

Argos Therapeutics (ARGS : US\$9.96)

Argos Therapeutics jumps 23% in 2014

Argos Therapeutics Inc, NASDAQ's 44th largest medical company by market cap, has now jumped US\$1.88 (or 23.3%) year to date in 2014 to close at US\$9.96. The volume YTD has been 0.8 times average trading of 53,042 shares. Compared with the NASDAQ-100 Index which rose 295.6 points (or 7.6%) in the quarter, this represented a relative price change of 62.3%. In 2014 the market cap has jumped US\$41.8 million.

Introduction

We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics

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

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- The price to 200-day MAP ratio is 1.02, a bullish indicator.
- In the last three months the number of rises outnumbered falls 30:17 or 1.8:1.
- It has outperformed 79% of the market the past 6 months.

However, there are some reasons why we remain bearish on the stock for the long-term:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 12.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 2% of stocks by value of Q Ratio.

Stock Summary

Sector	Medical
Market Cap	US\$195.8 million
Shares Outstanding	19,654,362
ISIN	US0402211033
Relative Strength (3 mo)	99

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	10.0	195.8 million

Analysis

Bullish Signals

- Rises to Falls: In the last three months the number of rises outnumbered falls 30:17 or 1.8:1.
- In the NASDAQ market of 2,401 stocks traded today, the stock has a 6-month relative strength of 79 indicating it has outperformed 79% of the market.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 9.48 minus the 26-day EMA of 9.26 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The Price/MAP of 1.02 for ARGS is higher than the Price/MAP for the NASDAQ-100 Index of 0.4.
- The price to 200-day MAP ratio is 1.02, a bullish indicator. In the past 200 days this ratio has exceeded 1.02, six times suggesting further upside. The 50-day MAP of US\$17.30 is higher than the 200-day MAP of US\$9.76, a bullish indicator. The 200-day MAP has increased to US\$9.76. An increase is another bullish indicator.

Other Bullish Signals:

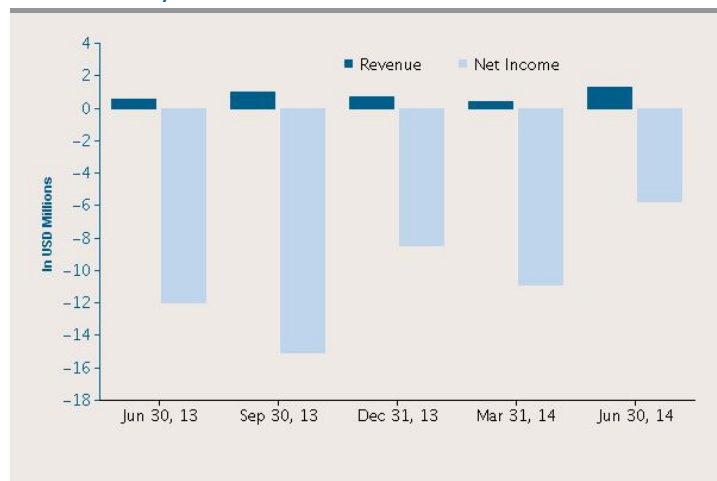
- Net Profit margin is negative but improving in recent quarters.

Quarterly Trend:

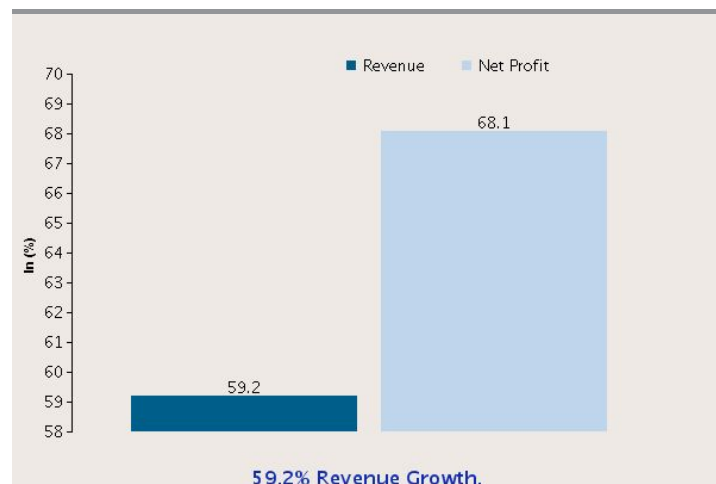
[Quarter ended, all figures in %]:

