

Recro Pharma (REPH : US\$5.90)

Recro Pharma tumbles 32% in 2014, underperforming 88% of the market

Recro Pharma Inc, NASDAQ's 24th largest biotechnology company by market cap, has now tumbled US\$2.80 (or 32.2%) year to date in 2014 to close at US\$5.90. This loss means the stock has underperformed 88% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.6 times average trading of 38,756 shares. Compared with the NASDAQ-100 Index which has risen 14.6% YTD, this represents a relative price change of -46.7%. In 2014 the market cap has declined US\$16.7 million.

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:

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day EMA lower than its 26-day EMA.
- The stock is overbought according to the Williams % R indicator of -19.5.

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

- In the last three months the number of rises outnumbered falls 32:26 or 1.2:1.

Stock Summary

Sector	Biotechnology
Market Cap	US\$45.5 million
Shares Outstanding	7,707,600
ISIN	US75629F1093
Relative Strength (3 mo)	18

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	5.9	45.5 million

Analysis

Bullish Signals

Other Bullish Signals:

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Price Change %	5.4	In Top 4%

Bearish Signals

- In the last 16 trading sessions there has been a net decline of 0.84%; the stock has retreated ten times and the biggest one day decline was 2.7% on Aug 15.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 5.75 minus the 26-day EMA of 5.83 is negative suggesting a bearish signal.
- The stock is overbought according to the Williams % R indicator of -19.5.
- The current short volume is 1.3 times its own historical average of 0.04%. It climbed 5.7% from the previous day, climbed 4.7% from a week ago, a bearish indicator.

Other Bearish Signals:

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$12.9 million	In Bottom Quartile
%Prem To Vol Wtd Price	0.5	In Bottom Quartile
MCap	US\$45.5 million	In Bottom Quartile
Volatility %	8.0	In Bottom 6%
Price/MAP50	0.52	In Bottom 4%

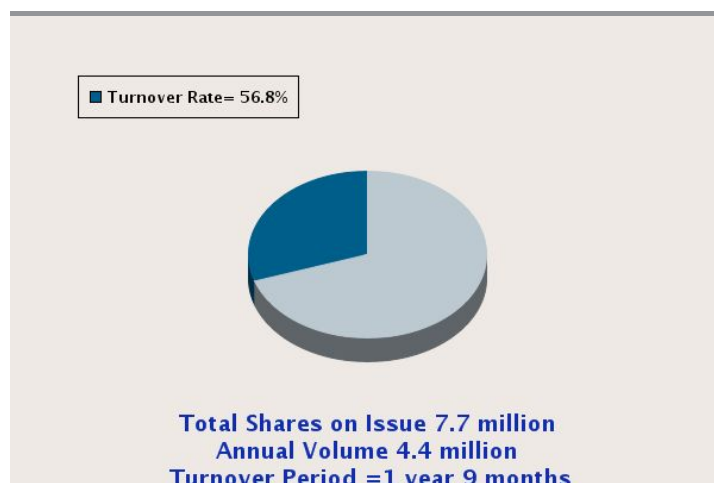
Note

- The price is equal to its 1-month volume weighted average price of US\$5.87.

Insider Trades



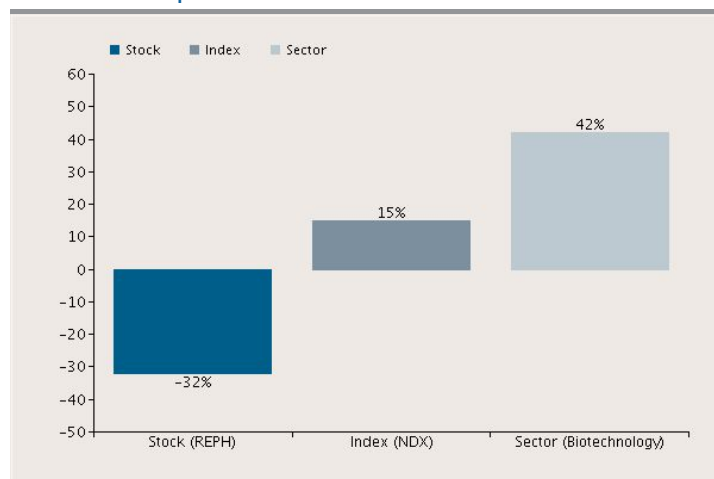
Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$12.9 million
Volume	1,827,471
Volume Index (1 is avg)	0.7

