan diseases with their lead product Galafold a treatment for Fabry disease. The company expects to double annual revenue for the treatment in 2019 to \$180M and continue gaining share in the market which now sits at ~18%. They see \$1B TAM by 2028 as they expand in the EU, Japan, and ROW. FOLD also hopes to expand on their emerging gene therapy programs in both Fabry, Pompe, and Batten disease. Analysts have an average target for shares of \$18.50. HCW starting coverage at Buy on 6-17. The firm has a \$18 PT for shares seeing AT-GAA is a potentially superior alternative to Lumizyme. The firm thinks the ongoing Propel Phase 3 program is likely to deliver superiority over conventional enzyme replacement therapies, positioning Amicus with a shot at a \$1B-plus lysosomal storage disorders franchise in 2025. Short interest has dropped steadily since early 2017 when it was 26%. Currently it is 7.1% after falling from 14% as recently as January. Hedge Fund ownership rose 37.9% last quarter. Perceptive Advisors the top holder with 21.6M shares while Red Mile, Palo Alto, and Avoro Capital all notable holders.

Hawk Vision:



Trading Strategy: FOLD looks great on reward/risk versus \$11.75 and July positioning sets up for a near-term move.

Confidence Ranking: \$\$