



FEATURED OPTIONS RADAR REPORT



Alnylam Risk Reversal Sees Favorable Reward/Risk Despite Surge in Shares

Ticker/Price: ALNY (\$176.9)

Analysis:

Alnylam Pharma (ALNY) with a large bullish trade on 6/18 as 2950 September \$150 puts sold to buy 2950 of the \$180/\$240 call spreads, giving shares a lot of room for upside. ALNY has previously seen 300 December \$140 synthetic long positions open, opening sales in December \$125 and \$110 puts, and otherwise light activity. ALNY shares are +36% YTD as a top performer in Biotech and on a big run since May. Shares are nearing record highs and the rising channel and 138.2% Fibonacci extension both target \$189 while the recent range break measures to \$220. ALNY is a global commercial-stage biopharmaceutical company developing novel therapeutics based on RNA interference, or RNAi. RNAi is a naturally occurring biological pathway within cells for sequence-specific silencing and regulation of gene expression. ALNY has seen approvals of four first-in-class RNAi-based medicines, ONPATTRO® (patisiran), GIVLAARI® (givosiran), OXLUMO™ (lumasiran) and Leqvio® (inclisiran). The \$20.55B company trades 15X FY22 sales estimates with revenues rising 124% in 2020 and seen rising 70% in 2021 with the company in the midst of a strong commercial launch phase. ALNY has limited catalysts near-term outside of Oxlumio ILLUMINATE-C data in mid-21 to expand the opportunity into severe PH1 patients. Phase 3 vutrisiran HELIOS-A study with 18-month exploratory cardiac endpoints is expected by year-end. ALNY also expects data from ALN-HSD in NASH in 2H. One other key driver could be the upcoming results from competitor **Intellia (NTLA)** with first-in-man data from NTLA's CRISPR/Cas9 gene editing asset in ATTR-polyneuropathy expected in mid-21+. Givlaari and Oxlumio launches are progressing well with Japan approval expected for the former in mid-21. ALNY was constructive on the late-stage (Ph3 APOLLO-B data in TTR-CM in mid-22) and early-stage pipeline (Ph2 ALN-AGT in hypertension and preclinical ALN-APP in autosomal dominant Alzheimer's Disease and cerebral amyloid angiopathy) at its recent Goldman Healthcare presentation. Analysts have an average target of \$180 and short interest low at 3.8% of the float. Analyst coverage has been minimal, Citi downgraded in February on concerns of growing competition.

Hawk Vision:



Hawk's Perspective: ALNY has been on a massive run so one to wait for this move to retrace and offer a better entry back near \$155 ideally.

Confidence Ranking: \$\$