



## Large Call Buy in ChemoCentryx Sees Strength Continuing in 2020

Ticker/Price: CCXI (\$38.50)

### Analysis:

**ChemoCentryx (CCXI)** closed the year at a new high and on 12/31 saw a large purchase of 2500 August \$43 calls for \$10, a \$2.5M position. CCXI also has 3000 February \$10 calls remaining in open interest from buyers in September. CCXI now has a \$2.2B market cap with very little revenue. Shares have gained 260% over the past year with much of that in Q4 after announcing positive top-line data from its Phase III Avacopan trial for patients with 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 high 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 limit typical consequences. CCXI is expecting four topline readouts in 2020 with its LUMINA-1 trial of CCX140 in Sub-Nephrotic Primary FSGS, AURORA trial of Avacopan in HS, Lumina-2 trial of CCX140, and ACCOLADE trial of Avacopan in C3G. Analysts have an average target of \$46 and short interest remains up at 7% of the float. Piper was out with a \$54 target following the recent data seeing it as the new standard of care treatment. Canaccord with a \$48 target after the data and HC Wainwright to \$40 noting probability of success is now up at 70% from 30%.

### Hawk Vision:



**Hawk's Perspective:** CCXI looks like it has an eventful year ahead and this is a large options position while price-action remains very constructive, and have to start thinking it could be a M&A target.

**Confidence Ranking:** \$\$