



Myokardia Bullish Positioning into 2020

Ticker/Price: MYOK (\$66.90)

Analysis:

Myokardia (MYOK) seeing unusual options activity this week with 300 March \$55 synthetic long positions opening yesterday and 350 March \$70 OTM calls bought on 12/9. MYOK in September saw buyers in September 2020 \$60/\$50 and \$65/\$45 strangles in unusual trades expecting a volatile move in 2020. The \$3.08B Biotech trades 7.4X cash and is in the clinical stage treating rare cardiovascular diseases. On the chart MYOK shares have chopped in a \$45/\$65 range with a measured target to \$85 on a range breakout. MYOK is said to be pioneering precision medicine in a Cardiovascular industry that is the #1 cause of deaths globally and a \$316B annual cost burden in the US alone. It is targeting 6M people in the US with heart failure and its MAVACAMTEN is in Phase 2 and 3 for Obstructive HCM and Non-Obstructive HCM respectively. Analysts have an average target of \$80 and short interest at 13% of the float has been trending to new highs. Guggenheim started coverage in September at Buy with an \$84 target valuing its lead program at \$63/share with a 75% probability of success. JPM has an \$85 target and estimates \$2.5B+ in US sales potential for mavacamten. Hedge Fund ownership fell 1.5% in Q3 filings, Baker Brothers adding to its position and Farallon Capital Mgmt. with a 1.08% weighting.

Hawk Vision:



Hawk's Perspective: MYOK is a top Bio for 2020 as I like its niche/unique focus though this rising short interest is a concern. It's a speculative name and carries plenty of risk which is why utilizing options to define risk exposure makes sense in a name like this.

Confidence Ranking: \$\$