

- Gilead required to give briefing by 03-Apr
- Sovaldi expected to generate >\$4bn in sales this year
- The drug's expense might saddle state Medicaid programs with steep costs

The whole sector is as risk

- US is the only major health-care market remaining without any meaningful drug price controls
- Risk for the whole sector once the Congress gets involved, especially if focused primarily on pricing

The biggest NBI firms sold-off significantly

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Ways to hedge exposure to the US biotech sector

- ProShares UltraShort Nasdaq Biotech Fund (BIS US Equity): designed to be 2x short the NBI
- Options on iSharesNasdaq Biotech ETF (IBB US Equity)

NBI - last 5 years

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NBI vs S&P500 - last 1 year

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NBI - last 1 year

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KCP Capital Markets

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