



BioMarin Calls Build into Relative Strength

Ticker/Price: BMRN (\$95.2)

Analysis:

BioMarin (BMRN) with over 1800 April \$105 calls opening today between \$2.40 and \$2.60, a relative strength name not far from multi-month highs. BMRN has over 3,600 April \$100 calls in OI as well as 2,000 July \$105 calls from buyers in late February. Shares held the 8-EMA today at the early lows and moving out of a small range that targets \$110 and a move above the 2018 high. Longer-term, shares are back near resistance of a range that stretches back to mid-2015 and big coil has 30-40% upside. The \$17.4B biotech trades 10.2X sales and 23X cash and expects to earn over \$4.25/share by FY22, up from around \$1.60 now. BMRN was at the Cowen conference today and laying out some key goals for 2020 including launching valrox in hemophilia a, submitting International marketing applications for vosoritde, and advancing their early-stage gene therapy programs. The company has built out a strong portfolio of products in the rare genetic disorder space and near an inflection point where years of investment in gene therapy R&D and manufacturing will start to come to fruition. Analysts have an average target for shares of \$115. Piper positive on 2-26 after earnings as the company is 'firing on all cylinders.' They a strong combination of meaningful commercial growth and a slew of intermediate-stage pipeline updates coming helping drive upside. BAML positive recently seeing strength from vosoritide and valrox which should combine for near 20% revenue CAGR the next five years. Short interest is 4.8% and near multi-year lows. Hedge fund ownership fell 1.5% last quarter. Primecap, Balyasny, Pointstate, and Westfield all buyers.

Hawk Vision:



Hawk's Perspective: BMRN relative strength is clearly telling us it's a name that holders have strong hands, and a tough environment to be in many names, so this a more secure place.

Confidence Ranking: \$\$