

A Few More Health Care Companies Beat Down With the Market

by: VFC's Stock House August 15, 2011

Please note, VFC's Stock House has been monetarily compensated by JSDC LLC to cover CYTR and IMUC for a period of 90 days. The fact that VFC has been compensated inherently indicates a strong bias on my behalf. The goal of this website and all articles published on my behalf is to provide investors with information, opinions, and starting points about various companies across many sectors. It's up to each individual investor to decide what he or she finds relevant.

In continuing the [ongoing series](#) of companies and stocks that might look a whole lot more attractive during the current market meltdown, here's a few more not to ignore ...

It's hard to write about this subject without bringing Dendreon ([DNDN](#)) into the picture. After all, many media outlets and big investors are blaming the DNDN [bloodbath](#) and the revision of the earnings outlook for Provenge as starting this whole market meltdown, but, in my opinion, the markets were set to fall with or without Dendreon after the U.S. credit rating received a downgrade.

Speculative money was set to depart, leaving the biotech sector - since the entire sector is, for the most part, speculative, set to crash - and that's what happened. Biotech had enjoyed a pretty good year until recently, and there's a lot more area covered by the sector than just cancer immunotherapy, so I think it's a bit unfair to blame Dendreon for the sell-off.

That said, the troubles at Dendreon might have shed some additional light on similar companies, such as Immunocellular Therapeutics ([IMUC.OB](#)), which is developing a cancer immunotherapeutic treatment of its own. As previously mentioned, however, IMUC might have solved some of the logistical and manufacturing issues that have led Provenge to be considered a very expensive treatment.

Given the potential of IMUC's glioblastoma treatment ICT-107 - and maybe more importantly its logistical advantage over existing therapies - the company could be looked at as an acquisition target. What makes those prospects even more attractive is the fact that IMUC has taken a significant hit in the market downturn and now carries a market cap of about fifty million, well below where similarly-staged companies have recently been priced.

It's likely that both DNDN and IMUC will rebound, as most stocks should as the worst phases of the downturn come to a close, and both hold potential that, in my opinion, shouldn't be ignored.

Other cancer companies have also been hard in the selloff.

We've [already discussed](#) Keryx Biopharmaceuticals ([KERX](#)) and CellDex Therapeutics ([CLDX](#)), and both are still trading for significantly lower than where they were a couple of months ago, although nothing has changed in regards to the story behind the stock. Keryx has rebounded slightly, but CLDX is still holding onto its lows, give or take a couple of dimes.

Sunesis Pharmaceuticals ([SNSS](#)) is also sitting significantly lower than where it was following a [reverse stock split](#), although nothing has changed in its [pipeline story](#) as well.

In cancer's sub-dollar land, both Cel-Sci Corp ([CVM](#)), which recently [launched](#) a global Phase III trial for Multikine, a treatment for head and neck cancer, and CytRx Corp ([CYTR](#)), carrying a full [pipeline](#) of its own, are sitting in "forty-cent-or-below land," not a bad place to be for those looking to play the risk/reward of potential new cancer treatments.

Another hammered-down company is Geron Corporation ([GERN](#)). Once a high-flyer as the undisputed leader of the stem cell therapy sector, Geron is off significantly from its highs of the past couple of years, and mounting losses on the cost of trials hasn't done much to put a stop to the recent collapse in share price.

With that being the case, the lower GERN drops, the more attractive a buy it might be to those counting on this company's future as a leader of regenerative medicine. Geron's pipeline is full, with cancer trials in Phase II and its stem cell treatment for spinal cord injuries thus far successful in Phase I.

It's my opinion that if ever there was a time to take a closer look at GERN, now's the time.

Geron's competitor company Advanced Cell Technology ([ACTC.OB](#)) - competitor in the sense that it was the second to launch [human trials](#) with a stem cell therapy - has held up fairly well in the downturn, trading for just a couple of pennies from where it was before the market collapse started.

While taking a look at the deals that can be had, let's also note how quickly the turnarounds can materialize.

Titan Pharmaceuticals ([TTNP.OB](#)), for instance, is right back to trading for above \$1.80 as time draws nearer to a scheduled meeting with the FDA that will outline the regulatory future for Probuphine, and both Mannkind ([MNKD](#)) and Oncothyreon ([ONTY](#)) have rebounded from their respective lows since receiving mention as [stocks to watch](#) in the downturn.

There's no saying that this downward spiral in the market is over, and even rebounding stocks can consolidate only to fall again, but as long as there are falling stock out there, U.S. investors should be keen to take notice and keep an eye out for some materializing good deals today that might not have been there yesterday.

Stay tuned, we'll discuss as such deals pop up.

Disclosure: I am long TTNP.OB, IMUC.OB.