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Mealy mouthed data disclosure erases some CTI losses

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As one of the more unloved stocks of last year's biotech boom CTI Biopharma was probably due a lucky break, and appears to have got one today with the publication of topline data from the first phase III study of its lead asset, pacritinib.

Before investor enthusiasm runs away with itself, however, it is worth remembering that this trial had set a low bar for pacritinib – its comparison having excluded therapies like Jakafi. Moreover, the company has revealed little about pacritinib's underlying effect, and this morning's 10% rise merely erases some of its losses of the past 12 months.

The Persist-1 study has shown a strongly statistically significant result favouring pacritinib in its primary endpoint, proportion of patients achieving 35% or greater reduction in spleen volume at week 24 (p=0.0003), CTI said this morning. The trial had enrolled 327 patients with myelofibrosis.

However, CTI refused to divulge the magnitude of any benefit, citing the need to keep the data under wraps until presentation at a scientific conference. It said the "magnitude of treatment effect" was consistent with phase II, implying that ≥35% spleen volume reduction was seen in roughly 30% of patients.

On a call, however, CTI's chief executive, Jim Bianco, highlighted the fact that the Persist-1 population had represented a true mix of patients more akin to a real-world setting. And he said a "meaningful" number of pacritinib patients became transfusion independent – an effect big enough for the group to say it did not occur by chance.

Transfusion independence is an important measure in myelofibrosis trials, particularly since the only marketed Jak-1/2 inhibitor, Novartis/Incyte's Jakafi, is known to exacerbate anaemia (*Upcoming events: pacritinib in myelofibrosis and an adcom for Kythera, February 27, 2015*).

There is a big but, however: the best available therapy comparator arm in Persist-1 specifically excluded Jak-2 inhibitors, giving pacritinib a relatively low hurdle to clear. For now all that can be done is compare adverse events, including lower incidence of grade 3 events than in phase II, against Jakafi's profile in other studies – which scientifically is notoriously unreliable.

Controversial

In any case, development of pacritinib, a Jak-2/FLT3 inhibitor, is somewhat controversial, given that the project had been canned by Onyx Pharmaceuticals after yielding unconvincing phase II data, before CTI acquired it from its originator, S*BIO. Baxter then struck a deal with CTI, paying $60m up front, including a $30m equity stake, for joint US and full ex-US rights in 2013.

Attention must now turn to pacritinib's second phase III trial, Persist-2, which given its inclusion of Jakafi as a direct comparator will provide a much clearer picture of pacritinib's real-world efficacy. Persist-2 could yield data next year, and before then should trigger a $20m milestone from Baxter on completion of patient recruitment.

True, Jakafi's side-effect profile leaves an opportunity for follow-on agents, and in addition to pacritinib the industry pipeline includes Jak-2 inhibitors from Incyte/Lilly and Gilead Sciences. But for now investors do not know for sure how pacritinib stacks up against Jakafi; until they do CTI is unlikely to do more than tread water.

After this story was published CTI pointed out that Jakafi's label recommends halting treatment if a patient's platelet count drops below 50,000/mm3. It was for this reason that Persist-1, which included patients with low platelet counts, did not include a Jakafi comparator arm.

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