



## FEATURED OPTIONS RADAR REPORT



### Ionis Attracts Unusual Large OTM Call Buy

Ticker/Price: IONS (\$58)

#### Analysis:

**Ionis Pharmaceuticals (IONS)** large buyer of 5,000 October \$70 calls for \$2.30 to open in a stock replacement follows buyers earlier in the day in the August \$60 calls over 600X for \$3.50 to \$3.70. IONS still has some size January \$70 calls in OI from last August that are well-underwater from their original buy. Shares are sitting right at a big downtrend from 2019 and consolidating in a narrow range with a breakout setting up under \$60. The rising 50-MA is just below at \$56.25 and supportive in May on the dip. The \$7.95B company trades 8.29X sales and well-capitalized with over \$17/share in cash and limited debt. IONS expects to ramp to \$1B in annual sales by FY23 up from around \$725M today, mid-double digit annual growth. Their commercial operations continue to ramp up 24% Y/Y last quarter as SPINRAZA continues to see strong growth US adult patient populations and plenty of opportunity left to expand into emerging markets. TEGSEDI is also starting to see strong growth in the US and launching in more EU countries this summer should be a boost into the 2H. IONS has one of the deepest pipelines within the mid-cap bio space with ten different NDAs on track for the next five years and more than sixteen programs in development across Huntington's, Hep B, hATTR polyneuropathy, FCS, hereditary angioedema and more. Analysts have an average target for shares of \$75 while Wells Fargo a Street High \$120 PT. Citi raising their PT on 6-5 noting that IONS is a more defensive name in the current macro environment given their cash position, diversified pipeline, and safe revenue streams from large pharma partnerships. RBC starting at Outperform in May noting their TTR franchise is poised for asymmetrical upside given current expectations. Short interest is 6.3% and trending down steadily since 2016 to 10-year lows. Hedge fund ownership fell 3.4% in Q1 but Ecor1 a buyer of a new position while Baillie Gifford, Bellevue and Peregrine Capital other notable holders.

#### Hawk Vision:



**Hawk's Perspective:** IONS has a great technical setup right here versus the 55 MA and its combination of commercial growth and pipeline would seem to make it an ideal takeout target.

**Confidence Ranking:** \$\$