

## Market feeling frothy? You might be right



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Yesterday saw substantial share price gains for [Adaptimmune](#) and Nantkwest on the back of very early results; the latter's 99% jump is even more remarkable considering that it was triggered by [comments made by the chief executive in an interview](#). Over-the-top reactions to small datasets seem to be relatively frequent at the moment, a phenomenon that can perhaps partly be explained by the advancement of gene therapies, which can generate excitement with responses in only a handful of patients. But some investors have been voicing concerns about a "frothy" or irrational market for some weeks now. Here, *Vantage* looks at the biggest out-of-the-park share price reactions since the beginning of 2016 that have been attributed to early clinical results. The findings seem to confirm the fears: five of the 10 biggest phase I data-prompted valuation hikes have happened since October. It is surely no coincidence that this is when the latest biotech rally commenced on the Nasdaq biotechnology index. This is far from a rigorous test of market conditions, of course, but it seems that biopharma remains primed to provide investors with a wild ride. The fact that several of these advances proved misplaced should also be noted.

### Jumping the gun? Some huge leaps on phase I data - and where they are now

Company	The phase I projects that prompted the rise, and progress since	Share price reaction	Resulting market cap (\$m)	Current market cap (\$m)
Proteostasis (Oct 2018)	Three cystic fibrosis doublets, which have since disappointed.	448%	380	104
Adaptimmune (Jan 2020)	Four partial responses from three T-cell-based projects.	200%	420	420
Infinity (Oct 2017)	PI3k inhibitor IPI-549, which has since disappointed.	123%	189	68
Applied Genetic Technologies (Jan 2020)	Retinitis pigmentosa gene therapy that had been tested in 25 patients; outcome tbd.	123%	169	137
Proqr (Sep 2018)	Data in 10 patients treated with gene therapy for Leber's congenital amaurosis; outcome tbd.	121%	560	417
Mustang Bio (Apr 2019)	Data in 10 patients treated with a gene therapy for "bubble boy" disease; outcome tbd.	112%	154	168
Forty Seven (Dec 2019)	Anti-CD47 project magrolimab in haematological cancers; further data due YE'20.	111%	1,286	1,510
Nantkwest (Jan 2020)	CEO reveals one complete response in 11 pancreatic cancer patients treated with company's NK cell therapy.	91%	669	669
Eloxx (Oct 2019)	ELX-02 safety data presented at a cystic fibrosis conference; phase II data due Q1 2020.	80%	243	303
Arqule (Mar 2019)	Single response reported with BTK inhibitor ARQ 531; company subsequently bought by Merck & Co.	67%	593	2,700*

Note: moves that resulted in a market cap gain <\$75m excluded. \*Merck takeout price. Source: EvaluatePharma.

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