



Large Call Roll in Moderna Sees More Potential Upside

Ticker/Price: MRNA (\$21.35)

Analysis:

Moderna (MRNA) with 5,000 July \$25 calls bought today for \$2.65, adjusting the January \$20 calls bought back in June, and follows 2,000 February \$22.50 calls bought recently. MRNA also had 1,000 Jan. 2021 \$20 puts sold to open recently. Shares gapped higher today and starting to move out of a multi-week range that targets \$25. Longer-term, the late 2018 IPO has broken a big downtrend from the highs near \$30. The \$6.48B company is an early-stage biotech with a deep pipeline with more than sixteen trials underway and a lot in Phase 1 stage. The company was one of the most-focused on biotech IPOs in recent years given its valuation and exploring mRNA as a therapeutic approach across a wide array of indications from solid tumors and vaccines like Zika. MRNA had positive data last week for their treatment of cytomegalovirus (CMV) which is a common virus that has heightened concerns for pregnant women as it can cause birth defects. CMV can cause developmental problems for newborns and there's no approved treatment currently. MRNA's vaccine has shown strong safety and durability and they're enrolling now for a Phase 3 trial and potential FDA path forward. They think the opportunity in CMV could be as much as \$5B and they own the worldwide rights. Short interest in MRNA is 5.7% and down from 7.5% in October. Hedge fund ownership dropped in Q3 as Viking Global sold nearly half their position but remain a top holder with Artal Group and Theleme Partners also top holders. Analysts have an average target for shares of \$30. Roth Capital on 1-10 noting the CMV vaccine could be a blockbuster and key focus will be on interim safety and immunogenicity data due in the second half of this year as it can serve as the green light for strategic interest in other mRNA vaccines.

Hawk Vision:



Hawk's Perspective: MRNA is an interesting vaccines name that could attract M&A interest as large Pharma is targeting this area and love the weekly chart for a move to \$30.

Confidence Ranking: \$\$