



Fibrogen Bulls See Long-Term Upside Ahead of NDA

Ticker/Price: FGEN (\$43.75)

Analysis:

Fibrogen (FGEN) with buyer of 4,000 January \$45 call for \$5.60 to open, sizable buy as shares put in a reversal candle after pulling back off of the 200-day MA. FGEN still has 3,000 November \$50 calls in OI while recent bullish flow in the September \$45 calls and put sales in the January \$45, March \$50, and January 2021 \$35 strikes. Shares continue to trade below the major moving averages and long-term downward channel from the 2018 highs around \$65. A move above the 200-day targets the downtrend and weekly cloud resistance around \$50. Today's action comes with the news pre-market of the passing of CEO Thomas Neff. The \$3.78B biotech trades 10.7X sales and 5.7X cash while in the earliest stages of profitability. FGEN sees 14% and 8% sales growth the next two years. FGEN announced approval in China for Roxadustat on 8-22 which expands on their leading anemia treatment for CKD. The company expects to launch in 2H of the year. FGEN recently had a positive pre-NDA meeting with the FDA and targeting an October filing while patients are now starting to be dosed in their pamrevlumab Phase 3 trial. Analysts have an average target for shares of \$63. Jefferies positive on 6-10 expecting an NDA in Q3 which should calm the Street on recent concerns. They also think FGEN could provide more detailed Phase 3 data which would drive a rebound in shares. Short interest is 6.1% and rising recently. Hedge Fund ownership rose 63% in Q2. Ecor1 Capital, Farallon Capital, BlueCrest capital, and AQR notable holders.

Hawk Vision:



Hawk's Perspective: FGEN is a name we've profiled before this year and continue to like the reward/risk into the filing this October, a clear catalyst for shares.

Confidence Ranking: \$\$