



What Is Inflaming ProMetic Life Sciences Inc.'s Latest Increase?

Description

ProMetic Life Sciences Inc.'s (TSX:PLI) stock climbed by more than 10% this month on news that the Drug Safety Monitoring Board recommended that patient enrollment should continue for phase two trials of its PDI-4050 drug, which treats common diabetes-related ailments. Early results reported by the company listed a 100% success with all of the patients who completed the 12 weeks of treatment showing a significant reduction in liver fibrosis.

The company announced most recently that its phase two clinical trials in patients with metabolic syndrome and Type 2 diabetes was complete and met its primary and secondary end points. The fundamental physical criterion for the diagnosis of metabolic syndrome is waist circumference. The patients who participated in the trials experienced a clinically and statistically significant reduction in waist circumference.

Metabolic syndrome is a major risk factor for cardiovascular disease and for Type 2 diabetes and consists of the constellation of central (truncal) obesity, high blood triglycerides, low HDL ("good") cholesterol, elevated blood pressure, and elevated blood glucose. Obesity is believed to cause a chronic inflammatory state, which leads to insulin resistance and so may in turn result in cardiovascular disease and/or Type 2 diabetes.

According to the International Diabetes Federation, one in seven births is affected by gestational diabetes, and one in 11 adults has diabetes; the illness accounts for 12% of global health expenditure. By 2040, they forecast that 642 million adults will have diabetes. The Centers for Disease Control estimates that 34% of U.S. adults have the metabolic syndrome.

WHO's case on sugar

It may or may not have been a coincident, but the World Health Organization (WHO) announced this month that it's changing its position on sugar consumption and the growing concern over childhood obesity.

On October 11, 2016, the WHO urged countries to impose a minimum 20% tax on sugar products. All countries are being urged to consider introducing a sugary drinks tax as an effective way of curbing the

soaring obesity rate, especially in children.

“Consumption of free sugars, including products like sugary drinks, is a major factor in the global increase of people suffering from obesity and diabetes,” said Dr. Douglas Bettcher, director of the WHO’s department for the prevention of non-communicable diseases. “If governments tax products like sugary drinks, they can reduce suffering and save lives. They can also cut healthcare costs and increase revenues to invest in health services.”

ProMetic’s breakthrough

PBI-4050 is an orally active lead drug that targets fibrosis. Fibrosis is a process by which continuing inflammation causes vital organs to lose their function as normal tissue is replaced by fibrotic scar tissue. The drug is currently being tested on patients with idiopathic pulmonary fibrosis, chronic kidney disease, diabetic kidney disease, and metabolic syndrome, a major risk factor for cardiovascular disease and for Type 2 diabetes.

The first group of patients tested had Alström syndrome, which is a rare inherited autosomal recessive syndrome characterized by the onset of obesity in childhood or adolescence, and a severe form of Type 2 diabetes. The progression of liver fibrosis is much more aggressive in patients with Alström syndrome. The success of the drug on patients with Alström syndrome is important, as most patients with the disease display some of the most extreme features of Type 2 diabetes and liver fibrosis.

There still remains a lot of uncertainty of how the drug will fair in the later phases of clinical trials where the sample size is larger, and the processes becomes more scrutinous. The approval process may also slow if it expands trials in Europe and the rest of North America.

Conclusion

The upside potential is the drug’s eventual approval, but also the potential application of the drug to other unmet conditions where fibrosis is prevalent. Investors should consider this stock a speculative buy and place it on their watch list for any retracement in price or further news regarding the company’s clinical trials.

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