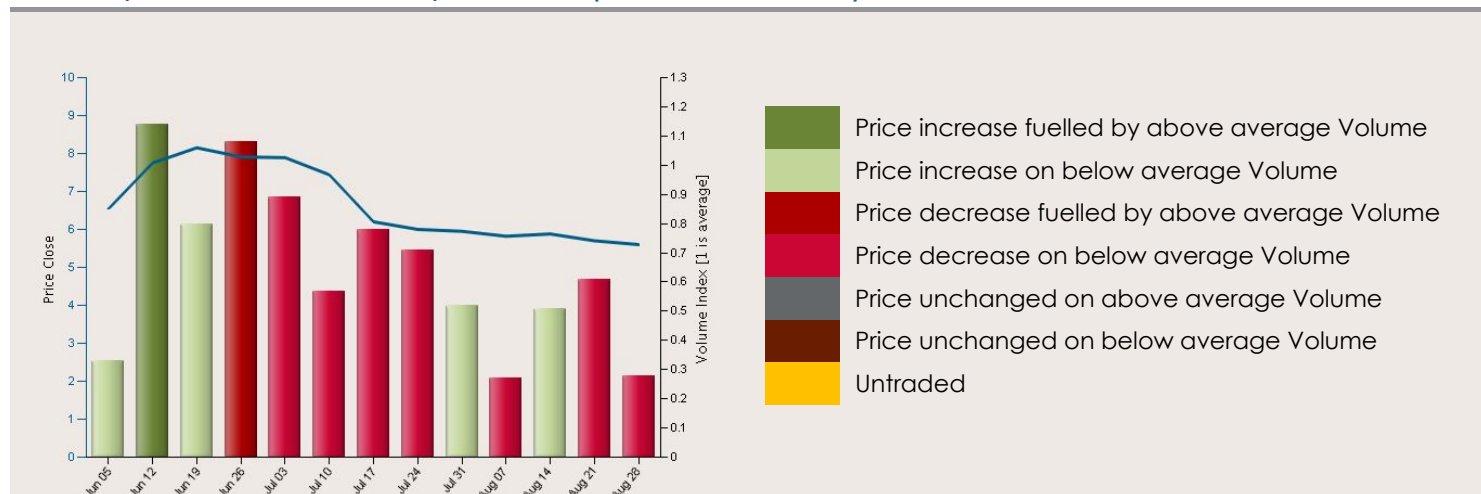
YTD Comparison Stock Sector Index



Price Volume Trend: Trailing Quarter



Weekly Price Volume Dynamics (Last 12 Weeks)



Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
12-Jun-2014	Aegis	Initiated Coverage	-	Buy	-	40

Company Overview

Activities

Recro Pharma, Inc. is a specialty pharmaceutical company. The Company develops non-opioid therapeutics for the treatment of pain in the post-operative setting. Recro Pharma offers its products to the medical industry.

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

Regulatory Announcements

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

August 12: Recro Pharma Reports Second Quarter 2014 Financial Results

June 30: Recro Pharma Added to Russell Microcap(R) Index

June 17: Recro Pharma Announces Dosing of First Patient in Phase IIb Clinical Trial of Dex-IN for Treatment of Acute Pain Following Surgery

May 15: Recro Pharma insider buys; shares at a one-month high

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March 13: Recro Pharma appoints Director

