



This Cheap Pharma Stock Just Gave Investors Some Great News

Description

I'm the first to admit that when I come to an investment advice site like the Motley Fool, I'm looking for advice on big gains –and quickly. This has pushed me lately towards Canada's Big Five banks, the marijuana industry, and blue-chip stocks in general.

So it's a great surprise when an investor has the chance to put money toward something aimed at helping the world at large, while also helping grow your portfolio.

That's why **Theratechnologies Inc.** ([TSX:TH](#)) is in such a unique position on the TSX. While there are many pharmaceutical companies out there, Theratech is the only one meeting the medical needs of those affected by HIV.

It was a great summer

The stock has had a steady increase over the last five years, but in May there was a [huge jump](#) with the release of Theratech's FDA-approved drug, Trogarzo. The drug was called a "breakthrough" for HIV therapy, as it is in the only drug that doesn't require daily dosing, and is proven effective for difficult-to-treat patients as it doesn't have any drug-to-drug interactions. This sent shares to the highest point in the company's history since September 2000 at \$14.57 per share!

But as the markets have become increasingly volatile, Theratech's shares seemed to follow suit. At the time of writing, shares have plummeted about 43% since the highs of May.

Drugs on the rise

Personally, I don't think this is due to any fault on Theratech's part. In fact, the company continues to pump out more drugs to help HIV patients. Most recently, the FDA approved a new single-vial formulation called EGRIFTA, a growth hormone-releasing treatment for excess abdominal visceral adipose tissue in HIV patients with lipodystrophy. This serious condition is associated with the development of insulin resistance, diabetes, fatty liver, and high triglyceride levels.

When this announcement was made on November 5, the markets only reacted with a slight bump —

one that has since gone back down and then some. Since the release of Trogarzo, the only increase the company has seen was [in October](#), when the company posted an impressive increase in sale of 58% during the first quarter of sales of Trogarzo, suggesting even more growth in the future.

Market volatility is clear here

It's clear that the markets are a strong influence on this company, but investors should look at the broader picture when it comes to Theratech. Since it made its initial public offering in 1994, the company has increased 67% to date. However, looking at the spikes the company has had in the past 25 years, shares have increased more than 200%! And it's not crazy to think this will happen again soon.

Analysts see the company as undervalued and are predicting it only to rise in the next year from anywhere between \$12 and \$21 by the end of 2019. That's a potential gain of 156% at the time of writing. As the markets return to normal, Theratech is in a fantastic position to prove to investors that they were smart to invest in this company that has a complete monopoly on HIV medicine in the TSX.

Right now, it's a great buy to hold for years to come while you watch sales increase. Like everything else in the markets right now, it'll just be a waiting game to see when this volatile market comes to an end.

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