

Two Red-Hot Gene-Editing Stocks with 30% Upside

We've been doing very well with trades.

In fact, we have more wins to take off the table today.

On November 30, 2017, we recommended the following:

- Editas Medicine (EDIT) at \$29. It's now at \$37.25.
- Intellia Therapeutics (NTLA) at \$22. It's now at \$26.26.
- ARK Genomic Revolution ETF (ARKG) at \$24.95. It's now up to \$27.88.

Hold all three.

On December 27, 2017, we recommended the following:

- Spark Therapeutics (ONCE) at \$53. It's now up to \$57.33.
- BioTelemetry (BEAT) at \$30.85. It's now up to \$34.20.
- Square Inc. (SQ) at \$35. It's now up to \$47.15.

Exit half of each of these.

Then, on January 17, 2018, we recommended buying to open the SQ March 2018 43 calls, as they traded at \$2.30. They're now up to \$6.35 – a 176% win.



Exit half of this position.

As for new opportunities, one of the hottest stories is still gene editing.

In fact, we're reiterating a buy on EDIT, and buying into CRISPR Therapeutics (CRSP), too.

We believe that one of the most exciting – and potentially rewarding – investment ideas is in gene editing. In fact, gene editing is becoming more exciting by the day. It involves the insertion, deletion, or replacement of DNA in a cell or organism. While there are several ways of editing genes, the most exciting technique right now is clustered regularly interspaced short palindromic repeats, or CRISPR, an

approach that uses an enzyme found in bacteria to alter DNA. The possibilities for CRISPR gene editing are quite exciting. In fact, with it, there may be a day when genetic diseases can be cured or even prevented altogether.

Granted, such technology came under selling pressure recently.

But that was short-lived because reports of CRISPR-technology deaths were greatly exaggerated. Not long ago, it was reported that the human immune system has a built in defense against the Cas9 enzyme used in CRISPR technology. While this is partially true, there are still ways around the problem. For example, the Cas9 could be modified so a human body would not immediately attack the enzymes.

Whatever the case, analysts do not think the news is the death of related stocks.

Stock No. 1 – Editas Medicine (EDIT)

Editas Medicine, Inc. operates as a genome editing company. It focuses on treating patients with genetically defined diseases by correcting their disease causing genes. It is developing a proprietary genome editing platform based on CRISPR technology to target genetically defined diseases with an initial focus on debilitating illnesses where there are no approved treatments. Editas Medicine, Inc. has a collaboration and license agreement with Juno Therapeutics, Inc. for the research and development of engineered T cells with chimeric antigen receptors and T cell receptors; and collaboration, option, and license agreement with Adverum Biotechnologies, Inc. to explore the delivery of genome editing medicines for the treatment of retinal diseases.



What's exciting is that Editas has already released encouraging preclinical data from its eye program trial LCA10. The data showed productive editing of 50% of the CEP290 alleles in non-human primate photoreceptors and in human retinal explant, which beat a target of just 10%. Even better, the company's genetic blood disease programs in sickle cell disease and beta-thalassemia are potential Investigational New Drug candidates in 2019.

We believe EDIT is a strong buy at current prices.

Stock No. 2 –CRISPR Therapeutics AG (CRSP)

CRSP is a gene editing company that focuses on developing transformative gene-based medicines for the treatment of serious human diseases using its proprietary clustered, regularly interspaced short palindromic repeats associated protein-9 (CRISPR/Cas9) gene-editing platform in Switzerland. The

CRISPR/Cas9 technology allows for changes to genomic DNA. It has a collaboration agreement with Vertex Pharmaceuticals, Inc to develop, manufacture, commercialize, sell, and use therapeutics; a license agreement with Anagenesis Biotechnologies SAS; and a service agreement with MaSTherCell SA to develop and manufacture allogeneic CAR-T therapies.



CRSP is another hot gene-editing stock that's seeing higher highs. For one, the stock was just upgraded from a Hold to a Buy with a price target of \$45 from \$16. And two, the company is expected to release clinical data from its beta thalassemia program this year. Unfortunately, bad hemoglobin genes can cause such a disorder, which usually requires blood transfusions at high cost. However, at a recent conference, the company showed pre-clinical data suggesting that its treatment can help reduce the need for blood transfusions.

We believe CRSP is also a strong buy at current prices.