March 06: Recro Pharma Announces Pricing of Its Initial Public Offering

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

August 12: Recro Pharma: Results of Operations and Financial Condition

July 01: Recro Pharma: Other Events

June 17: Recro Pharma: Other Events

Issued Capital

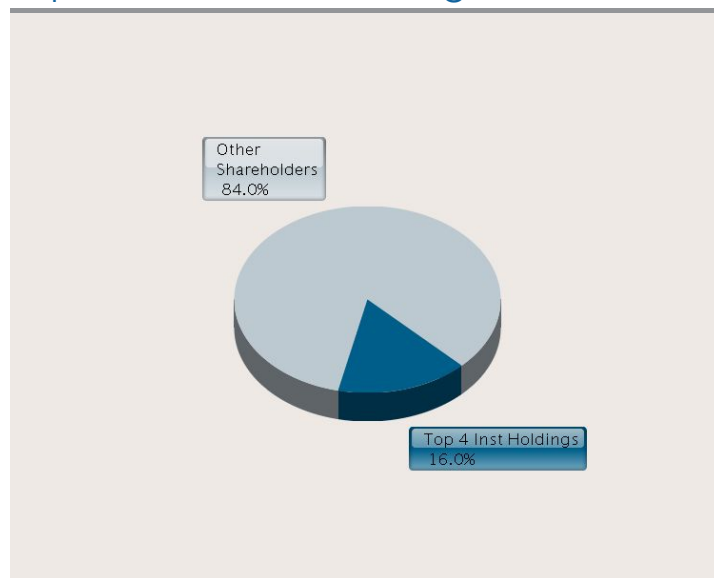
Based on 7,707,600 issued equity shares the market capitalisation is US\$45.5 million.

The top four shareholders hold 16.0% of the issued capital leaving a float of 84.0%.

Top 4 Shareholders

Name of Shareholder	No. of Shares	% Held
Broadfin Capital LLC	630,000	8.17
Cormorant Asset Management LLC	500,000	6.49
Verition Fund Management LLC	106,346	1.38
Morgan Stanley	9	0
Total	1,236,355	16.04

Top 4 Institutional Holdings



Board and Management

Michael Berelowitz Director

Dr. Berelowitz brings over 30 years of clinical development and academic research experience, including 15 years of pharmaceutical development experience with Pfizer, Inc. While at Pfizer, Dr. Berelowitz was Senior Vice President and Head of Clinical Development and Medical Affairs in the Specialty Care Business Unit. He held various other roles at Pfizer, beginning as a Medical Director in the Diabetes Clinical Research team and then assuming positions of increasing responsibility. Prior to that, Dr. Berelowitz spent a number of years in academia. Dr. Berelowitz currently serves as a biopharmaceuticals consultant, and is a member on several Boards of Directors or Scientific Advisory Boards, including the Endocrine Fellows Foundation, Metacure, Ltd. and Haptocure, Ltd. and Oramed Pharmaceuticals. Additionally, Dr. Berelowitz has also served on the Board of Directors of the American Diabetes Association, the Clinical Initiatives Committee of the Endocrine Society, and has chaired the Task Force on Research of the New York State Council on Diabetes. He has also served on several editorial boards, including the Journal of Clinical Endocrinology and Metabolism, Endocrinology, Reviews in Endocrine and Metabolic Disorders and Clinical Diabetes. Dr. Berelowitz has authored and co-authored more than 100 peer-reviewed journal articles and book chapters in the areas of pituitary growth hormone regulation, diabetes and metabolic disorders.

Creation of shareholder value in Recro Pharma:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of March 13, 2014 at close price of US\$8.28 is US\$713, for a capital loss of US\$287.

Alfred F. Altomari Director

Mr. Altomari brings over 25 years of operational and commercial pharmaceutical experience to Recro's Board. He currently serves as President and Chief Executive Officer and member of the Board of Directors of Agile Therapeutics. He also serves on the Board of Directors of Insmed Incorporated. Previously, Mr. Altomari was Chief Executive Officer of Barrier Therapeutics, and was a member of Barrier's Board of Directors where he led the successful sale of Barrier to Stiefel Laboratories, which was subsequently acquired by GlaxoSmithKline plc. Prior to Barrier Therapeutics, Mr. Altomari held numerous executive roles in general management, commercial operations, business development, product launch preparation, and finance with Johnson & Johnson. He received an M.B.A. from Rider University and his B.S. from Drexel University.

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