



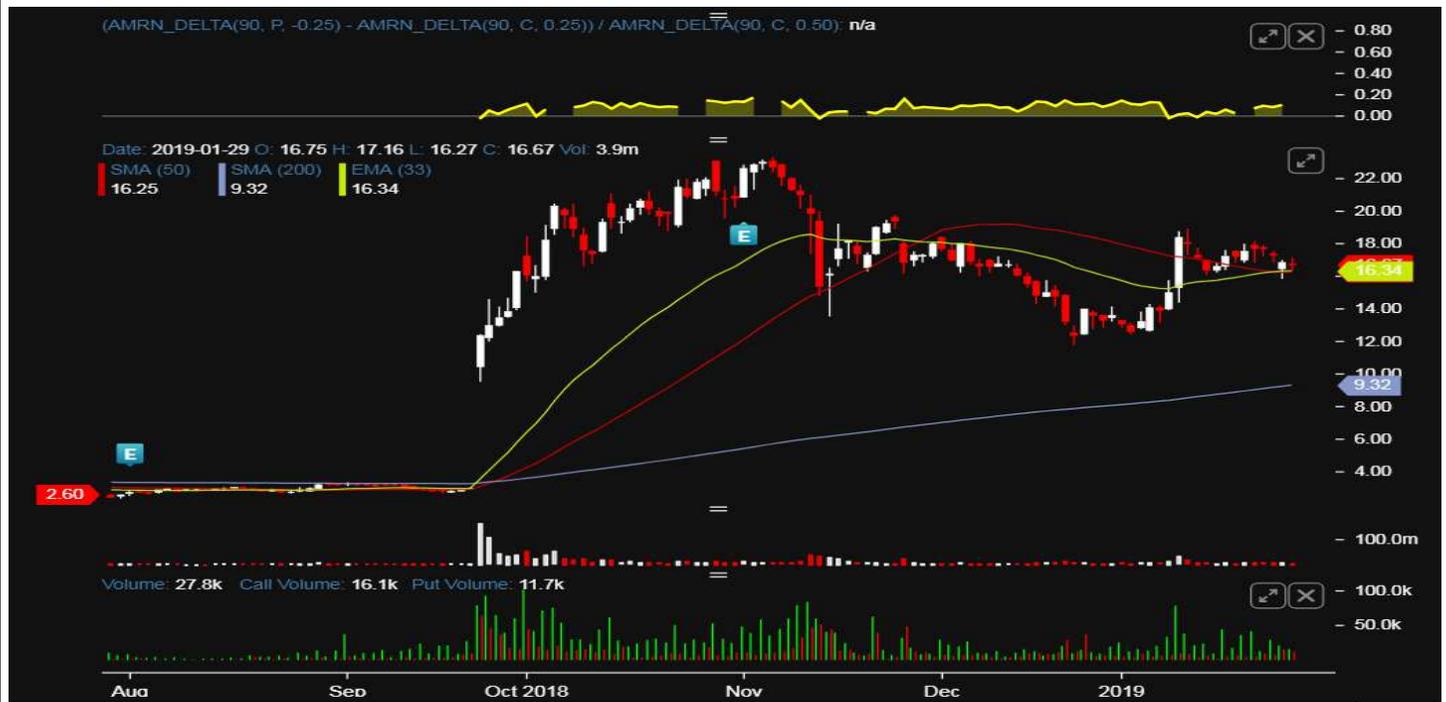
Amarin Bulls See Strong Reward/Risk as Shares Consolidate

Ticker/Price: AMRN (\$16.70)

Analysis:

Amarin (AMRN) the April \$19/\$14 bull risk reversal bought 10,000X today for \$0.50, similar positioning yesterday with the March \$18/\$14 bull risk reversal. AMRN had 5,000 March \$18 calls bought on 1/21 as well as the June \$18/\$25 call spreads active in mid-January. AMRN shares are consolidating its massive move from September and forming a bull wedge recently under \$18.75 with a breakout targeting recent highs around \$23. The longer-term measured move is \$32.50. The \$5.57B biotech trades 27X sales and 68X cash but an emerging commercialization story with their fish-oil drug Vascepa. The company is ramping up sales staff, now 400 from 150 prior, and intends to submit an sNDA this year for expanded indications. An AdComm is expected in Q3 and approval by late-year. 2018 sales were \$224-\$228M, above forecasts, while FY19 expected to be around \$350M but upside potential from added managed care coverage. Analysts have an average target for shares of \$33 with 4 buy rating and 1 hold rating. Jefferies has a Buy rating for shares and notes the company is likely to be perceived as a more likely M&A takeout candidate in a space where there are only a handful of assets for big pharma to add to their metabolic-focused salesforce. They think Vascepa sales can get to \$2B to \$3B over time given new CVOT data and label change. HC Wainwright has a \$51 PT for shares and notes early feedback from physicians post AHA was positive and uptake should be quick. Institutional ownership rose 15% last quarter. Baker Bros added 11.4M shares, now holding 34M total. VenBio, Point72, and Boxer Capital top holders. Short interest is 5.3% and near recent highs.

Hawk Vision:



Trading Strategy: AMRN fits my favorite Biotech set-ups with a consolidating gap move, bullish flow, and a launch cycle, alert in at \$17.90.

Confidence Ranking: \$\$