



Edesa Stock: The Newest Canadian Meme Stock?

Description

Edesa Biotech ([NASDAQ:EDSA](#)) was founded in 2015 by Dr. Par Nijhawan. Recently, the share volume of this Toronto-based drug developer surpassed 154 million. This was greater than 11 times the total number of shares outstanding. Accordingly, Edesa stock has gained quite a bit of popularity among investors and social media forums.

Let's dig in to find out why.

Edesa stock soars after a superb response of its experimental drug

Edesa is a clinical-stage biotech company with a proven track record of bringing drugs to market. However, this Canadian drug company is making waves among retail and institutional investors of late due to the company's single-dose antibody treatment for patients with COVID-19.

According to a recent efficacy trial, it was found that patients who used Edesa's treatment had a 68.5% reduced risk of death compared to those who didn't take the treatment.

The independent Data and Safety Monitoring Board analyzed the results. As per the assessment, seven out of 19 in the trial who didn't take the antibody EB05 died, while two out of 14 individuals who were administered with it passed away. All 33 patients were placed on life-support machines that oxygenated their blood.

Following this announcement, shares of the company soared. Edesa's stock price grew by as much as 97% on the NASDAQ a few days back. In fact, this stock more than doubled on the news at one point in the day.

However, since then, shares have settled down to just shy of the \$8 per share level, at the time of writing. Accordingly, while investors appear to remain bullish on this stock, some of the froth has been taken off the table.

Bottom line

The rise of various meme stock rallies among small-caps stocks with lower floats has resulted in incredible momentum for stocks such as Edesa. While this company is likely to continue to see intense volatility from here, this is a biotech that is now on the map.

For investors in the biotech space, having a Canadian company to look at is intriguing. Indeed, this Toronto-based biotech has quite the pipeline of drugs, and these recent trial results are something to be cheered.

Whether this stock goes on another run from here remains to be seen. However, it's worth noting that Edesa stock is now trading at a substantial discount to its peak late last month. Accordingly, aggressive investors looking for a stock that has the potential to go on a nice run have reason to consider this stock right now.

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