



## FEATURED OPTIONS RADAR REPORT



### Bull Spreads Positions for Upside into Key ASH Data for Small Cap Biotech

**Ticker/Price:** IGMS (\$58.80)

**IGM Biosciences (IGMS)** with a large trade on 11/18 that bought 1500 December \$70/\$95 call spreads for \$7.50. IGMS was a strong trending name from its debut in Q4 2019 through early 2021 but shares have slipped more than 60% off highs before putting in a strong candle last week at familiar support from 2020. IGMS still has plenty of overhead resistance with \$65 a key first level and \$75 a very important level. IGM Biosciences is an early clinical stage biotech company pioneering the engineering of a specific antibody type (IgM) that has not yet been harnessed as a therapeutic, and this may have significant advantages over types used by the drug industry (IgG). IGMS' three lead candidates are each designed to provide proof of concept in 3 different use cases. An IgM-based platform enables superior target avidity vs standard antibodies, and highly compelling mechanistic advantages. The T-cell engager opportunity in lymphoma is large (\$12B+), and IGMS can leverage its potentially differentiated profile to take a significant share as well as prospects beyond lymphoma. IGMS currently has a market cap of \$1.9B and trades 7.35X Cash. Analysts have an average target of \$100 and short interest is high at 22.6% of the float. IGMS has a clear catalyst on the horizon at ASH on 12-11 to 12-14 where it will present data from Phase 1 trial evaluating IGM-2323. Management has indicated consistent trends (addition responses and low rates of CRS) as dose escalation continues, which should bode well for updated Phase 1 data expected in 2H21. Wedbush raised shares to Outperform on 11/5 with an \$82 target seeing favorable risk/reward into data for its lead asset at ASH with potential to show a differentiated profile in a crowded landscape. MSCO started shares Overweight on 8/26 with a \$100 target seeing potential for the platform and early de-risking. They also see IGM-8444 as an overlooked opportunity with initial data seen later this year.

#### Hawk Vision:



**Hawk's Perspective:** IGMS is clearly the boom or bust type for this data as its lead value-driving asset, the high short float a bit concerning, so one to keep small if speculating on a positive outcome.

**Confidence Ranking:** \$\$