



FEATURED OPTIONS RADAR REPORT



Mirati Bull Positions for Rebound into Busy 2H

Ticker/Price: MRTX (\$164)

Analysis:

Mirati (MRTX) large trade on 6/25 bought 3,300 October \$200 calls for \$7.20, laggard biotech trading in a narrow base under \$175. MRTX hasn't seen a lot of other notable options flow lately. Shares are flagging above the 8- and 21-EMA after breaking a downtrend. VWAP from the recent lows is just under the current range and a breakout above \$170.85 has room up to \$200. Longer-term, shares pulled back to the 50% retracement of the strong rally from 2020.

The \$8.36B company trades 640X sales and 6.5X cash. MRTX is focused primarily on MRTX849, a KRAS G12C inhibitor, which is in clinical trial for treating NSCLC, colorectal, pancreatic, and other cancers. KRAS is the most frequently mutated gene in human cancer and occurs frequently in a number of indications which gives MRTX confidence they have multiple pathways to commercialization. The treatment has shown strong early efficacy and tolerability and currently being explored as both a monotherapy and in combination. They should file an NDA in the 2H for 2L+ NSCLC while Proof of Concept data will be out in the 2H for 1L NSCLC and 2L CRC. Analysts have an average target for shares of \$218 with a Street High \$285. Citi upgrading to Buy in June expecting Mirati's second half of 2021 to be a much busier than the first half with important adagrasib datasets and regulatory progress that should help the stock recover. Short interest is 9.3% and near the lowest level in three years. Hedge fund ownership rose 2.5%.

Armistice Capital, Boxer Capital, and Artal Group notable holders.

Hawk Vision:



Hawk's Perspective: MRTX has been a laggard but setting up well here for a continuation back above \$175 and a lot of upside potential as it continues the longer-term trend

Confidence Ranking: \$\$