



Ascendis Seen Continuing to New Highs with Key Data in Q1

Ticker/Price: ASND (\$140.7)

Analysis:

Ascendis Pharma (ASND) with one of the largest trades of the day on 1/2/20 with 1000 April \$140 calls opening for \$18, a \$1.8M purchase. ASND also still has more than 4000 January \$115 calls in open interest from buyers and many originally spread versus \$150 calls but most of the short calls were bought back to close. ASND shares are on a strong four week move to new highs and cleared a double top level at \$130, a potential Fibonacci extension target at 161.8 is \$161.75. Shares have been riding the 8 day moving average higher since breaking out on 12/17. The \$6.7B Biotech soared in March 2019 after presenting Phase 3 results for its TransCon Growth Hormone (hGH) for pediatric growth hormone deficiency. ASND is trading 9X cash and expects revenues to start ramping in 2021. ASND plans a BLA for 1H20 for TransCon hGH and also has a Q1 2020 readout due for Phase 2 data in TransCon PTH for hypoparathyroidism. It also has an Oncology pipeline in development and high-value collaborations with Roche/Genentech in ophthalmology and with Sanofi in Diabetes. The growth hormone market is seen ripe for disruption, an estimated \$3.5B market growing at a 2.4% CAGR. Analysts have an average target near \$160 and short interest has steadily moved higher but fairly low at 4.8% of the float. On 12-3 Leerink raised its target to \$152 with confidence in the Q1 2020 data and overall program. Cantor Fitzgerald has a \$185 target seeing investors undervaluing the potential opportunity from its therapies and key programs/filings are all on track. Wells Fargo has a \$176 target and JP Morgan sees a \$2B commercial opportunity for its growth hormone with it positioned to take the most share. Hedge Fund ownership fell 7.65% in Q3 filings, Perceptive selling its steak and Lakewood Capital reducing though RA Capital, Orbimed, and Baker Brothers all have concentrated stakes.

Hawk Vision:



Hawk's Perspective: ASND has been on the radar a while with the January positioning and caught a great multi-week run, these April calls validate it remains a top Biotech.

Confidence Ranking: \$\$