



Trump Makes Celgene Corporation a Must-Buy

Description

Celgene Corporation (NASDAQ:CELG) is a global bio-pharmaceutical company that has recently seen some of the pending downward pressure on its stock price dissipate post-election. The election of Mr. Trump means the bio-pharmaceutical industry as a whole will likely experience less regulation and oversight for the next four years. Analysts and investors are expecting less regulatory burden in the short term, and the party seems to be just getting started for Celgene.

The recent jump in Celgene's stock price warrants a deeper look at what the long-term future for this company holds.

The Hillary effect

The pharmaceuticals industry as a whole has rebounded slightly since Mr. Trump's election as president. Hillary Clinton has, for nearly 25 years, been very critical of the way pharmaceutical companies price drugs. Most recently, she spoke out this past summer against proposed price increases by **Mylan NV** for its proposed price increase for the emergency allergy shot EpiPen, which would bring the total price increase for this drug to 400% in eight years.

She has spoken out against Turing Pharmaceuticals's nearly 5,500% increase of a potentially life-saving drug Daraprim and a number of other drugs which have experienced retail price increases of a similar nature.

This movement, while generally perceived throughout the election process as being positively received by the public, shone an uncomfortable spotlight on the very profitable biotech and pharmaceutical industries, which have generally managed to engage in pricing techniques with little or no public recourse.

The spotlight is now gone, and the shadow cast over the biotech and pharmaceutical industries is one reason a number of bio-pharmaceutical stocks such as Celgene have seen a boost. Celgene's stock price appreciation of 9% is in line with other large players in the bio-pharmaceutical industry.

Where will the company go from here?

Aging demographics and a solid pipeline of drugs currently being developed position Celgene as a strong player in the bio-pharmaceutical industry. The company has grown its pipeline both organically and through a series of targeted acquisitions with a diversified set of revenue streams to move the company forward.

Celgene's future seems to be bright, and the company has announced a plan to double revenues to more than \$21 billion by 2020, which, by all accounts, seems "Trump-like."

CATEGORY

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chrismacdonald

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