Bullish Upside Call Buying in Immunomedic

Ticker/Price: IMMU ($35)

Analysis:

Immunomedic (IMMU) running here with 2300 July $36 calls bought up to $1.80 which follows 4000 July $34 calls opening on 6/8 in large trades. IMMU has seen a large September $30 puts buy 3500X back on 5/29 but also has a lot of upside call open interest in August, and 6000 January $20 calls bought remain in open interest. IMMU shares have consolidated tightly the last few weeks and starting to emerge with a breakout to new highs. IMMU has transformed over the past few years with a unique ADX platform and has multiple Phase 3 studies with large opportunities while developing multiple global partnerships. The Sacituzumab Govitecan program is seen aggressing multiple unmet needs in cancers and seen to become a recognized leader in TNBC. The $7.6B Biotech expects $570M in sales in 2021. IMMU shares rallied in April after approval of Trodelvy by the FDA for the treatment of adult patients with metastatic triple-negative breast cancer. Analysts have an average target of $40 and short interest remains elevated at 15% of the float. HC Wainwright raised its target to $60 back on 4/23 after FDA approval. Piper on 5/29 noting positive data in bladder. On 5/27 the company announced its CEO is stepping down which may open the door for an acquisition. Hedge Fund ownership jumped 13.4% in Q1 filings, Point-72 a notable top holder along with Boxer Capital.

Hawk Vision:

Hawk's Perspective: IMMU is a commercial launch story and looks to have strong momentum, also now a potential M&A target.

Confidence Ranking: $$