Qtr	Revenue Growth	Net Profit Margin
Jun 14	212.1	-458.4
Mar 14	-	-1,360.1

Quarterly Revenue & Net Income



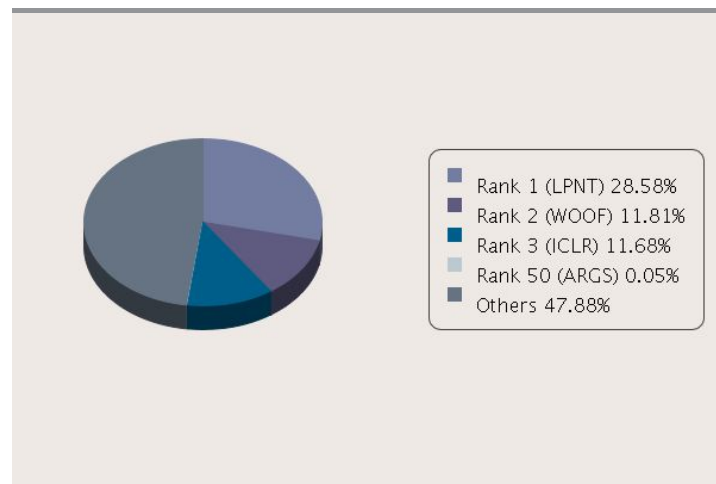
% Growth Y.O.Y, Revenue & Net Profit



Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	79	In Top Quartile

Revenue Share Medical



Bearish Signals

- The price is at a premium of 7.2% to the 1-month volume weighted average price of US\$9.29. Given that this premium has been under 7.2% one hundred thirty-six times and over 7.2% thirty-five times in the last year, the downside:upside probability is estimated at 136:35 or 3.9:1.
- In the last 20 trading sessions there has been a net decline of 1.09%; the stock has retreated nine times and the biggest one day decline was 5.8% on Oct 08.
- The stock is overbought according to the Williams % R indicator of -10.4.

Analysis (continued)

- The current short volume is 1.8 times its own historical average of 0.1%. It soared 27.8% from the previous day, soared 25.2% from a week ago and soared 13.7% from a month ago, a significant bearish indicator.

Overvaluation:

- Price/Sales of 27.81 versus sector average of 2.7 and market average of 2.3. We estimate the shares are trading at a current year Price/Sales of 23.6 and a forward year Price/Sales of 20.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 12.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 2% of stocks by value of Q Ratio.

Other Bearish Signals:

The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Reduction in total shares on issue.

Bearish Indicators and Rank in Market:

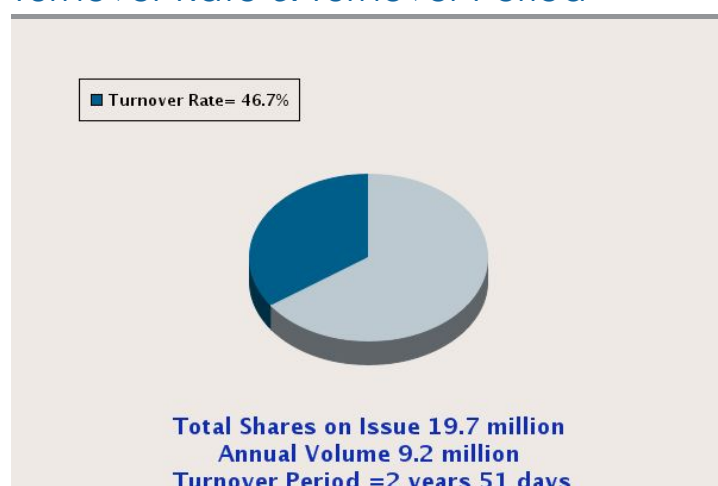
Description	Value	Rank In Market
Volatility %	7.4	In Bottom 9%
Price/MAP50	0.58	In Bottom 8%
Annual Revenue	US\$7 million	In Bottom 5%

Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$195.8 million	In 3rd Quartile
Turnover in Quarter	US\$26.5 million	In 3rd Quartile

