

Karyopharm Therapeutics (KPTI : US\$46.55)

Karyopharm Therapeutics soars 45.4% in second quarter, leads Healthcare-Products sector

Karyopharm Therapeutics Inc, soared US\$14.54 (or 45.4%) in the quarter ended June 30 to close at US\$46.55. This gain makes the stock the highest rising one in the Healthcare-Products sector which is up 82.2%. The volume in the quarter was 1.4 times the average trading of 220,779 shares. Compared with the NASDAQ-100 Index which rose 191.1 points (or 5.2%), this represents a relative price increase of 40.2%.

Introduction

We are currently bearish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics

What makes us most bearish on the stock is the following:

- The stock is overbought according to the Williams % R indicator of -1.8.
- In the last three months the number of falls outnumbered rises 32:27 or 1.19:1.

However, there are some reasons why some in the market are more bullish on the stock:

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.

Stock Summary

Sector	Healthcare-Products
ISIN	US48576U1060
Relative Strength (3 mo)	98

Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Sales (USDm)	0.4	0.6	0.2
Pretax (USDm)	-	-	(10.3)
Net (USDm)	(33.9)	(15.9)	(10.3)
EPS (USD)	(5.59)	(8.95)	(0.37)

MCap: A Historical Perspective

Share Price (USD)	Market Cap (\$)
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Analysis

Bullish Signals

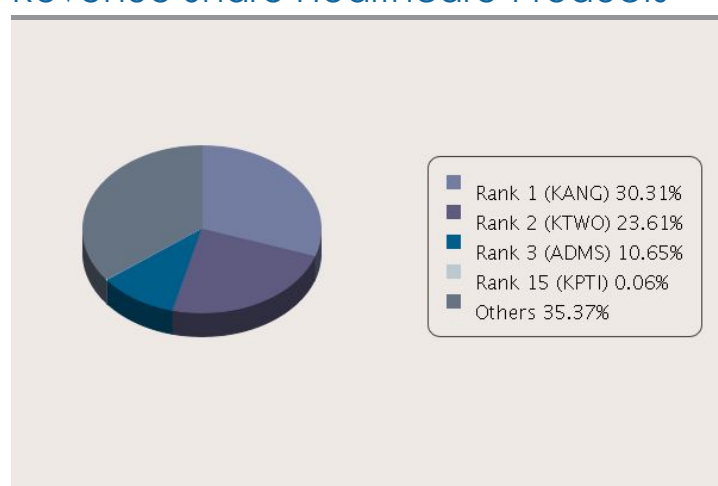
- In the last 12 trading sessions there has been a net rise of 75.23%; the stock has advanced twelve times and the biggest one day rise was 46.1% on Jun 13.
- In the NASDAQ market of 2,409 stocks traded today, the stock has a 6-month relative strength of 99 which means it is beating 99% of the market.
- A price rise combined with a high relative strength is a bullish signal.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 40.94 minus the 26-day EMA of 36.15 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The stock traded at a five-month high of US\$46.97 today.

Other Bullish Signals:

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
%Prem To Vol Wtd Price	23.3	In Top 2%
Relative Strength (6M)	99	In Top 2%
Price Change %	2.2	In Top Quartile

Revenue Share Healthcare-Products



Bearish Signals

- The price is at a premium of 23.3% to the 1-month volume weighted average price of US\$37.77. Given that this premium has been under 23.3% one hundred twenty-five times and over 23.3% twenty times in the last year, the downside:upside probability is estimated at 125:20 or 6.2:1.
- The stock is overbought according to the Williams % R indicator of -1.8.

Other Bearish Signals:

- Net Profit margin has seen consecutive falls and seems to be on a slippery slope in recent years.

