

## SPOTLIGHT OPTION TRADE



### Global Blood Derisked Through Year-End, Positioning for 2020 Upside

#### TRADE SNAPSHOT

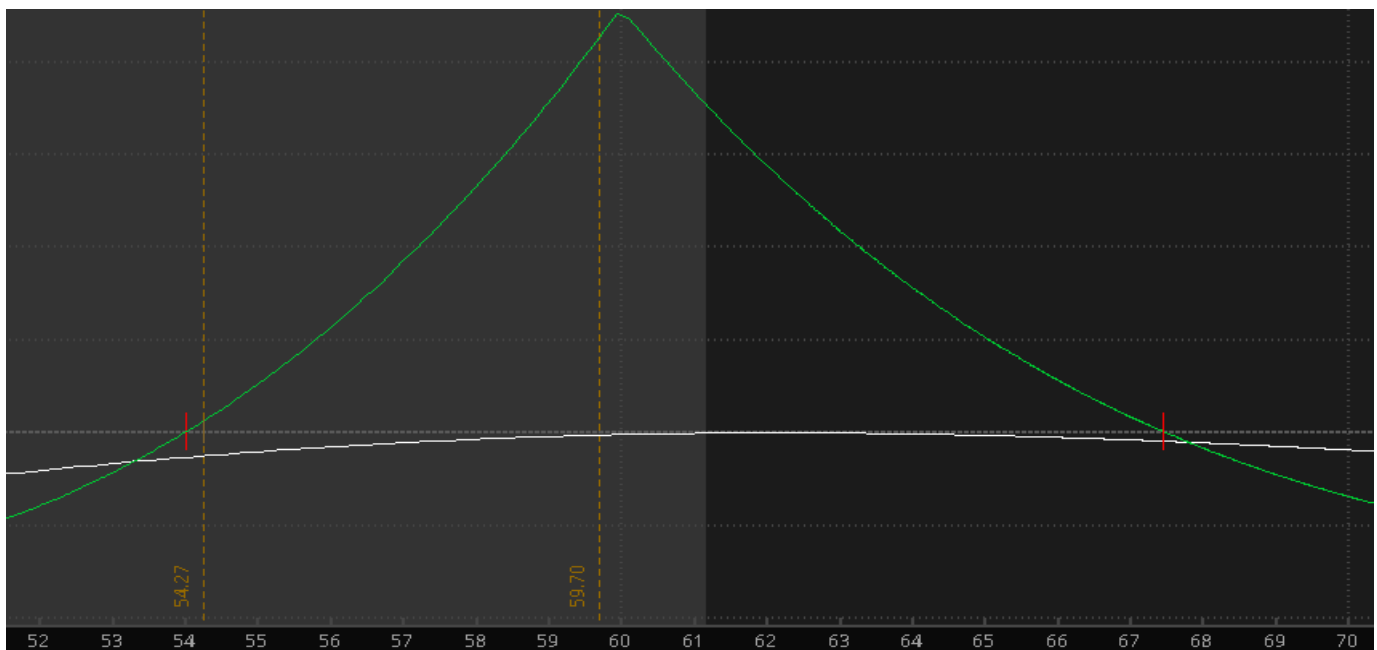
TICKER	GBT
SECURITY	Global Blood Therapeutics
SECTOR	Healthcare – Biotech
CURRENT PRICE	\$54.25
LONG/SHORT	Long
TARGET	\$60 in Dec. / \$75 in Jan. 2020
STOP	\$46.50
TIMEFRAME	4 Months

**Trading Strategy:** Long the GBT December/January \$60 Call Calendar Spread at \$0.95 Debit

**Net Debit/Credit:** Debit of \$0.95 or Better

**Profitability Zone:** GBT \$56 to \$65 on December Expiration

**Options Volatility / Trade Simulator View:**





**Technical Analysis:** GBT shares have channeled back off highs and RSI is regaining the 50 level on the weekly while weekly MACD nears a bull crossover.



