



Why Aptose Biosciences Plunged 45% Yesterday

Description

Aptose Biosciences (TSX:APT)([NASDAQ:APTO](#)) shares [crashed](#) 45% on Tuesday after results from its leukemia trial were met with a less-than-ideal reaction.

What happened?

The biotechnology company focused on oncology reported its oral, once-daily myeloid kinase inhibitor (MKI) phase-one-of-two study. The company believes it showed “meaningful benefit in all responders” in the 34-patient study. It’s a difficult area of study, as acute myelogenous leukemia (AML) relapses are incredibly difficult to treat.

Its current trial, named luxetnib, aims at creating a “next generation” formula, to “reduce pill burden, improve absorption, and increase exposure.” The new formula aims to begin testing by the first half of 2022.

The news became public on Monday evening, sending shares in a downward spiral almost immediately. Shares reached a trough price, down 45% on Tuesday. Shares currently trade at \$1.44 as of writing.

So what?

This new study continues the bad share news for Aptose, despite analysts continuing to recommend it as a strong buy. It seems that investors don’t want to wait for action and remain unconvinced for a while now. The last report back in June was also met with lukewarm results.

The problem is that it’s been far too much waiting for investors regarding Aptose. Everyone wants the next big thing after the COVID-19 vaccine. A treatment for cancer would certainly be a great place to look. However, Aptose continues to see more trials and small results.

Now what?

[Analysts](#) are of mixed minds when it comes to Aptose. On the one hand, it could be a good momentum buy if you're watching it like a hawk. On the other hand, it's not valuable at the moment. Its fundamentals are weak, with a -1.93 EV/EBITDA and price-to-book ratio of two. Further, it continues to operate at a loss, with its most recent earnings coming in at a loss of \$55 million. And that loss has grown larger and larger as the quarters continue on.

If Aptose can't convince investors that its next drug is worth the wait soon, it may be out of long-term luck. So, I wouldn't look at this week's collapse in share price as an opportunity. I'd definitely wait and see what happened in 2022 before buying even a share of Aptose.

Shares of Aptose are [down](#) 75% year to date.

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