

Vivus, Amylin and Threshold notable small cap gainers in Q1



[Amy Brown](#)

With three months of the year past, a number of smaller drug makers have already made notable impressions on the stock market – both positive and negative.

Standing out among the gainers are Vivus, boosted by improving prospects for its obesity drug, and Amylin, which has benefited from bid rumours, while clinical successes have lifted the share prices of the likes of Threshold Pharmaceuticals and AB Science. The laggards of the year are also emerging, with Anthera, Chelsea, Agennix and Karo Bio all hobbled by clinical or regulatory setbacks to key products (see tables).

Small cap gainers

A positive advisory committee hearing for Qnexa in February was just the tonic for Vivus. Shares in the company surged on hopes that the drug will receive US approval by the April 17 deadline and have more than doubled this year to trade at 15-year highs; the stock closed at \$22.37 yesterday.

Encouraging initial sales of once-weekly diabetes medicine Bydureon had already boosted Amylin shares this year, but rumours of bidders circling put a rocket under the stock price in the last few days of the quarter. With investors now pushing hard for a sale a firm offer seems likely to emerge; shares in the company closed at \$23.88 yesterday.

Indian generics group Wockhardt meanwhile has bucked a disappointing start of the year for Indian stocks with a surge in valuation. Triggered at the beginning of the year by approval of a copycat of GlaxoSmithKline's hay fever medicine Flonase, the group has also been benefitting from strong demand for its generic version of heart drug Toprol XL.

Meanwhile AB Science and Pharmacyclics have both benefited from growing optimism around clinical candidates. The French drug developer's tyrosine kinase inhibitor masitinib delivered impressive phase II results in gastrointestinal stromal tumours in February with data in other indications awaited, while Pharmacyclics is continuing to attract interest after sealing the biggest phase II deal of 2011, selling rights to phase II blood cancer drug PCI-327765 to Johnson & Johnson for \$150m upfront in December.

Small cap (\$250m-2.5bn) pharma companies: top risers and fallers in Q1 2012

Rank	Top 5 Risers	Share price (local currency)			Market cap (\$m)		EP Vantage comment and analysis
		31-Dec-11	31-Mar-12	% change	YE 2011	Q1 2012	
1	VIVUS (\$)	9.75	22.36	129%	866.6	2,190.7	FDA panel clears Onexa's path to market but length still uncertain
2	Amylin Pharmaceuticals (\$)	11.38	24.96	119%	1,664.7	4,013.8	Amylin takeout possible but high price hard to justify
3	Wockhardt (Rs)	276.95	599.00	116%	613.8	1,284.6	Weekly Market Movers (to 13 Jan 2012)
4	AB Science (€)	6.08	12.35	103%	254.8	499.3	AB Science tastes success in GIST phase II trial
5	Pharmacyclics (\$)	14.82	27.76	87%	1,016.3	1,910.1	Weekly Market Movers (to 10 Feb 2012)
Top 5 fallers							
1	Anthera Pharmaceuticals (\$)	6.14	2.21	(64%)	251.2	90.7	Anthera shares fall on failure of heart drug
2	Chelsea Therapeutics (\$)	5.13	2.56	(50%)	317.3	171.6	Chelsea falls back on latest trial after FDA rejection
3	Oncothyreon (\$)	7.58	4.36	(42%)	323.5	241.4	Oncothyreon falls back as Stimuvax results wait another year
4	AVEO Pharmaceuticals (\$)	17.20	12.41	(28%)	743.1	540.5	Safety data crucial for Aveo to renew market faith
5	Vical (\$)	4.41	3.40	(23%)	317.0	292.0	Daily Market Movers (6 Jan 2012)

The fate of lead candidates has taken many of the fallers down over the first quarter. The failure of a phase III trial of acute coronary syndrome treatment varespladib hit Anthera, while ongoing doubts about whether dizziness drug Northera will win US approval is keeping Chelsea down.

A delay in the read out from a crucial phase III trial of lung cancer vaccine Stimuvax has investors in Oncothyreon worried, while lacklustre results from a pivotal trial of Aveo's flagship compound, kidney cancer tivozanib, has prompted many to sit on the sidelines for now.

Finally Vical capped a strong share price run last year by announcing a discounted equity fundraising, seeking \$50m, to fund further development of its cancer vaccines.

Micro Caps

Among the even smaller drug developers of the world, NicOx has staged a remarkable turnaround this year, triggered by encouraging results from its Bausch + Lomb-partnered glaucoma therapy and a move into ophthalmology.

AVI and Keryx's places in the risers list will be short lived. After climbing on anticipation of results from their respective muscular dystrophy and colorectal cancer candidates, clinical failures in the last couple of days have erased those first-quarter advances.