Turnover Rate & Turnover Period



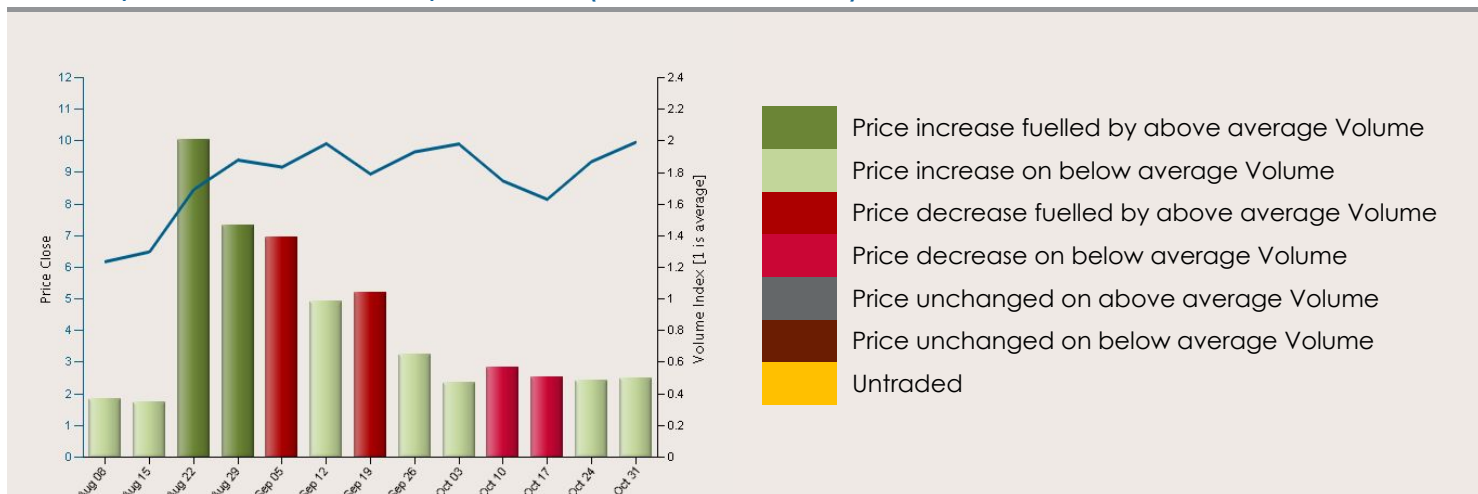
Trailing 3 months

Turnover	US\$26.5 million
Volume	2,995,638
Volume Index (1 is avg)	0.9

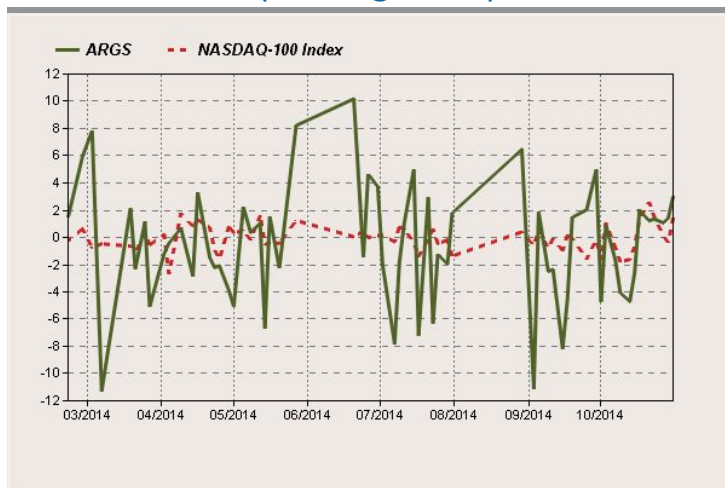
Price Volume Trend: Trailing Quarter



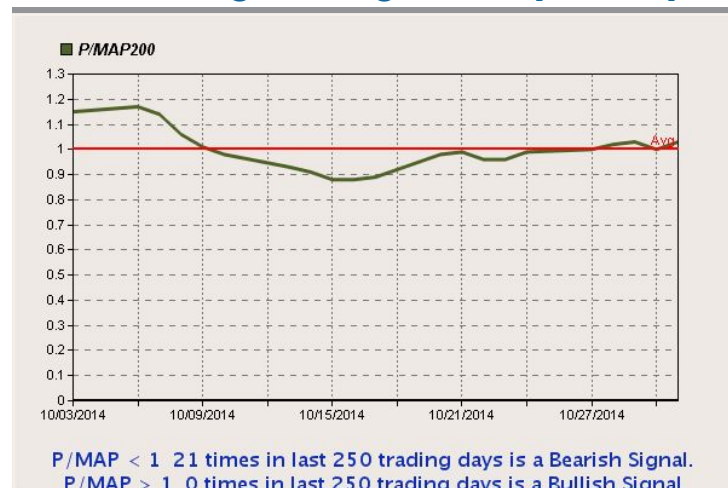
Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]



Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
27-Aug-2014	Zacks	Downgrade	-	Neutral	-	9
19-Aug-2014	Stifel Nicolaus	Initiated Coverage	-	Buy	-	16

Company Overview

Regulatory Announcements

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

October 23: Argos Therapeutics Breaks Ground on State-of-the-Art Biomanufacturing Facility in Research Triangle Park Area

October 03: Argos Therapeutics Announces Plans for New Manufacturing Facility in Research Triangle Park Area in Durham, North Carolina

October 01: Argos Therapeutics to Present at the 13th Annual BIO Investor Forum

September 30: Argos Therapeutics Enters Into \$25 Million Venture Loan Facility Led by Horizon Technology Finance

September 19: Argos Therapeutics to Present at the 21st Annual BioCentury NewsMakers Conference

September 18: Enrollment in Argos Therapeutics' Pivotal Phase III ADAPT Trial of AGS-003 for Metastatic Renal Cell Carcinoma Surpasses Fifty Percent

September 08: Argos Announces Issuance of Arcelis(R) Technology Platform Patent

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

October 31: David W. Gryska - Argos Therapeutics director resigns 03 November 2014

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

October 03: Argos Therapeutics: Regulation FD Disclosure
September 30: Argos Therapeutics: Entry into a Material Definitive Agreement

August 22: Argos Therapeutics: Entry into a Material Definitive Agreement

August 13: Argos Therapeutics: Results of Operations and Financial Condition

March 27: Argos Therapeutics: Results of Operations and Financial Condition

February 18: Argos Therapeutics: Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

Annual Report

To view Annual Report [click here](#)

Quarterly Report

To view Quarterly Report [click here](#)

Issued Capital

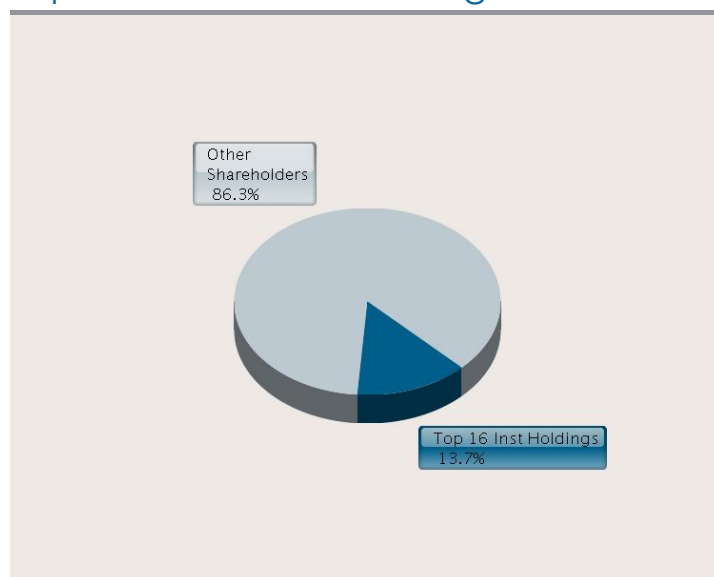
Based on 19,654,362 issued equity shares the market capitalisation is US\$195.8 million. It is NASDAQ's 75th largest Medical company by assets.

The top sixteen shareholders hold 13.7% of the issued capital leaving a float of 86.3%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Wasatch Advisors Inc	1,237,427	6.3
Caisse De Depot Et Placement Du Quebec	743,924	3.79
Pine River Capital Management L.P.	255,800	1.3
Alyeska Investment Group L.P.	114,586	0.58
Blackrock Fund Advisors	98,154	0.5
Grt Capital Partners Llc	56,837	0.29
Sac Capital Advisors Lp	36,836	0.19
Barclays Global Investors Uk Holdings Ltd	34,975	0.18
Public Employees Retirement System Of Ohio	34,700	0.18
Stoneridge Investment Partners Llc	26,711	0.14
Total	2,639,950	13.43

