



Alnylam Size Call Buy Sees Strength into Year End

Ticker/Price: ALNY (\$131)

Analysis:

Alnylam (ALNY) with buyers of 500 December \$130 calls up to \$21.50 and now volumes running over 1,150X on the afternoon, the largest trade in the name in some time. ALNY recently had 1,500 OTM July \$170 calls bought to open and a number of smaller June put positions which are all underwater and likely hedging the strong April run. ALNY share are consolidating in a multi-week bull wedge back to the 50-MA and cloud support and a move above \$140 sets up for a potentially explosive move back to new highs. ALNY snapped back to new highs ahead of much of the broader market in April and a continuation higher targets \$175+. The \$15.5B biotech is well-capitalized after a \$2B investment from Blackstone and carries limited debt. They are an emerging commercial play after earlier-than-expected approval for Givosiran in November and forecasts for over \$1.4B in revenues by FY22. ALNY recently presented positive Phase 3 data for their RNAi therapeutics lumasiran in primary hyperoxaluria, a rare kidney disorder, as they continue to build out a promising longer-term pipeline that includes treatments in ATTR amyloidosis, hemophilia, and IgA nephropathy. Analysts have an average target for shares of \$152. Cantor positive yesterday with a \$202 PT fully expecting a potential approval in the U.S. by year-end 2020 and in the EU shortly thereafter for lumasiran. Stifel with a \$159 PT on 6-7 noting that while there's some debate about market size for lumasiran, there could be upside to numbers should approval/launch increase the PH1 diagnosis rate. Short interest is 4.5%, fairly steady since early 2018 and near 10-year lows. Hedge fund ownership fell 4% in Q1. Farallon Capital a top holder with 1.5m shares.

Hawk Vision:



Hawk's Perspective: ALNY is a favored Biotech and liking this set-up against the 55 MA for a nice reward/risk.

Confidence Ranking: \$\$