



## Global Blood Draws Bull Position on Key Trend Test

Ticker/Price: GBT (\$48)

### Analysis:

**Global Blood Therapeutics (GBT)** with 1,000 September ITM \$60 puts being sold to open today \$17 to \$16.80, strong vote of confidence in the name that has sold back to key support from August/October 2019. GBT has a lot of March open interest set to expire this week and today's action the most notable remaining. Shares are right back at trend support from the 2016 lows as well and 61.8% Fib support, so nice risk/reward to lean against for a potential move back to a high-volume node at \$50 and then above. GBT traded as high as \$87 in January. The \$3.95B company trades 6.5X cash with limited debt as they enter the early commercial stage for their drug Oxbryta which was approved in November. The treatment for sickle cell disease was a first for the FDA which marks a significant step forward in treatment and analyst see potential for \$2.5B in peak sales given first-mover status and a broad patient population. Analysts have an average target for shares of \$97. Piper positive on 2-26 with a \$120 PT. The firm thinks the Oxybryta launch is going well in the early weeks and continues to view demand as high. The firm thinks upcoming hard launch metrics could be a positive catalyst. Cantor positive in February noting that label expansion into younger children could be an upside to 2021 estimates and we might get an answer on the path forward in this group in the second half of 2020. Short interest is 12.2% and down from around 14% to start the year. Hedge fund ownership fell 9% in Q4. Point72 a buyer of call options while Perceptive remains a top holder with 5.8M shares.

### Hawk Vision:



**Hawk's Perspective:** GBT a Biotech favorite that has corrected back to 2019 base levels giving a nice level to be trading against.

**Confidence Ranking:** \$\$