Top 16 Institutional Holdings



Board and Management

Jeffrey D. Abbey CEO & President & Director

Jeffrey D. Abbey has served as our President and Chief Executive Officer and a member of our board of directors since February 2010. Mr. Abbey served in various other positions at our company from September 2002 to February 2010, including as our Vice President of Business Development from February 2004 to January 2009 and as our Chief Business Officer from January 2009 to February 2010. Prior to joining us, Mr. Abbey served as Vice President of Business Development and Finance at Internet Appliance Network, an information technology company, from 1999 to 2001. Mr. Abbey was a partner at Eilenberg and Krause, LLP, a corporate law firm, from 1994 to 1999. Mr. Abbey received an A.B. in mathematical economics from Brown University and an M.B.A. and J.D. from the University of Virginia.

Hubert Birner Chairman & Director

Hubert Birner, Ph.D. has served as the Chairman of our board of directors since 2005 and a member of our board of directors since 2001. Dr. Birner joined the Munich office of TVM Capital, a venture capital firm and affiliate of Argos, as an investment manager in 2000 and currently serves as the Managing Partner of the firm. From 1998 to 2000, Dr. Birner served as head of European business development and director of marketing for Germany at Zeneca Agrochemicals, a biopharmaceutical company. Prior to joining Zeneca Agrochemicals, Dr. Birner served as a management consultant in McKinsey & Company's European healthcare and pharmaceutical practice. Dr. Birner currently serves on the board of directors of Proteon Therapeutics, Inc. and SpePharm Holdings BV. Dr. Birner previously served on the board of directors of Horizon Pharma, Inc., Biozell SA, Evotec AG and Jerini AG. Dr. Birner received an M.B.A. from Harvard Business School and a doctorate in biochemistry from Ludwig-Maximilians University in Munich, Germany. His doctoral thesis was honored with the Hoffmann-La Roche prize for outstanding basic research in metabolic diseases.

Brian J. Underdown Director

Brian J. Underdown, Ph.D. has served as a member of our board of directors since 1999. Dr. Underdown joined Lumira Capital Corp. (formerly MDS Capital Corp.), a venture capital firm, in 1997, and currently serves as a Managing Director. Before joining Lumira, Dr. Underdown served as Assistant Vice President of Research at Pasteur Merieux Connaught from 1994 to 1997. Dr. Underdown has been a member of the board of directors of Vistagen Therapeutics, Inc. since 2009. Dr. Underdown received a Ph.D. from McGill University and undertook post-doctoral studies at Washington University School of Medicine.

Sander van Deventer Director

Sander van Deventer, M.D., Ph.D. has served as a member of our board of directors since 2001. Dr. van Deventer has had a critical role in the development of the first commercial monoclonal antibody (Remicade) and the first gene therapy to be granted market authorization in the Western world (Glybera). He currently is a General Partner at Forbion Capital Partners and Professor of Translational Gastroenterology Leiden University Medical Center. He is a member of the Boards of Argos Therapeutics (Durham, USA), Uniqure (Amsterdam, The Netherlands), Cardoz (Stockholm, Sweden) glCare (Montreal, Canada) en Hookipa (Vienna, Austria).

Alexey Vinogradov Director

Board and Management (continued)

Jean Lamarre Director

Jean Lamarre has served as a member of our board of directors since February 2013. Mr. Lamarre is the President of 2856166 Canada Inc., a management consulting firm that he founded in 1992. Mr. Lamarre has been the lead director, the Chairman and since 2008, Executive Chairman of Semafo Inc., a gold production company. From 1984 to 1991, Mr. Lamarre served as the Chief Financial Officer of the Lavalin Group, one of the world's leading design and construction firms. Mr. Lamarre is also a member of the Independent Review Committee of Investor Group Investment Management Ltd. He also serves on the boards of directors of a number of private companies. Mr. Lamarre received a B.Comm. in applied economics from HEC Montreal.

Andrei Petrov Director

Andrei Petrov, Ph.D. has served as a member of our board of directors since August 2013. Dr. Petrov has been the Chief Scientific Officer of International Biotechnology Center Generium, a private scientific research and drug development company, since 2011, and the Chief Executive Officer of CJSC 'Kolleksiya,' a venture investment company, since 2013. From 2008 to 2011, Dr. Petrov served as Senior Scientist at CJSC Masterclone, a drug discovery and development company. Dr. Petrov has also served as a member on the board of directors of Affitech A/S since 2010, and as a member on the board of directors of co.don AG since 2012.

