

Avalanche Biotechnologies (AAVL : US\$31.01)

Avalanche Biotechnologies jumps 28% in 2014

Avalanche Biotechnologies Inc, NASDAQ's 10th largest healthcare-products company by market cap, has now jumped US\$6.76 (or 27.9%) year to date in 2014 to close at US\$31.01. The volume YTD has been 0.2 times average trading of 107,834 shares.

Introduction

We are currently bearish on this stock in the long-term based on fundamental metrics, but are neutral in the short-term based on technical indicators

There are some reasons why we remain neutral on the stock for the short-term:

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- In the last three months the number of rises outnumbered falls 10:7 or 1.4:1.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$690.2 million
Shares Outstanding	22,257,278
ISIN	US05337G1076

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	31.0	690.2 million

Analysis

Bullish Signals

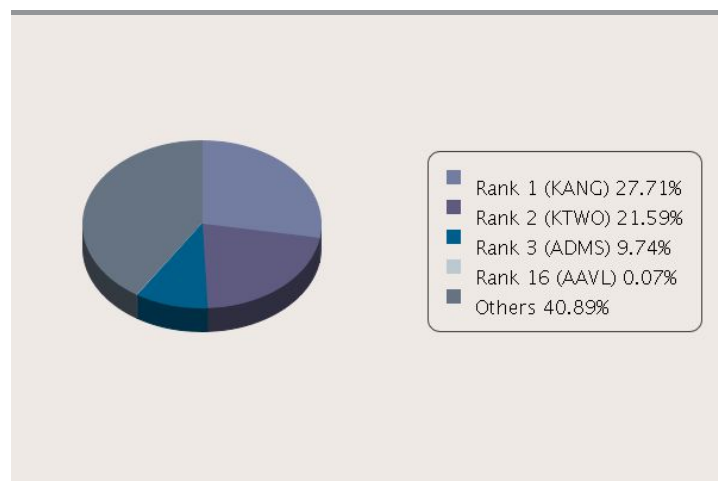
- In the last 14 trading sessions there has been a net rise of 2.85%; the stock has advanced ten times and the biggest one day rise was 30.2% on Aug 28.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 31.62 minus the 26-day EMA of 30.22 is positive suggesting a bullish signal.

Other Bullish Signals:

% Growth Y.O.Y, Revenue & Net Profit



Revenue Share Healthcare-Products



Bearish Signals

- The price is at a premium of 1.6% to the 1-month volume weighted average price (VWP) of US\$30.51. Given that this premium has exceeded 1.6% twenty-six times and been under 1.6% six times in the last year, the upside:downside probability is estimated at 26:6 or 4.3:1.

- The current short volume is 3.7 times its own historical average of 0.1%. It soared 86.7% from the previous day, soared 415.6% from a week ago and soared 265.1% from a month ago, a significant bearish indicator.

Other Bearish Signals:

The stock has a score of merely 2 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 0.5 to 0.7; improvement in asset turnover [growth in revenue of 1500% exceeded growth in assets of 181.1%].

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Volatility %	5.4	In Bottom Quartile
Price/MAP50	0.82	In Bottom Quartile
Annual Revenue	US\$480,000	In Bottom 1%

Note

Neutral Indicators and Rank in Market:

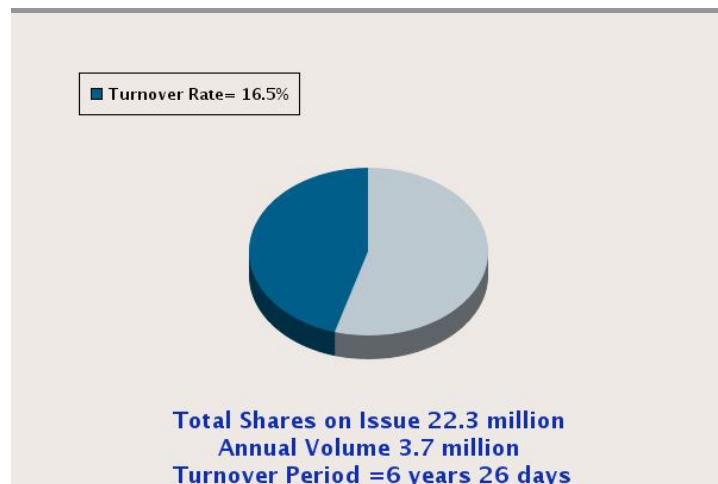
Description	Value	Rank In Market
MCap	US\$690.2 million	In 2nd Quartile

