2 Biotech Stocks at 52-Week Lows: Should You Buy Today?

Description

In February, we looked at two sets of stocks that had plunged to 52-week lows. It is hard to find discounts in this hot market, but dipping into struggling equities always runs the risk of catching a falling knife. Jumping into these stocks can also provide investors with an opportunity to jump in at a low point and make a quick profit.

Today, we are going to look at two stocks that have reached 52-week lows in late March. In addition to slumping in recent weeks, both are also in the explosive biopharmaceutical sector. Should you look to buy either one today? Let's dive in and find out.

IMV (TSX:IMV)(NASDAQ:IMV)

IMV is a clinical-stage biopharmaceutical company. Shares have dropped 23.8% in 2019 as of close on March 27. The stock is down 12.6% from the prior year.

The company released its fourth-quarter and full-year results for 2018 on March 22. IMV reported a net loss of $7.7 million, or $0.17 per share, in Q4 2018. Increased research and development expenses weighed down earnings to close out the year. IMV is yet another home-run swing in the biopharma sector. There is speculation that its lead product candidate DPX-Survivac is headed for a licensing deal by 2020 on the back of positive clinical results.

IMV stock hit a 52-week low of $4.78 on March 25. Shares closed at $5.23 on March 27. The stock has hovered around oversold territory for much of February and March. Higher operating expenses have tempered expectations, but the upside is still there. IMV is a speculative buy for investors in the market for a high-reward play this spring.

Fennec Pharmaceuticals (TSX:FRX)(NASDAQ:FENC)

Fennec Pharmaceuticals is a clinical-stage biotechnology company. Shares of Fennec have dropped 27.7% in 2019 as of close on March 27. The stock is down 57% from the prior year.

The company released its fourth-quarter and full-year results for 2018 on March 13. Research and development expenses grew to $5 million in 2018 compared to $1.9 million in the prior year. In February, Fennec announced a $12.5 million debt financing with Bridge Bank, which will be funded upon the New Drug Application approval of PEDMARK.

Fennec says that a full submission for PEDMARK is targeted for late 2019 to early 2020. If approved, the company hopes that PEDMARK can achieve a commercial launch in the second half of 2020.

Fennec stock hit a 52-week low of $6.22 at close yesterday. Most of the anxiety surrounding the stock was generated due to the delay of its lead candidate PEDMARK. Its lead product candidate faces very little competition if it makes it to a commercial launch. This is one of the reasons to remain bullish on the stock going forward.

Shares had an RSI of 22 as of close on March 27. This puts Fennec well into oversold territory right now. Of the two we have covered today, I like Fennec as the stock to bet on. Shares have suffered too much punishment after the announcement of the delay, and its lead candidate has promising potential.

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aocallaghan