Frederick M. Miesowicz Chief Operating Officer

Frederick M. Miesowicz, Ph.D. has served as our Chief Operating Officer and Vice President of Manufacturing since February 2005. Dr. Miesowicz served as our Vice President of Manufacturing from May 2003 to February 2005. Prior to joining us, Dr. Miesowicz served as Vice President of U.S. Operations for Gamida-Cell Ltd., a stem cell company, from 2000 to 2003; Senior Vice President and General Manager at Hybridon Specialty Products, a manufacturing division of a biotechnology company, from 1998 to 2000; and Vice President and General Manager at Cellcor, a subsidiary of Cytogen Corporation, a biopharmaceutical company, from 1995 to 1998. Dr. Miesowicz received a B.S. in chemistry from Siena College and a Ph.D. in chemistry from Harvard University.

Financial Results (Quarterly)

30 June, 2014

INCOME STATEMENT

Currency in USD	2014-06-30	2013-06-30	Change %
Revenue	1,263,008	473,163	Up 166.9
Operating expenses			
Research and development	6,102,320	10,569,134	Down 42.3
General and administrative	939,725	1,865,822	Down 49.6
Total operating expenses	7,042,045	12,434,956	Down 43.4
Operating loss	-5,779,037	-11,961,793	Reduced 51.7
Other income (expense)			
Interest income	367	21,260	Down 98.3
Interest expense	171	171,604	Down 99.9
Change in fair value of warrant liability			
Investment tax credits		140,556	
Other expense		-11,950	
Other income (expense), net	196	-21,738	Recovery
	196	118,818	Down 99.8
Net loss	-5,778,841	-11,983,531	Reduced 51.8
Accretion of redeemable convertible preferred stock	-10,446		
Net loss attributable to common stockholders	-5,789,287	-11,983,531	Reduced 51.7
Net loss attributable to common stockholders per share, basic and diluted	-2,553.0c	-61.0c	Deterioration 4,085.2
Weighted average shares outstanding, basic and diluted	226,757	19,655,187	Down 98.8

BALANCE SHEET

Currency in USD	2014-06-30	2013-12-31	Change %
Assets			
Current assets			
Cash and cash equivalents	33,297,970	44,307,394	Down 24.8
Short-term investments	13,659,812	27,493,354	Down 50.3
Prepaid expenses and interest receivable	629,935	818,581	Down 23.0
Deferred financing costs	1,516,424		
Other receivables	424,501	265,480	Up 59.9
Total current assets	49,528,642	72,884,809	Down 32.0
Property and equipment, net	1,602,103	1,822,043	Down 12.1
Other assets	550	11,020	Down 95.0
Total assets	51,131,295	74,717,872	Down 31.6
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity			

Financial Results (Quarterly) (continued)

30 June, 2014

Current liabilities			
Accounts payable	1,317,072	2,243,058	Down 41.3
Accrued expenses	1,800,794	1,470,397	Up 22.5
Current portion of notes payable	45,447	46,170	Down 1.6
Total current liabilities	3,163,313	3,759,625	Down 15.9
Long-term portion of notes payable	7,014,106	7,334,079	Down 4.4
Deferred liability	3,066,000	3,066,000	Steady
Commitments			
Redeemable convertible preferred stock	113,664,469		
Stockholders' (deficit) equity			
Preferred stock 0.001 par value; 5,000,000 and 0 shares authorized as of June 30, 2014 and December 31, 2013; 0 shares issued and outstanding as of June 30, 2014 and December 31, 2013			
Common stock 0.001 par value; 120,000,000 and 200,000,000 shares authorized as of December 31, 2013 and June 30, 2014; 235,707 and 19,655,579 shares issued and outstanding as of December 31, 2013 and June 30, 2014	236	19,656	Down 98.8
Accumulated other comprehensive loss	-102,531	-102,320	Deterioration 0.2
Additional paid-in capital	75,189,950	233,489,591	Down 67.8
Accumulated deficit	-150,864,248	-172,848,759	Reduced 12.7
Total stockholders' (deficit) equity	-75,776,593	60,558,168	Deterioration
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	51,131,295	74,717,872	Down 31.6

PER SHARE FIGURES

	2014-06-30	2013-06-30	Change %
EPS	-4,544.0c	-152.0c	

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