

# Seeking Alpha

## Healthcare: 4 Technical Set-Ups With High Analyst Recommendations

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Here is a look at four healthcare stocks with a combination of interesting technical set-ups and high analyst recommendations.

We kick things off with the **Adolor Corporation** ([ADLR](#)) [who recently reported](#) net sales of ENTEREG® of \$8.2 million for the three months ended June 30, 2011, a 31% increase compared to net sales of \$6.3 million for the three months ended June 30, 2010. The increase in net sales was driven primarily by an increase in the number of hospitals ordering ENTEREG and increased penetration within existing hospital customers, as well as the impact of pricing changes since the first quarter of 2010. Net sales of ENTEREG were \$15.7 million and \$11.5 million for the six months ended June 30, 2011 and 2010, respectively.

Brean Murray Carret & Co. assumed coverage on shares of Adolor with a BUY rating and \$4 price target. As noted in our [Worldwide Trade Catalyst Calendar](#), the stock has a driver in their upcoming Q3 results from Phase IIB trials of ADL5945 in chronic OIC.

In Q3 Brean Murray anticipates seeing positive results from Phase IIB trials with primary value driver ADL5954 in chronic OIC, and enrollment should complete this quarter. From a technical perspective (see below) we see a period of indecision, the highs and the lows seem to come together in the point of the triangle with virtually no significant volume. Investors have not known what position to take. However, when the investors do figure out which way to take the issue, it could head north with big volume in comparison to that of the indecisive days and or weeks leading up to the breakout. Technicians [say](#) that nine times out of 10, the breakout will occur in the direction of the existing trend. But, if you are looking for an entry point following a symmetrical triangle, jump into the fray at the breakout point.

For more on this one, see Larry Smith's informative [article](#): "Adolor: Key Catalysts Are Looming in Q3, Buy Reiterated."



Dawson James rated **Agenux Inc. (AGEN)** a BUY with a price target of \$2. It is interesting to note, however, that previously Dawson James rated AGEN a buy on 05/31/2011. So if you had followed the previous Dawson James's recommendation, you would have lost almost 20% of your investment. That being said, [analysts at Rodman & Renshaw](#) have also recently upgraded shares of Agenux from a “market perform” rating to an “outperform” rating in a research note to investors on Monday, May 9th. They also mark a \$2.00 price target on the stock.

The stock trading action has been pretty flat, but as you can see in the chart below, it does tend to trade within a channel. Just a few days ago, Agenux' CEO Discussed Q2 2011 Results and you can see their earnings call transcript at Seeking Alpha. Agenux [has two core platform technologies](#) - the Saponin Platform and the Heat Shock Protein Platform. The key candidate from our Saponin Platform is QS-21 Stimulon® Adjuvant. Agenux' QS-

21 licensees include GlaxoSmithKline ([GSK](#)), Janssen Alzheimer Immunotherapy and Integrated BioTherapeutics. There are approximately 15 vaccine candidates containing Agenus' QS-21 currently under development by our licensees, including four in Phase 3 clinical trials.



Last week, equities research analysts at [Summer Street Research](#) initiated coverage on shares of **ImmunoCellular Therapeutics Ltd (IMUC)** in a research note to investors. The analysts set a BUY rating and an \$8.00 price target on the stock while noting some excitement about IMUC's lead product: ICT-107, a vaccine [currently in pivotal Phase II](#)

[trials](#) for patients with newly diagnosed glioblastoma multiforme ([GBM](#)). As our readers know, this is a personalized vaccine derived from the patient's tumor that uses a mixture of six antigens. The patient's dendritic cells (DCs) are then stimulated to attack the patient's cancer stem cells (CSCs), thereby stopping tumor cell growth.

Other analysts have been talking up this stock, but some failed to mention the fact that IMUC plans to file an IND for its second therapeutic cancer vaccine, ICT-121, this year. ICT-121 is an "off-the-shelf" vaccine targeting recurrent GBM initially, but may also address other cancers. That could become an important differentiator for IMUC because most of the other cancer vaccines propose expensive, personalized manufacturing that takes substantial time, energy and coordination to reach the patient. The company could really benefit from having an "off the shelf" solution for doctors to administer.

There are other short term catalysts on tap for IMUC and the stock appears to have found a nice new trading base at these price levels. See the flat Relative Strength Index (below), but also make note of the fact that investors have been accumulating shares of the stock since May. This one is headed for a bigger exchange (it has likely met conditions for an

AMEX listing which could be announced shortly) and that will bring more buying once it gets there.



Finally, **Antares Pharma, Inc. (AIS)** has an "Outperform" rating from Oppenheimer with price target of \$3.20. Back in late May, the same firm recommended AIS on 05/24/2011, when the stock price was \$1.71. Since then, Antares Pharma, Inc. has gained nearly 45%. At the beginning of this month, fellow Seeking Alpha contributor Michael Bryant [listed](#) the company as one of his "Rapidly Rising Biotech Companies With Big Potential." This one also has a very important forward looking news catalyst in [our trade calendar](#) and is trading in and ascending channel

between upward sloping parallel lines. Note the higher pivot highs and higher pivot lows which form the uptrend. In a pattern like this, price is not always perfectly contained but the channel lines show areas of support and resistance for price targets.



**Disclosure:** I have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours.