

# ImmunoCellular Therapeutics: A Decent Long-Term Pick

by: VFC's Stock House July 8, 2010

It's been a roller-coaster ride over the past few months for shares of ImmunoCellular Therapeutics (IMUC.OB), a ride that saw the stock trade as high as \$2.44 before retreating back down to the one dollar range.

The pipeline of this company is still in the earlier stages of development, with nothing yet in Phase II, although a Phase II trial for ICT-107, a dendritic cell-based vaccine targeting multiple tumor associated antigens for glioblastoma, is planned for the second half of 2010.

The spike back in April followed a report that the University of Pennsylvania would support "process development and manufacturing" for the upcoming Phase II trial.

Shareholders who had been accumulating beforehand were offered a nice return on investment if they decided to play the trade, but were also offered a glimpse of how the stock can react to positive developments.

However, for the share price to maintain an increased price per share, it will need to be significant news on the effectiveness-of-treatment front in order to hold a high - not to mention the fact that future financing needs to look stable, which is rarely the case with OTC companies in the earlier stages of development.

In recent news, the company boosted its portfolio of intellectual property and patents in a licensing agreement with Targepeutics, Inc., for that company's early stage enhancement to brain cancer treatment.

I maintain my initial stance on this stock as a decent long term pick, although being that the products are still in such early stages of development, I'd take advantage of any price swings like we saw earlier this year and take some profit off the table when possible; I like being on house money with these types of speculative biotech stocks before critical news hits, but it's not always easy to do.

The initiation of the Phase II trial could spur another spike, but it's not one that will hold, in my opinion, so playing the trade may be a wise idea.

Keep an eye on this one with the goal of long term accumulation, in my opinion, because chances are that if the early stage products make it to late stage, the market cap could be significantly higher; that said, keep possible dilution in mind because the late stages are quite a ways away.

Also keep in mind that cancer immunotherapeutic treatments have a spotty past, with Dendreon's Provenge being the biggest success story, so no matter how good the prospects of success may look, nothing is ever a sure thing in the stock market. I do, however, believe that cancer immunotherapy is the next big thing in cancer treatments.

Any dip back down to the fifty or sixty cent range would be a screaming BUY, in my opinion.

**Disclosure:** No position