Celldex and Active Biotech are enjoying resurgences after periods of significant retrenchment - the former prompted by the arrival of its first new clinical candidate after the failure of a Pfizer partnered brain cancer vaccine a couple of years ago, the latter staging a recovery after seeing 82% of its value erased last year on

disappointment over the profile of Teva partnered MS agent, laquinimod.

Micro cap (\$100-250m) pharma companies: top risers and fallers in Q1 2012							
Rank	Top 5 Risers	Share price (local currency)		% change	Market cap (\$m)		EP Vantage comment and analysis
		31-Dec-11	31-Mar-12		YE 2011	Q1 2012	
1	NicOx (€)	1.05	3.24	208%	101.2	303.7	EP Vantage Interview - NicOx strategy becoming clearer as its gaze shifts to eye care
2	AVI BioPharma (\$)	0.75	1.54	107%	101.1	209.0	Weekly Market Movers (to 16 Mar 2012)
3	Active Biotech (SKr)	22.80	46.60	104%	229.4	468.6	Daily Market Movers (15 Mar 2012)
4	Keryx Biopharmaceuticals (\$)	2.53	4.98	97%	179.7	353.7	Event - Expectations building for Keryx cancer drug
5	Celldex Therapeutics (\$)	2.60	5.09	96%	114.8	290.9	Weekly Market Movers (to 20 Jan 2012)
Top 5 fallers							
1	Cardiome Pharma (C\$)	2.68	0.72	(73%)	160.6	43.4	Merck's call on vernakalant a blow to Cardiome
2	Columbia Laboratories (\$)	2.50	0.71	(72%)	218.2	62.0	Rough panel hearing could see Prochieve underachieve
3	Apricus Biosciences (\$)	5.16	2.82	(45%)	110.1	74.8	Weekly Market Movers (to 10 Feb 2012)
4	Agennix (€)	2.87	1.72	(40%)	151.0	113.6	Agennix's failure in sepsis leaves few future options
5	DURECT (\$)	1.18	0.80	(32%)	103.2	70.0	Weekly Market Movers (to 6 Jan 2012)

Disappointments also haunt the micro cap fallers. The loss of Merck & Co as partner on an oral version of atrial fibrillation drug vernakalant hit Cardiome hard, while doubts about the approvability of Prochieve, a gel to prevent preterm birth, continue to haunt Columbia. The failure of sepsis drug talactoferrin dented Agennix and a disappointing phase III trial of pain drug Posidur hit Durect.

A \$20m fundraising meanwhile stopped a rally for Apricus in its tracks.

Nano Cap

Share prices of the smallest listed companies can often swing wildly on little or no news, small volumes having a big impact. However a couple of the companies have attracted attention for firm reasons.

The most stand out performer among the industry's smallest drug researchers is certainly Threshold. Starting the year with a market value of \$60m, the cancer drug researcher is now worth almost half a billion dollars. A deal with Merck KGaA over its lead drug, a tumour hypoxia agent, followed by encouraging pancreatic cancer data has moved the company back onto investors' radar screens.

Galena, meanwhile, has more than quadrupled in value - a strong rally from the beginning of the year was given legs by news of a patent for the company's breast cancer therapy, NeuVax. Agenus has benefited from a new manufacturing contract from GlaxoSmithKline.

Among the fallers, Bionovo is struggling to stay afloat financially and has had to suspend enrolment into a phase III trial of its treatment for menopausal hot flashes. Finally, the termination of a phase III study of

cholesterol-lowering agent eprotirome hit Sweden's Karo Bio.

Nano cap (<\$100m) pharma companies: top risers and fallers in Q1 2012

Rank	Top 5 Risers	Share price (local currency)			% change	Market cap (\$m)		EP Vantage comment and analysis
		31-Dec-11	31-Mar-12			YE 2011	Q1 2012	
1	Threshold Pharmaceuticals (\$)	1.22	8.80	621%	59.9	472.0	Threshold brings on Merck KGaA as validation approaches	
2	Galena Biopharma (\$)	0.47	2.22	373%	20.2	112.1	Daily Market Movers (21 Mar 2012)	
3	Mymetics (€)	0.03	0.10	285%	6.7	29.8	Therapeutic focus - HIV vaccines space needs injection of enthusiasm	
4	Agenus (\$)	2.00	6.60	230%	42.9	148.3	Weekly Market Movers (to 9 Mar 2012)	
5	Medgenics (\$)	1.70	5.27	210%	12.1	51.4		
	Top 5 fallers							
1	Bionovo (\$)	0.23	0.03	(86%)	12.7	2.6		
2	Karo Bio (SKr)	1.43	0.28	(80%)	86.3	15.8	Weekly Market Movers (to 17 Feb 2012)	
3	Protect Pharmaceutical (\$)	0.36	0.10	(72%)	15.7	4.4		
4	Bio-Bridge Science (\$)	0.51	0.15	(71%)	23.5	6.9		
5	Arno Therapeutics (\$)	1.50	0.60	(60%)	54.4	21.8		