Annual Trend:

[Year ended, all figures in %]:

Year	Net Profit Margin
Dec 13	-8,771.8
Dec 12	-2,506

% Growth Y.O.Y, Revenue & Net Profit



Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Volatility %	6.1	In Bottom Quartile
Annual Revenue	US\$387,000	In Bottom 1%

Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$661.4 million	In 2nd Quartile

Analysis (continued)

Insider Trades



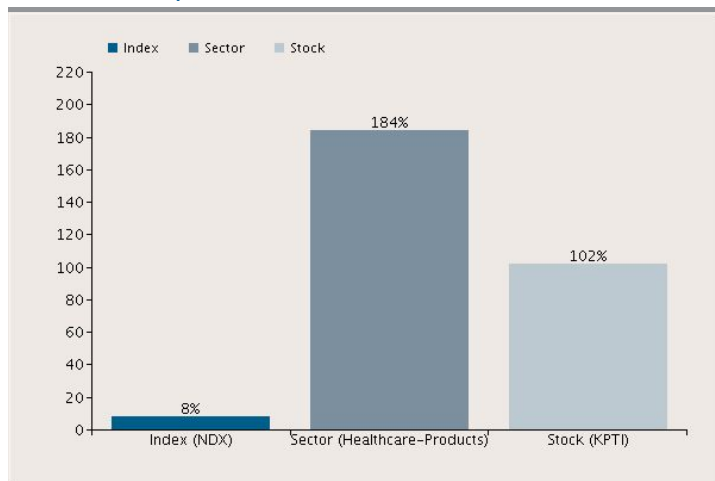
Trailing 3 months

Turnover US\$661.4 million

Volume 18,853,489

Volume Index (1 is avg) 1.4

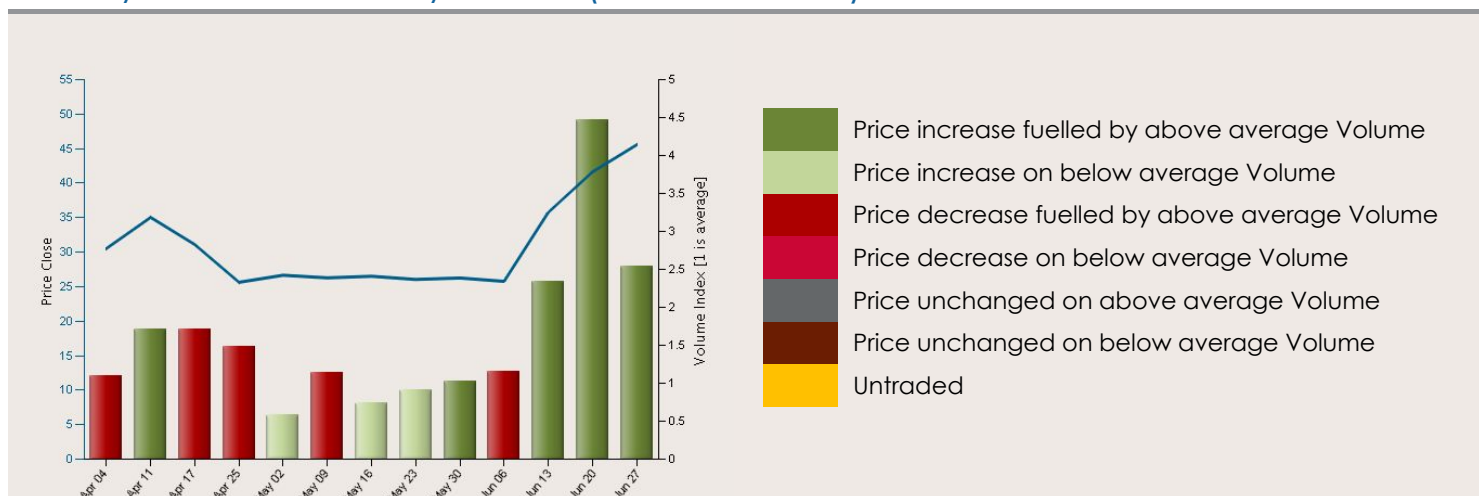
YTD Comparison Stock Sector Index



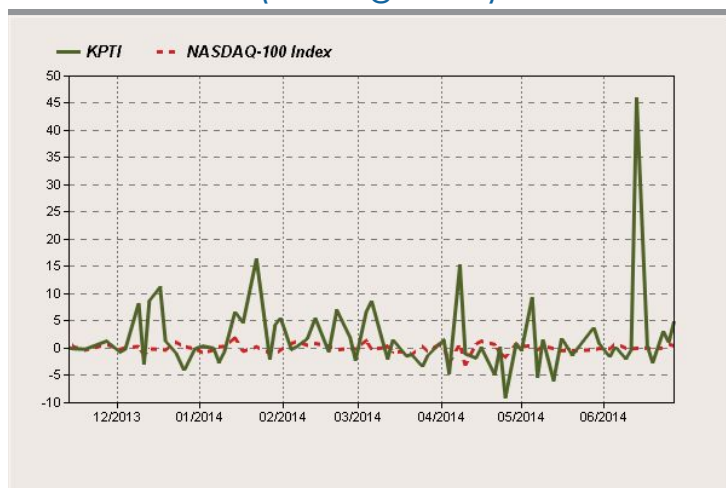
Price Volume Trend: Trailing Quarter



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Peer Group Analysis

Sector sorting

Name	Last Price	Relative strength (6-months)	MCap (Millions)	PV \$1000 (1 yr)	Revenue (Millions)	Net Profit (Millions)	Total Assets (Millions)
Parnell Pharmaceuticals Holdings	6.9	-	92	-	-	-	-
Dipexium Pharmaceuticals	9.7	-	83	-	-	-4	4
Scynexis	8.02	-	68	-	-	-	-
Aldeyra Therapeutics	6.56	-	37	-	-	1	4
Ruthigen	5.99	-	28	-	-	-1	0
Signal Genetics	7.05	-	27	-	-	-	-
Karyopharm Therapeutics	46.55	99	-	-	0	-34	158

Reported Buying Selling by Insiders

Insider	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Kauffman Michael	Jun 17, 2014	Sold	10,000	40.36	403,600
Kauffman Michael	Jun 18, 2014	Sold	10,000	43.15	431,500
Shacham Sharon	Jun 17, 2014	Sold	10,000	40.36	403,600
Shacham Sharon	Jun 18, 2014	Sold	10,000	43.15	431,500
Pakianathan Deepika	May 23, 2014	Bought	1,769	26.45	46,790
Pakianathan Deepika	May 22, 2014	Bought	20,000	26.09	521,800
Pakianathan Deepika	May 21, 2014	Bought	92,650	26.19	2,426,504
Brannelly Paul	May 15, 2014	Bought	700	25.95	18,165
Brannelly Paul	May 14, 2014	Bought	800	26.93	21,544
