



Alnylam Bullish Positions into December PDUFA

Ticker/Price: ALNY (\$126)

Analysis:

Alnylam Pharma (ALNY) traded 25X daily call volume on 10/28 with 2000 January \$145 calls opening \$5.15 to \$5.20 for over \$1M as the \$160 calls adjusted and December \$130 calls active with buyers at \$7.10 to \$7.30 with more than 1000 trading. ALNY has over 2440 November \$140 calls in open interest that were sold to open and will report results 11/5, higher 3 of the last 5 reports. ALNY shares have pulled back to the rising 55-week moving average this week and also horizontal support from June and August pullbacks. Shares remain in a bull trend and consolidating near former major tops from 2015 and 2017, a monthly chart that measures to \$230 upside on a breakout above \$152. The \$14.75B Biotech saw revenues jump 193% in 2019 and expected to rise 114% in 2020 and 71% in 2021, a strong commercial growth phase, though still far from profitability. In April, Blackstone invested \$2B in ALNY, anchored by Blackstone's purchase of 50% of the royalties owed to Alnylam on global sales of inclisiran, an investigational RNAi therapeutic for the treatment of hypercholesterolemia. ALNY's ONPATTRO launch has seen steady growth since 2019 and GIVLAARI a more recent launch saw sales double in Q2 2020 from Q1 2020. ALNY has a PDUFA 12/3/2020 for Lumasiran while Vutrisiran comes into focus in 2021 from ATTR amyloidosis. Analysts have an average target of \$164 and short interest down 28% Q/Q to 3% of the float. Citi started shares Buy on 9/8 noting "next generation hereditary transthyretin-mediated agent vutrisiran is very likely to be successfully in its Phase 3 clinical trials and is as commercially attractive as any agent either approved or in development." OpCo cut shares to Perform in August on valuation noting its elevated EV/revenue multiple though believes ALNY's RNAi platform justifies premium valuation. Hedge Fund ownership fell 7.8% in Q2 filings, Farallon and Maverick notable top holders.

Hawk Vision:



Hawk's Perspective: ALNY is an attractive Biotech story with multiple launches and a strong pipeline, like the idea of selling November upside calls and buying either December or January in calendar/diagonal spreads.

Confidence Ranking: \$\$