DRUG MANUFACTURER INDUSTRY

1. Bristol‐Myers Squibb Company (BMY):
   1. Long run + Short run growth.
   2. Yahoo Analyst recommendation: Neutral (2.4)
   3. Nasdaq Analysis recommendation: Buy
   4. Current price: $53. Target price: $58
   5. Momentum: None
   6. High price/earning ratio (compared with industry).
   7. Growth due to sales of Diabetes technology to AZN has driven the price relatively high. Stock is not overprices, but there is little room for growth.
   8. DC Recommendation: Don’t buy.
2. Pfizer Inc. (PFE):
   1. Long run growth, short run slump
   2. Analyst recommendation: 2.2 (outdated)
   3. Loss of Viagra parent recently drove the stock price down
   4. Exponential (moving average) growth rate
   5. Reason to believe the recent slump, based on Viagra news, is going to correct itself. One month moving average is below the industry average, through long run growth it above it
   6. Moreover, January usually sees increased sales…
   7. PFE just sold off many part of its business. Being leaner and more agile, it will be more profitable in those industries it has decided to focus on.
   8. **DC Recommendation: Buy. Price Target: 34.** 
      1. This stock has value. It is not going to grow quickly, but I think it's a fairly safe bet that will be a profitable investment
      2. Stake: $1000
      3. When do earning come?
3. GlaxoSmithKline PLC (GSK):
   1. ViiV healthcare, which GSK owns, just lost its major product to a competition who is able to produce a generic version of its HIV mediation.
   2. Strong fundamentals
   3. Weak performance compared with sector
   4. Everything thinks it's a “wait and see” stock, with analysts uniformly giving it a neutral rating.
   5. Big dividend for investors from November 13th 🡪 JANUARY 9th 2014(4.78% yield).
   6. Grew a lot this year, relatively stable price for the past 6th months
   7. DC Recommendation: Wait and See
4. Merck & Company Inc. (MRK):
   1. Target price: $51
   2. Been rising since November, no reason to believe it will sustain this growth
   3. Stock growth was largely due to massive dividend hike
   4. HOLD.
5. Novartis AG (NVS):
   1. Sustained year-to-date growth.
   2. Has good technology in the pipeline – investing in biosimiliar drugs
   3. Working on digital pills. Not just cool, but potentially profitable if they figure this out.
   4. February Dividend (3.6%, not bad)
   5. Target $85 (current, 78) = 10%
   6. 10% earnings growth
   7. DC Recommendation: Buy. Price Target $87. Hold and then consider selling after the dividend in April.
      1. Stake: $2000

PHARMACEUTICAL INDUSTRY

1. Allergan Inc. (AGN):
   1. Current price $108
   2. UBS just raised the price target to $116; recommends Buy
   3. Susquehanna has it estimated at $122
   4. Beat earnings estimates
   5. Biegelson just raised estimate to $122
   6. Just won a huge patent lawsuit, paving the way for its new drugs
   7. Maker of Botox, which is growing really quickly
   8. Market is pretty bullish about this stock, as am I. It’s patent wins, and the success of its current drugs, mean that it will continue to see growth in 2014.
   9. DC Recommendation: Strong Buy. Price Target $122
      1. Stake: $3000
2. Forest Laboratories Inc. (FRX):
   1. New executive team
   2. Restructuring management
   3. Current price $58, target $61. Tudor just sold stake.
   4. New drug released: FETZIMA
   5. Fast, sustained yearly growth
   6. Up 66% this year…
   7. A great stock, but I have no reason to believe it’s going to keep growing.
   8. Sentiment (marketwatch) is very neurtral
   9. Even the most bullish investors only see it growing to maybe 64
   10. DC Recommendation: Don’t buy
3. Teva Pharmaceutical Industries (TEVA):
   1. Recent class action suit filed
   2. New CEO
   3. Mean target of $43 (current price is $39)
   4. No one is trading options… basically no one thinks the stock is going to move at all
4. Cubist Pharmaceuticals Inc. (CBST):
   1. Current price: 66.33
   2. Target: 73.71
   3. Relatively stable long term, been rising recently due to strong data about new treatments in successful trials
   4. If these become FDA approved in 2014 (which is very likely) we could see a big jump in the stock price
   5. 58% year-to-date growth
   6. Social buzz is neutral, according to marketwatch
   7. Earlier this year, it has strong patent rulings and good revenue reports
   8. Recently acquired to antibiotic companies, which are expected to boost revenue.
   9. DC Recommendation: Buy. It may be a turbulent few months, but strong fundamentals mean that this stock will continue to grow moving forward.
      1. Stake: $1000
5. Endo Pharmaceuticals Holdings (ENDP):
   1. Believes in expanding by acquisition. Just bought a Canadian drug company
   2. Rating a Buy by analysts
   3. Strong consistent and sustained growth (obv. Big jump in Nov. when it bought the Canadian company)
   4. 158% growth (YTD)
   5. YTD estimate is 61, current price is 66
   6. It’s acquiring another company soon = NuPathe.
   7. Seems like there’s a lot of overblown momentum for a stock with pretty weak fundamentals based on acquisitions. No real reason to expect any growth unless another acquisition announcement is made, which is unlikely
   8. DC Recommendation: Don’t buy
6. Zogenix, Inc. (ZGNX):
   1. 3.36. Estimate: 5.23
   2. Strong and consistent long-term growth
   3. Growth this year was based on surprising FDA approval for a really strong central nervous system painkiller
   4. Competition from Teva in 2014 is going to be brutal though, and the companies profits are negative, and sales declining
   5. Consensus is pretty strong and the market is bullish about this stock
   6. New Chief Medical Officer
   7. I don’t think this stock is fundamentally very strong, but I think bullish sentiment is going to be prevalent and drive the price up to $5 at the very least.
   8. DC Recommendation: Strong Buy: Let’s ride the wave and try to get out before it begins to fall.
      1. Stake: $2000