Brannelly Paul	May 13, 2014	Bought	1,000	28.06	28,060

Company Overview

Activities

Karyopharm Therapeutics, Inc. provides biopharmaceutical products and services. The Company develops and discovers drugs for the treatment of cancer, inflammation, and diseases related to cell proliferation through activity modulation of critical pathways. Karyopharm Therapeutics serves the healthcare industry throughout the United States.

Further details can be found at
www.karyopharm.com.

Regulatory Announcements

To view Recent Company Headlines, [click here](#)

June 25: Karyopharm Therapeutics Announces Proposed Public Offering of Common Stock
June 24: Karyopharm Initiates Registration-Directed, Randomized Study of Selinexor (KPT-330) in Older Patients With Relapsed/Refractory Acute Myeloid Leukemia (AML)
June 19: Karyopharm Therapeutics insider sells; shares at a five-month high
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June 16: Karyopharm Announces: FDA Considers the Effectiveness and Safety Technical Sections Complete to Support Conditional Approval for the New Animal Drug Application for Verdinexor (KPT-335) to Treat Lymphoma in Client Owned Dogs
June 13: Karyopharm Therapeutics: Submission of Matters to a Vote of Security Holders

To view 8-K people news for Karyopharm-Therapeutics, [click here](#)

June 13: Karyopharm Therapeutics Elects 2 Directors

To view 8-K other news for Karyopharm-Therapeutics, [click here](#)

April 17: Karyopharm Therapeutics: Changes in Registrant's Certifying Accountant
April 01: Karyopharm Therapeutics: Entry into a Material Definitive Agreement
March 05: Karyopharm Therapeutics: Results of Operations and Financial Condition

Issued Capital

It is NASDAQ's 15th largest Healthcare-Products company by total revenue.

