

Ash winners and losers - Bluebird and Juno set the pulses racing



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For the third time in three years Bluebird Bio sent its investors' pulses racing around the Ash conference trading period. This time around, however, it was the late-breaking data that it did not get into Ash that proved pivotal, and enabled the group finally to put the disaster of Ash 2015 behind it.

Also stock-moving was industry progress against acute myeloid leukaemia and haemophilia, and the shifting tectonic plates in CAR-T - this time at the expense of Juno (see tables below). Bluebird instantly jumped at the chance to raise \$250m, despite already having \$600m in the bank, and its task now is to avoid disappointment again.

After all, Bluebird went from hero to zero a year ago, and the data it presented on its BCMA-targeted CAR-T asset bb2121 at the Triple Meeting this month were very promising, but also very early. For a change, its Ash involvement was limited to fairly inconsequential data on beta-thalassaemia and sickle cell disease.

In this stock movement analysis *EP Vantage* has compared share prices of the most Ash-relevant stocks between market close on November 2, just after which the meeting's abstracts went live, and December 6, its final day.

Selected Ash 2016 risers

Company	Chg vs 2 Nov	EP Vantage story
Nordic Nanovector	118%	
Bluebird Bio	70%	<i>Triple meeting – Bluebird upstages its Ash rivals</i>
Oryzon	69%	
Ariad	52%	
CTI Biopharma	49%	
Karyopharm Therapeutics	40%	
Atara Biotherapeutics	33%	
Innate Pharma	32%	<i>Event – Innate's value will be clearer by year end</i>
Celldex Therapeutics	25%	
Celyad	24%	<i>Ash preview – a low-key damp squib for cell therapies</i>
Acceleron Pharma	24%	
Incyte	23%	
Spark Therapeutics	23%	<i>Ash – Spark strengthens case for haemophilia gene therapy</i>
Kite Pharma	21%	<i>Ash – Novartis makes its case for driving a CAR into the real world</i>
Ziopharm	20%	<i>Ash preview – a low-key damp squib for cell therapies</i>
Seattle Genetics	18%	<i>Ash interview – Seattle's aspirations versus big pharma's appetites</i>
Celgene	14%	<i>Ash – Precision AML trial adds pharma candidates to the mix</i>
Genmab	8%	
Bellicum Pharmaceuticals	6%	<i>Ash interview – Kiadis preps for EU approval and US pivotal trial</i>
Agios Pharmaceuticals	6%	

In fact, Bluebird was edged out of the top spot by Nordic Nanovector, whose remarkable 118% surge also prompted a fund raising – a NOK499m (\$59m) private placement was announced yesterday.

Its success is the result of data showing its lead asset, the anti-CD37 antibody-drug conjugate Betalutin, yielding a 63% overall remission rate as a single agent in relapsed non-Hodgkin's lymphoma. Another non-US small-cap mover, Oryzon Genomics, surged 69% after demonstrating early safety and efficacy in the first clinical trial of ORY-1001/RG6016.

Equally important were data showing that, at last, progress was being made in AML. This was less easy to perceive in stock movements given the market caps involved, but still the successes of Seattle Genetics with vadastuximab talirine, Pfizer with glasdegib and Celator with Vyxeos – leading to the company's takeout by Jazz – should not go unnoticed ([*Celator rewards investors with stunning Jazz solo, May 31, 2016*](#)).

At the other end of the scale, Trillium and Achillion were some of the most heavily punished Ash stocks, both hit with safety concerns, for TTI-621 and ACH-4471 respectively. The Ash presentation of data for TTI-621, an anti-CD47 strategy that has caught investor attention, further suggested somewhat limited efficacy despite high receptor occupancy.

Selected Ash 2016 fallers

Company	Chg vs 2 Nov	EP Vantage story
Trillium Therapeutics	-51%	Ash abstract dump poorly timed for biotech investors
Mateon Therapeutics	-37%	
Achillion Pharmaceuticals	-28%	Ash abstract dump poorly timed for biotech investors
Oncolytics Biotech	-19%	
Juno Therapeutics	-18%	Ash - Relapses spell more CAR-T uncertainty for Juno
Beigene	-15%	Ash - Early data for next generation of Imbruvica's challengers
Uniqure	-15%	Ash - Spark strengthens case for haemophilia gene therapy
Kiadis Pharma	-14%	Ash interview - Kiadis preps for EU approval and US pivotal trial
Sangamo	-14%	
Global Blood Therapeutics	-7%	Ash abstract dump poorly timed for biotech investors

All that said, it is impossible to ignore the importance of developments in the CAR-T space, even though in terms of actual data Ash 2016 provided little more than incremental evidence of efficacy, and confirmation of fears about lack of durability.

The race to market is now Kite versus Novartis, with the former starting a rolling US BLA for KTE-C19, and the latter reporting key data from the pivotal Eliana study of CTL019.

The big loser from all this was Juno, though Ash had little bearing on the halt of its pivotal adult ALL trial of JCAR015 ([Why this could be strike three for Juno's lead](#), November 23, 2016). Ultimately, positive updates for JCAR017 in lymphoma and childhood ALL failed to stop the rot, given that even if this becomes Juno's lead asset it will be a year or two behind the market leaders.

Juno has not yet confirmed the virtually assured scrapping of JCAR015, and at Ash reported one neurotoxicity-related death in a trial of JCAR014, a non-commercial asset closely related to JCAR017. And, with its chief executive, Hans Bishop, unable to make a convincing case for his recent scheduled 10b5-1 rule stock sales at an inconsequential Monday evening analyst meeting, the company's rout was complete.

Juno is now worth less than Kite, and both are well behind Bluebird in market cap terms - a stunning reversal of form versus a year ago. Several companies beyond Bluebird will doubtless also be trying to find a moment around the Ash and JP Morgan meeting buzz to tap the market for secondary offerings.

With yesterday's biotech selloff after a one-line quote by the US president-elect, Donald Trump, suggesting continued market volatility, raising when you can and not when you need to should be the strategy.

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