BIOTECHNOLOGY INDUSTRY

1. Amgen Inc. (AMGN):
   1. Target $126; Current $113
   2. Strong long run growth, lots of turbulence in recent months
   3. February Dividend (2.6%)
   4. Considered a strong stock by analysts and therefore worth buying
   5. Recent medication (Dec 19) had a positive trial. Strong trial indicate good drugs in the pipeline
   6. DC Recommendation: Buy: $1000
2. Baxter International Inc. (BAX):
   1. Short term growth, long term fall
   2. Recent FDA approval
   3. Big dividend (2.6%)
   4. Analyst estimate: $76.79
   5. Current price: 68.90
   6. Volatility implies that we won’t make very much money on this. Good dividend stock with long run growth possibilities. I’ll pass, though I think it would be a decent investment
3. Cardiovascular Systems Inc (CSII):
   1. New technology is being widely purchased. Good for revenue.
   2. No dividend, no reason for long run growth.
   3. Moderate analysis recommendation, net neutral
   4. Strong and consistent long run growth
   5. Recent transactions by institutional investors and by insiders have been to sell. They’re taking their profits, because they don’t see significant growth in 2014
   6. Again, I’ll pass.
4. Regeneron Pharmaceuticals, Inc. (REGN):
   1. Long run growth, short term slump
   2. Institutions and insiders are selling
   3. 59% growth this year…
   4. It grew this year, but the past three months have been a market correction. Prices are falling and I see no reason they won’t continue to fall.
5. Ilumina Inc. (ILMN):
   1. Price $108
   2. Analysts are feeling bullish, just raised price estimate to $125
   3. Stock recently reached lifetime high
   4. Problem is that its in a lawsuit with Syntrix, which if resolved against them, would lead to a fall
   5. Considered a “pick and shovel company,” meaning that its products are used by other companies in the growing biotech sector.
   6. Fundamentally strong and could see growth on its products
   7. DC Recommendation: Buy: I think this stock is a riskier investment that the other biotech companies, because of the risk of a lawsuit shock. That being said, I think it would be a mistake not to jump on the bandwagon and ride the hype, especially for a company that does have legimimately strong fundamentals and reasons for growth.
      1. Stake: $1000
6. Celgene Corporation (CELG):
   1. Strong fundamentals
   2. Huge revenue growth
   3. New drugs in the pipeline
   4. New treatment for Manntle Cell Lymophia
   5. 26% profit margin
   6. Strong analysts bullish sentiment
   7. Strong and steady growth
   8. DC Recommendation: Buy: Target Price: $180
      1. Stake $1000
      2. Why aren’t we buying more of it?

**Summary:**

1. PFE, $1000 (Long Term)
2. CELG, $1000 (Long Term)
3. ILMN, $1000 (Medium Term)
4. AMGN, $1000 (Long Term)
5. ZGNX, $2000 (Medium Term)
6. NVS, $1000 (Long Term)
7. AGN, $3000 (Long Term)
8. CBST, $1000 (Long Term)