



## FEATURED OPTIONS RADAR REPORT



### Omeros Bulls See Limited Downside After PDUFA Delay

**Ticker/Price:** OMER (\$16.45)

#### Analysis:

**Omeros (OMER)** with 4,000 August \$15 puts sold to open this afternoon for \$2.02 and follows the January \$15 put sales last week and Nov. \$20/\$30 call spread bought 4,500X on 5/24. OMER has seen a lot of bullish flow into the May gap down including 2,000 January \$30 calls and still has 10,000 August \$20 calls in open interest from a buyer in January. Shares rallied strong in late 2020 / early 2021 and have since pulled back to the 61.8% Fibonacci of the move at \$14.85. A move above \$17/\$18 clears the downtrend and VPOC from April/May with upside to \$20 near-term. The broader two-year range breakout measures out to \$30. The \$1B biotech trades 14X sales and 10X cash. OMER focuses on small-molecule and protein therapeutics with clinical trials across immunoglobulin A nephropathy, atypical hemolytic uremic syndrome (aHUS), and COVID-19. Shares gapped lower recently after the FDA delayed the PDUFA for their treatment in hematopoietic stem-cell transplant-associated thrombotic microangiopathy. The candidate, narsoplimab, is their most advanced program and would be the first approved therapy in HSCT-TMA. Analysts have an average target for shares of \$23 with a Street High \$32. Needham defending shares on 5/20 noting that the delay is part of the regular FDA review process and provides the agency additional time to complete its pre-approval manufacturing inspection. UBS starting at Buy in February noting that the market is underappreciating their pipeline, specifically in IgA nephropathy. Short interest is 21.25% and unchanged over the last three years. Hedge fund ownership fell 4% in Q1.

#### Hawk Vision:



**Hawk's Perspective:** OMER is a speculative name and would size it as such but flows have been interesting into this gap down suggesting the risk/reward is skewed more positively at these levels

**Confidence Ranking:** \$\$