



## Accelaron Bulls Position for More Upside

**Ticker/Price:** XLRN (\$52.45)

### Analysis:

**Accelaron Pharma (XLRN)** closed strong on 12/17 with 700 February \$50 calls bought \$5.80 to \$6, adding to the 700 already in open interest as well as 200 of the February \$40 calls bought back in June and a name overall with minimal open interest. Shares have based in the \$37/\$48 range much of the year and weekly RSI currently breaking to highs for the year with the measured move target of \$59 back near its record highs from 2018. The \$2.76B Biotech focused on serious and rare diseases and in June a Director bought 5000 shares at \$38.05. XLRN forecasts see \$71.4M in revenues in FY19, up 410%, and expects \$88.4M and \$112M the next two years while profitability is still a ways off. XLRN is now a commercial stage company with Reblozyl approved for the treatment of anemia and its Medalist Phase 3 trial has an April 4<sup>th</sup>, 2020 PDUFA date for expanded use. XLRN also expects an EMA decision in 2H 2020 and XLRN is partnered with Bristol Myers (BMY). In addition, Reblozyl has Phase 2 trials in Myelofibrosis with Phase 3 starting in 2020, expects topline results for its BEYOND study by year-end 2020, and Phase 3 COMMANDS study with topline results expected late 2021 into early 2022. XLRN has an average Analyst target of \$59 and short interest at 10.1% of the float is slightly elevated near the upper end of its three year range. On 12/11 Piper was out positive seeing a strong launch and has an Overweight rating and \$73 target on shares and sees further approvals coming. On 11/11 HC Wainwright raised its target to \$88 after FDA approval on Reblozyl. Hedge Fund ownership fell 9.7% in Q3 filings, Celgene (CELG) the largest holder with a \$270M stake and Farallon Capital added to its position in Q3.

### Hawk Vision:



**Hawk's Perspective:** XLRN is on a big run and tough to chase, time before February to look better entry, but intriguing name with a fresh commercial launch and more catalysts in 2020.

**Confidence Ranking:** \$\$