



FEATURED OPTIONS RADAR REPORT



Bull Spreads See Positive Catalysts Lifting Neuro-Focused Biotech 100%

Ticker/Price: AXSM (\$28.50)

Axsome Therapeutic (AXSM) has been seeing consistent options activity with 5500 June \$40/\$60 call spreads bought since 1/24 and also the June \$30 short puts opened 1730X on 12/13 in an adjustment. AXSM also with 1000 January \$60 calls bought back on 8/10 and on 2/11 June \$50 short calls opened in a buy-write adjustment where more than 3500 now sit in open interest. AXSM has also seen 1000 each of the June \$30 and \$35 calls bought. AXSM is a Biotech that sold off sharply in last year before bottoming in August and recently put in a strong reversal candle near \$24 support as a possible weekly double bottom and needing to clear \$35 to work sharply higher. AXSM is a biopharmaceutical company developing novel therapies for the management of central nervous system disorders for which there are limited treatment options. Its CNS portfolio includes five CNS product candidates, AXS-05, AXS-07, AXS-09, AXS-12, and AXS-14 which are being developed for multiple indications. The company has submitted a response to the FDA regarding two CMC related deficiencies highlighted by the agency for the NDA for AXS-05 in depression. AXS-05 approval in MDD would likely drive shares back to \$50, a level prior to the NDA deficiencies news, while a CRL could result in 50% downside. AXSM also has a 4/30/22 PDUFA for AXS-07 in migraine which is a secondary concern for investors. AXSM has a market cap of \$1.1B and trades 9.6X cash with operations funded through 2024 according to management. The consensus estimates sees \$765M in revenues for FY25 which would put shares wildly cheap at these levels and depends on regulatory success. Analysts have an average target of \$65 with short interest elevated at 11.6% of the float. Guggenheim out in October noting AXS-05 launch preparations are underway and expects approval following a \$300M loan from Hercules Capital.

Hawk Vision:



Hawk's Perspective: AXSM of course comes with event-risk but does feel like a path to approval is coming with a likely move to \$50 and June \$35/\$50 call spreads for under \$3.50 are a nice reward/risk speculative play.

Confidence Ranking: \$\$