



## FEATURED OPTIONS RADAR REPORT



### Biohaven Bullish Open Interest Accumulating into Commercial Launch

Ticker/Price: BHVN (\$79)

#### Analysis:

**Biohaven (BHVN)** with 1,000 February \$60 puts sold to open today for \$7.10 and follows a buyer of 5,000 April \$90 calls for \$12.80 on 10/20 and also 1,000 Jan. \$100 calls. BHVN has seen buyers across the February calls since late July with bullish open interest in the \$75, \$85, \$90, \$100, and \$105 calls. Shares are consolidating in a narrow flag above its 8-EMA and just above the February peak with a longer-term range break measuring out to \$100. The \$4.67B biotech is in the early commercial stages and trades 8X FY22 sales estimates. BHVN is in a strong position heading into 2021 with their recently approved migraine treatment NURTEC seeing rapid adoption and set to dominate the market for a long time. The migraine market is big and expected to reach \$6b to \$7b by 2025 and NURTEC has shown favorability to the two incumbent names in the space offered by Allergan and Amgen. BHVN also has an intriguing pipeline with significant, un-tapped optionality with troriluzole which is being explored in other CNS disorders. The company expects to have data in Alzheimer's, OCD, and ALS in 2021 with the former due in Q1 and follows strong early safety data. Between their strong commercial product and pipeline, BHVN screens as a strong M&A candidate at their current valuation. Analysts have an average target for shares of \$80 and Cantor a Street High \$109. Piper positive recently as they think over-reactions to near-term sales figures for NURTEC miss the long-term view which is a drug winning share quickly. Short interest is 15% and down a bit from April when it topped 18%. Hedge fund ownership fell marginally in Q2 and Tang Capital and Samlyn Capital notable holders. In September, director John Childs bought near \$2M in stock at \$59/\$60.

#### Hawk Vision:



**Hawk's Perspective:** BHVN price-action is very telling holding up strong with Biotech pulling back lately and options flow aligns with the bullish outlook, feels like one of the better plays in the space for 2021.

Confidence Ranking: \$\$