Board and Management

Michael G. Kauffman
CEO & Director

Sharon Shacham
President & Director

Mansoor Raza Mirza
Director

Kenneth E. Weg
Director

Deepa R. Pakianathan
Director

Dr. Deepa R. Pakianathan, Ph.D., is Director at Karyopharm Therapeutics, Inc. She joined Delphi Ventures in 2001 and leads the firm's biotechnology investment activities. She served on the boards of Salmedix (a.b. Cephalon in 2005), Ilypsa (a.b. Amgen in 2007), Proteolix (a.b. ONXX in 2009) and led Delphi's investment in Seattle Genetics (Nasdaq: SGEN). She currently serves on the boards of Alexa Pharmaceuticals (Nasdaq: ALXA), Alder, Calithera, Karyopharm, Oncomed, NeurAxon, and PTC Therapeutics. Prior to joining Delphi, she was a Vice President in the healthcare group at JP Morgan. From 1997 to 1998, she was a biotechnology research analyst at Genesis Merchant Group. She worked as a postdoctoral scientist in the Immunology Department at Genentech Corporation from 1993 to 1997, where she evaluated chemokines and chemokine receptors as targets for therapeutic intervention. She is Vice-chair of the Board of Trustees of the San Francisco Conservatory of Music.

Barry E. Greene
Director

Primiano Christopher Brett
Company Secretary &
Vice President

Financial Results (Quarterly)

31 March, 2014

INCOME STATEMENT

Currency in Thousand of USD	2014-03-31	2013-03-31	Change %
Contract and grant revenue	171	233	Down 26.6
Operating expenses:			
Research and development	10,979	4,965	Up 121.1
General and administrative	2,904	879	Up 230.4
Total operating expenses	13,883	5,844	Up 137.6
Loss from operations	-13,712	-5,611	Deterioration 144.4
Interest income (expense), net	18		
Net loss	-13,694	-5,611	Deterioration 144.1
Net loss per share applicable to common stockholders-basic and diluted	-46.0c	-252.0c	Reduced 81.7
Weighted-average number of common shares outstanding used in net loss per share applicable to common stockholders-basic and diluted	29,606,683	2,225,596	Up 1,230.3

BALANCE SHEET

Currency in Thousand of USD	2014-03-31	2013-12-31	Change %
Assets			
Current assets:			
Cash and cash equivalents	144,893	155,974	Down 7.1
Prepaid expenses and other current assets	2,673	1,982	Up 34.9
Total current assets	147,566	157,956	Down 6.6
Property and equipment, net	322	240	Up 34.2
Other assets	997	30	Up 3,223.3
Restricted cash	400		
Total assets	149,285	158,226	Down 5.7
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	3,273	1,740	Up 88.1
Accrued expenses	1,550	1,168	Up 32.7
Deferred revenue	57	79	Down 27.8
Other short-term liabilities	135	305	Down 55.7
Total current liabilities	5,015	3,292	Up 52.3
Other long-term liabilities	170		
Stockholders' equity			

Financial Results (Quarterly) (continued)

31 March, 2014

Convertible preferred stock, 0.0001 par value; 5,000,000 shares authorized; none issued and outstanding

Common stock, 0.0001 par value; 100,000,000 shares authorized; 3 29,618,879 and 29,587,258 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively

3

Steady

Additional paid-in capital

220,360

217,500

Up 1.3

Deficit accumulated during the development stage

-76,263

-62,569

Deterioration 21.9

Total stockholders' equity

144,100

154,934

Down 7.0

Total liabilities and stockholders' equity

149,285

158,226

Down 5.7

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