Insider Trades



Analysis (continued)

Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$108.8 million
Volume	3,666,016
Volume Index (1 is avg)	0.5

Price Volume Trend: Trailing Quarter



Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
25-Aug-2014	Piper Jaffray	Initiated Coverage	-	Overweight	-	39
25-Aug-2014	Cowen and Company	Initiated Coverage	-	Outperform	-	45
25-Aug-2014	William Blair	Initiated Coverage	-	Outperform	-	52
25-Aug-2014	Jefferies Group	Initiated Coverage	-	Buy	-	40

Company Overview

Activities

Avalanche Biotechnologies Inc., develops gene therapies for the treatment of ophthalmologic disorders. The Company creates therapeutic protein for treatments of eye disease. Avalanche operates in the United States.

Further details can be found at
www.avalanchebiotech.com.

Regulatory Announcements

To view Recent Company Headlines, [click here](#)

September 19: Avalanche Biotechnologies to Present at the NewsMakers in the Biotech Industry Conference

September 11: Avalanche Biotechnologies Reports Second Quarter 2014 Financial Results

August 07: Avalanche Biotechnologies substantial shareholder buys

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August 05: Avalanche Biotechnologies insider buys

August 05: Avalanche Biotechnologies Announces Closing of Initial Public Offering and Exercise of Underwriters' Option to Purchase Additional Shares

To view 8-K other news for Avalanche-Biotechnologies,
[click here](#)

September 11: Avalanche Biotechnologies: Results of Operations and Financial Condition

August 06: Avalanche Biotechnologies: Unregistered Sales of Equity Securities

Issued Capital

Based on 22,257,278 issued equity shares the market capitalisation is US\$690.2 million. It is NASDAQ's 33rd largest Healthcare-Products company by assets.

Board and Management

Thomas W. Chalberg CEO & Director

Dr. Chalberg is a co-founder of Avalanche and has been a member of our board of directors since July 2006. He has also served as our President and Chief Executive Officer since October 2010. Prior to joining Avalanche, from December 2005 to October 2010, Dr. Chalberg worked at Genentech, a publicly-traded biotechnology company, where he held a number of roles in ophthalmology and oncology, including Market Development Senior Manager for Lucentis and Avastin, Group Manager leading the Lucentis strategy team and Global Business Lead for Lucentis. From September 2001 to December 2005, Dr. Chalberg was a Howard Hughes Medical Institute Fellow at Stanford University, where his research focused on retinal diseases and new technologies for gene therapy. Dr. Chalberg is currently a member of the Board of Visionary Scientists for Hope for Vision, a nonprofit charity supporting vision research. Dr. Chalberg holds an A.B. in Biochemical Sciences from Harvard University, a Ph.D. in Genetics from the Stanford University School of Medicine and an M.B.A. from the Haas School of Business at the University of California, Berkeley. Dr. Chalberg has been chosen to serve on our board of directors due to his role as our President and Chief Executive Officer, as well as his many years of experience in ophthalmology research and development and commercialization.

Mark S. Blumenkranz Chairman & Director

Dr. Blumenkranz has served as a member of our board of directors since our inception in July 2006 and is a co-founder of Avalanche. Dr. Blumenkranz is a trained vitreoretinal surgeon and Chairman of the Department of Ophthalmology at the Byers Eye Institute at Stanford University. Prior to that, he served on the faculty of the Bascom Palmer Eye Institute in Miami, Florida. Previously, from October 1985 to August 1992, Dr. Blumenkranz founded and served as Director of the Vitreoretinal Fellowship Program at William Beaumont Hospital in Royal Oak, Michigan. From 2000 to 2004, Dr. Blumenkranz served on the scientific advisory board of Eyetech, a biopharmaceutical company. Dr. Blumenkranz currently serves on the boards of directors of Vantage Surgical Systems Inc., Oculogics, Inc., Presbia Holdings, Digsight Technologies Inc. and Oculeve, Inc., all privately held biotechnology or medical device companies. Dr. Blumenkranz received his A.B. in Biology, his M.M.S. in Biochemical Pharmacology and his M.D. all from Brown University, followed by a residency in ophthalmology at Stanford University. Dr. Blumenkranz has been chosen to serve on our board of directors due to his experience as a director and founder of several biotechnology companies, as well as his significant medical expertise in ophthalmology and biotechnology.

