



## FEATURED OPTIONS RADAR REPORT



### Arrowhead Research Unusual Calls Bought into Clinical Data Updates

**Ticker/Price:** ARWR (\$74)

#### Analysis:

**Arrowhead Research (ARWR)** traded 3X daily calls on 12/11 with 2,400 of the March \$90 calls bought to open in large lots at \$5 to \$5.50 and followed a recent unusual buy of 200 June \$90 calls and accumulation of 3000 December \$70 calls and 900 March \$50 calls. The \$7.45B RNAi Biotech expects \$206M in revenues in 2021. ARWR is targeting cardiovascular disease with ANGPTL3 which is a target to treat dyslipidemia. ARWR believes it has the largest RNAi clinical pipeline in the business as it attempts to silence target genes that cause disease. It currently has programs in diverse areas as cardiometabolic disease, NASH, cystic fibrosis, renal cell carcinoma, hepatitis B and alpha-1 liver disease. ARWR is looking to push three new drug candidates into the clinic ever year on average. ARWR secured a deal with Takeda on its AAT program receiving \$300M upfront and up to \$730M in milestone payments. Analysts have an average target of \$76 and short interest down 15.5% Q/Q to 9% of the float. Citi on 11-19 started coverage at Buy seeing opportunities in non-liver indications. RBC raised its target to \$80 on 11/24 citing a sheer volume of shots on goal with ten clinical programs by mid-2021 and a de-risked late-stage pipeline with a strong balance sheet. B. Riley raised its target to \$98 on 11/17 and highlights 1H21 clinical data catalyst for ARO-ENaC for treatment of cystic fibrosis, possibly the reason for this May call positioning. Hedge Fund ownership fell 1.7% in Q3 filings, J&J has a \$140M stake.

#### Hawk Vision:



**Hawk's Perspective:** ARWR checks all the boxes as a potential major winner in Biotech over the next few years and continue to like the name.

**Confidence Ranking:** \$\$