



FEATURED OPTIONS RADAR REPORT



Bullish Adjustment in ChemoCentryx into Key Data

Ticker/Price: CCXI (\$54.40)

Analysis:

Chemocentryx (CCXI) buyer of 2,500 October \$65 calls for \$9.70, adjusting out of some August \$55 calls bought back in February and biotech which has consistently drawn bullish flow including 1,000 September \$40 puts sold to open on 7/29 and the Sept. \$80/\$90 call spread bought 4500X in mid-July. The Sept. \$65/\$95 call spread is still in OI over 7500X as well from June. CCXI shares rallied strong from the March lows around \$30 and the current pullback is basing at the 38.2% Fibonacci of the move. A break out of this downtrend above \$60 has room back to \$65 and then measured move out to \$80. The \$3.86B biotech trades 21X cash with little debt and a strong lead candidate in Avacopan which his in late stage development in AAV. The company submitted their NDA on 7-9 and on trade to file a MAA by year-end with partner Vifor outside of the US. CCXI focuses on complement inhibitors, specifically targeting C5aR, a unique approach where activated proteins selectively target the disease while leaving the rest of the immune system intact which helps limits typical consequences. They should have Phase 2b data for avacopan in hidradenitis suppurativa in Q3 and data in C3 Glomerulopathy by year-end. CCXI will present at two conferences next week on 8/11 and 8/12, the BTIG Biotech forum and Canaccord Growth conference. Analysts have an average target for shares of \$70 with Raymond James a Street High \$102. BTIG with a \$70 PT noting that avacopan has potential to deliver another upside surprise with commercial success, estimating peak U.S. sales of \$1.2B in 2035. Short interest is 7.2% and up from around 3.3% in May. Hedge fund ownership rose 6.85% in Q1, a bit of a hedge fund hotel with buys from RA Capital, Mangrove, Great Point Partners, Polar Capital, Baker Bros., and Point72.

Hawk Vision:



Hawk's Perspective: CCXI has been quiet but a Biotech I have grown to like with its options positioning. The reward to risk is looking great for those September call spreads with shares basing above \$51.

Confidence Ranking: \$\$