Linda C. Bain CFO

Ms. Bain has served as our Chief Financial Officer and Treasurer since April 2014. Linda has more than 20 years of finance, strategic business partner and audit experience in the biotech and pharmaceutical industries, in both large and small company settings. Prior to joining Avalanche, she served in a variety of senior finance management roles, most recently at bluebird bio where she helped lead the company through a successful IPO process. Preceding her tenure at bluebird bio, Ms. Bain was at Genzyme Corporation, Fidelity Investments and AstraZeneca Pharmaceuticals. Linda began her career as an auditor at Deloitte in Touche. She received her B.S. in Accounting and Business Administration and an Honors Degree in Accounting and Business Administration from the University of the Free State in South Africa. Ms. Bain is a Certified Public Accountant.

Steven D. Schwartz Director

Board and Management (continued)

Paul D. Wachter Director

Mr. Wachter has served as a member of our board of directors since April 2014. Mr. Wachter has been the Chief Executive Officer of Main Street Advisors, which he also founded, since 1997. Prior to forming Main Street Advisors, from June 1993 to March 1997, Mr. Wachter was Managing Director of Schroder & Co. Incorporated, an asset management company. From December 1991 to June 1993, Mr. Wachter was a managing director at Kidder, Peabody & Co., an investment banking firm. Since October 2010, Mr. Wachter has served on the board of directors and audit committee of Time Warner, Inc., a publicly-traded media company, and he also currently serves on the boards of directors of several private media companies, including Beats Electronics LLC and Haworth Marketing + Media. Mr. Wachter received his B.S. in Business Administration from the Wharton School of the University of Pennsylvania and his J.D. from the Columbia University School of Law. Mr. Wachter is a member of the New York State Bar and a Series 7 licensed stockbroker.

John P. McLaughlin Director

John P. McLaughlin was elected a director of the Company in October 2008. Mr. McLaughlin has been our President and Chief Executive Officer since December 18, 2008 after the Company spun-off Facet Biotech Corporation (Facet Biotech). From November 6, 2008 until the spin-off, he served as a Senior Advisor to the Company. He was the Chief Executive Officer and a director of Anesiva, Inc., formerly known as Corgentech, Inc., a publicly-traded biopharmaceutical company, from January 2000 to June 2008. From December 1997 to September 1999, Mr. McLaughlin was President of Tularik Inc., a biopharmaceutical company. From September 1987 to December 1997, Mr. McLaughlin held a number of senior management positions at Genentech, Inc., a biopharmaceutical company, including Executive Vice President and General Counsel. From January 1985 to September 1987, Mr. McLaughlin was a partner at a Washington, D.C. law firm specializing in food and drug law. Prior to that, Mr. McLaughlin served as counsel to various subcommittees in the United States House of Representatives, where he drafted numerous measures that became FDA laws. Mr. McLaughlin cofounded and served as Chairman of the Board of Directors of Eyetech Pharmaceuticals, Inc., a publicly-traded biopharmaceutical company subsequently bought by OSI Pharmaceuticals, Inc. He also co-founded and served as a director of Peak Surgical, Inc., a privately-held medical device company subsequently purchased by Medtronic, Inc. He also served as a director of AxoGen, Inc., a publicly-traded biopharmaceutical company. Mr. McLaughlin currently serves as a director of Seattle Genetics, Inc., a publicly-traded biopharmaceutical company, and Avalanche Biotechnologies, Inc., a publicly-traded biopharmaceutical company. He received a B.A. from the University of Notre Dame and a J.D. from the Catholic University of America.

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