**Fundamental Analysis:** The \$3.2B Biotech has no current revenues and trades 4.85X Cash. GBT's key asset is Voxelotor in sickle cell disease which the FDA recently accepted for priority review with a 2-26-20 PDUFA and no advisory committee meeting. It is the first in class breakthrough therapy with patent protection beyond 2032 and expectations for a potential Spring 2020 launch. The chronic disease impacts over 100,000 in the US and 60,000 in Europe. Analysts have an average target of \$93.50 and short interest at 17.6% of the float remains fairly elevated. On 9/5 SunTrust noted that GBT could be an acquisition target even before the PDUFA date and has a \$90 target on shares. HC Wainwright has a \$150 target and Wedbush is at \$120 after the recent news, raising from \$103 on the positive news. Piper called shares significantly derisked, seeing increased probability of approval and has an \$80 target on shares. Hedge Fund ownership fell nearly 15% in Q2 filings but Perceptive Advisors added to its position, now valued over \$300M and its 2<sup>nd</sup> largest holding.

**Options Activity:** On 9/6 a trader sold 1000 December \$60 calls for \$2.45 which was below the \$3.05 theoretical value at the time, a potential long willing to get called away, or a view that shares have limited catalysts through year-end, and why I see value in a calendar spread as option prices for Jan/Mar. should begin to rise as the PDUFA nears.

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic	Symbol
9/6/2019	GBT 100 20 DEC 19 60 CALL	1,000	318	\$2.45	0.37	49.04%	27.48%	\$370,000	.GBT191220C60
9/5/2019	GBT 100 18 OCT 19 50 PUT	1,001	144	\$1.80	-0.32	49.90%	38.89%	\$240,240	.GBT191018P50
8/14/2019	GBT 100 20 DEC 19 55 PUT	243	193	\$9.60	-0.61	47.77%	70.80%	\$230,850	.GBT191220P55
6/26/2019	GBT 100 17 JAN 20 50 CALL	833	335	\$10.40	0.67	49.72%	52.46%	\$866,320	.GBT200117C50
6/26/2019	GBT 100 20 SEP 19 45 CALL	100	52	\$13.70	0.83	54.10%	75.06%	\$137,000	.GBT190920C45
6/21/2019	GBT 100 17 JAN 20 70 CALL	1,009	462	\$6.10	0.45	44.94%	31.73%	\$615,490	.GBT200117C70
6/21/2019	GBT 100 17 JAN 20 85 CALL	1,012	1	\$2.25	0.23	42.82%	14.03%	\$227,700	.GBT200117C85
6/17/2019	GBT 100 20 DEC 19 50 PUT	386	129	\$5.00	-0.32	48.83%	45.10%	\$193,000	.GBT191220P50
6/4/2019	GBT 100 20 SEP 19 55 PUT	5,000	1,184	\$4.00	-0.34	50.52%	44.77%	\$2,300,000	.GBT190920P55
5/22/2019	GBT 100 20 SEP 19 65 CALL	1,001	1,160	\$4.05	0.42	47.99%	31.46%	\$405,405	.GBT190920C65
5/16/2019	GBT 100 20 SEP 19 65 CALL	1,013	64	\$5.60	0.48	49.20%	36.37%	\$567,280	.GBT190920C65
5/16/2019	GBT 100 20 SEP 19 55 PUT	1,001	138	\$3.90	-0.3	55.56%	42.34%	\$520,520	.GBT190920P55
4/4/2019	GBT 100 20 SEP 19 70 CALL	2,001	6	\$3.60	0.34	45.73%	23.50%	\$720,360	.GBT190920C70
3/25/2019	GBT 100 17 JAN 20 60 CALL	1,256	82	\$6.34	0.47	51.79%	28.95%	\$879,200	.GBT200117C60
3/25/2019	GBT 100 17 JAN 20 75 CALL	1,251	169	\$2.61	0.27	49.19%	14.50%	\$462,870	.GBT200117C75

**Potential Catalysts:** PDUFA 2-26-19; "Earnings" Conference Call 11-16-19

**Disclaimer:****Not Investment Advice or Recommendation**

*Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.*

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