

## The One Sector You Can't Ignore

Sometimes, the greatest opportunities are hiding in plain sight.

Yet, they're ignored, or left for dead out of fear that a sector may be too speculative. Biotech and pharmaceutical stocks are the perfect examples. But only the foolish have ignored the rewards the sector has produced... and will produce.

In 2008, I first began telling folks to back up the truck on biotech.

At the time, I told many to buy the iShares NASDAQ Biotech ETF (IBB) at just \$80 a share on one key catalyst – 80 million Baby Boomers were just beginning to retire beginning in 2008. For the next 20 years, 10,000 Boomers would retire by the day, seeking better care, new innovation and ways to live longer.



Who could ignore that?

By 2015, the IBB ran as high as \$400 a share.

Granted, it pulled back on political threats, fears of overvaluation from our own Federal Reserve, and the idea the bubble had been pricked. But as a long-time trader in the sector, I can tell you with a good amount of certainty that even at \$333, the IBB is a great opportunity, as is the whole sector. Even the SPDR S&P Biotech ETF (XBI) and the Pro Shares Ultra NASDAQ Biotech ETF (BIB) offer good opportunity, too.

Even some of the best-known biotech and pharmaceutical names are on sale lately. Amgen (AMGN) pulled back to \$167 before rocketing to \$177 days later. Celgene (CELG) fell to \$127 before moving to \$139 in days, too.

Lesser-known stocks, like Immunomedics (IMMU) were up 16% IN DAYS. Dynavax Technologies (DVAX) was up more than 90%. AceIRX (ACRX) returned 43% in six days. All as traders and investors wake back up to the fact that the sector is red hot and likely to run higher.

In fact, if I'm right – and I'm pretty sure I am – the IBB will be back to \$400 before long. Not only are Baby Boomers still retiring, but also the innovation, the demand, and the mergers and acquisitions, like the \$12 billion cash deal between Gilead Sciences (GILD) and Kite Pharma Inc. (KITE) we're seeing again are incredibly explosive.



Sector innovation is just as intense.

In fact, the FDA just approved the first CAR-T cell therapy that can genetically alter a person's own cells to fight against cancer – a milestone that 's expected to change treatment options as we know it. This latest one is approved for children and young adults for an aggressive type of leukemia, B-cell acute lymphoblastic leukemia.

In short, now is not the time to bet against biotech or pharmaceutical names.

There are a few ways to capitalize on the explosive nature of the sector.

One, we can buy the IBB at current market prices of around \$333, but if you're looking for similar

ETF exposure you can always buy the XBI and the BIB ETFs as well. Or, if you prefer options, you can always buy to open the XBI December 2017 85 calls, and even the BIB November 2017 62 calls.

Or, and this is exciting, you can stay tuned for the daily version of this letter, which will feature plenty of similar opportunities, plus so much more very soon. Stay tuned for that. The second it launches, we'll share new buy opportunities every morning.