



## ChemoCentryx Bulls Position for Key Data

**Ticker/Price:** CCXI (\$8.75)

### Analysis:

**ChemoCentryx (CCXI)** with another 6,000 December \$10/\$15 call spreads bought today for \$1.60, spot with 4,000 already in open interest from buyers yesterday. CCXI had 5,000 December \$13 calls bought on 11-15 for \$1. Shares have moved higher since mid-Sept. into a small gap from June and pulling back over the last week to back-test the base breakout at \$8. CCXI has a big VPOC at \$12-\$13 range from 2018. The \$501M biotech is a binary event with their Phase 3 readout for the ADVOCATE trial upcoming by year-end. The study looks at their treatment for ANCA vasculitis, an autoimmune disease that effects small blood vessels in the body. It's a highly inflammatory disease that can cause irreversible damage to the kidney and other organs that often result in death. The current standard of care has some significant gaps including significant rate of relapse due to the tapering effect of steroids and side effects like toxicity. CCXI's treatment is a chemoattractant system that selectively targets the disease while leaving the rest of the immune system intact which helps limits typical consequences. Shares trade less than 3X cash with short interest at 5.6% and down from 7.2% in late July. Analysts have an average target for shares of \$18. Piper positive on 10-2 citing their strong cash position while JP Morgan thinks ADVOCATE has 90-110% upside with a high probability of success while the totality of the data will be key for adoption. They upgraded shares to Buy on 9-12 after a KOL discussion and feel the risk/reward is better at these levels. Nantahala Capital a buyer of call options while Farallon Capital and Baker Bros. with smaller position.

### Hawk Vision:



**Hawk's Perspective:** CCXI is clearly an event-driven play and the \$10/\$15 spreads look to be defining a likely upside level while seeing the Dec. \$9 puts sold 1000X to open yesterday adds confidence that this one can make a run on data.

**Confidence Ranking:** \$\$