



Sangamo Call Buying Activity Surges

Ticker/Price: SGM0 (\$11.60)

Analysis:

Sangamo Therapeutics (SGMO) trading 35X average calls this morning with buyers of more than 25,000 July \$13 calls now up to \$1.30 and late 5,500 November \$15 calls bought \$2.10 where 1,500 had been bought in late May. SGMO has been a relative strength name since March's lows and flagging just below a range breakout at \$12 with the 20-MA support today. Longer-term, shares are trading right at 3-year VPOC and a potential two-year base breakout which has room up to \$17.50. The \$1.59B gene therapy company is well-capitalized after their recent deal with **Biogen (BIIB)** which added \$350M to their existing \$363M in cash on hand and added 3 additional years of runway. SGMO was at the Jefferies conference last week and noted the additional capital flexibility also allows them to expand some of their early-stage projects, focus on the long-term and a significant opportunity to build a multi-faceted pipeline for the future. SGMO has a near-term catalyst with **Pfizer (PFE)** giving follow-up data for their hemophilia A gene therapy SB-525 at the Wells Fargo Summit next week, 6/18. SGMO has noted that PFE controls the trial but they expect 12-to-18 month data which will provide better durability and potentially consistency in the patients dosed as they look forward to starting a Phase 3 in the 2H. For the remainder of 2020, SGMO expects to have data read-outs in hemophilia A, sickle cell, their first Treg trial, and work in Fabry Disease. They also expect to announce more deals. Analysts have an average target for shares of \$13.50. HCW with a \$16 PT seeing further upside as the street focuses on the pipeline "that leverages the company's core competence in ZFN-based genome editing, but in an ex vivo environment with potentially more predictable and controllable deliverables." Short interest is 11.5% but down since April when it was around 15%. Hedge fund ownership fell 4% in Q1. Biogen owns 24M shares while Ecor1, Tang Capital, Great Point Partners all buyers. Casdin Capital is also a top holder while Baker Bros. own a small position. Insiders also active with small buys from two directors this year around \$5-\$6.

Hawk Vision:



Hawk's Perspective: SGM0 clearly a speculative name but strong call flows and great price action makes it an interesting catalyst play.

Confidence Ranking: \$\$