

These Top 3 Drug Stocks Have Sizable Catalysts

It's tough to discount the bullish case for biotech and pharmaceutical stocks.

For one, millions of retiring baby boomers not only exploring new ways to stave off signs of aging, they are looking to postpone health-related decline and even death.

In addition, we are seeing countless mergers and acquisitions. We're also seeing new, innovative treatments for a myriad of issues. And, if you're in the right place at the right time, the windfall profits are endless.

Because – let's face it – making money from this solid, unbreakable sector couldn't be any easier; especially if you can uncover unfairly beaten down biotech stocks.

Plus, aside from the usual catalysts, including 80 million retiring baby boomers, newly insured Americans, explosive mergers and acquisitions, heavy demand, and exciting new innovation, biotech stocks are some of the most exciting trades on market – not to mention recession-proof. After all, people will always require medical attention.

Healthcare related stocks are some of the most recession-proof investments around.

We can't stop people from getting sick, or from aging. Plus, aging baby boomers are a substantial catalyst. Since the very first baby boomer filed for social security benefits on October 15, 2017, 80 million more were in line to do the same through 2027.

By 2030, all baby boomers will be older than 65, according to the U.S. Census Bureau.

Five years after that, the number of people aged 65 and up will outnumber those under 18.

It's no surprise that investments in healthcare have risen dramatically in the last five years. All of that has made healthcare virtually recession proof.

Knowing that, we went hunting for exciting biotech and drug stocks – especially those with upcoming catalysts. Here is what we found.

Axsome Therapeutics Inc. (NASDAQ:AXSM) is a clinical stage biopharmaceutical company that is developing novel therapies for central nervous system (CNS) disorders. Its product candidate portfolio includes AXS-05, AXS-09, AXS-02, AXS-07, and AXS-06. AXS-05 is in the Phase III clinical trial in treatment resistant depression and in agitation associated with Alzheimer's disease, as well as in the Phase II clinical trial for smoking cessation. AXS-02 is also in the Phase III clinical trial in knee osteoarthritis associated with bone marrow lesions pursuant to a special protocol assessment and in chronic low back pain associated with Modic changes. AXS-07 is in Phase I clinical trial for the acute treatment of migraine. AXS-06 is also in Phase I clinical trial for the treatment of osteoarthritis and rheumatoid arthritis and for the reduction of the risk of nonsteroidal anti-inflammatory drug associated gastric ulcers. AXS-09 is a novel, oral medicine combination of esbupropion and dextromethorphan.



The company expects to announce topline results before the end of the year including:

- Phase III trial results for AXS-05 for major depressive disorder
- Phase III trial results for AXS-05 for treatment resistant depression
- Phase III trial results for AXS-05 for agitation in Alzheimer's disease
- Phase III trial results for AXS-7 for migraines
- Phase II trial results for AXS-12 for narcolepsy

If the Phase III trial data is solid, the company could submit two NDAs in the second half of 2020. Plus, Wall Street believes AXS-05 could see more than \$1 billion in peak annual sales.

Mallinckrodt PLC (NYSE:MNK) develops, manufactures, markets, and distributes specialty pharmaceutical products and therapies in the United States, Europe, the Middle East, Africa, and internationally. It operates in two segments, Specialty Brands, and Specialty Generics and Amitiza. The company markets branded pharmaceutical products for autoimmune and rare diseases in the areas of neurology, rheumatology, nephrology, ophthalmology, and pulmonology; and immunotherapy and neonatal respiratory critical care therapies, as well as analgesics and gastrointestinal products.



The company just said a Phase III trial of its investigational StratGraft regenerative tissue treatment met both primary endpoints of efficacy and safety. "Results showed that a significantly smaller area of burn wounds treated with StrataGraft tissue required autografting by three months compared to the area of burn wounds treated exclusively with autograft," the company said, as quoted by MarketWatch. From here, the company plans to submit a Biologics License Application (BLA) for the treatment in the first half of 2020.

DURECT Corporation (NASDAQ:DRRX) is a biopharmaceutical company that researches and develops medicines based on its epigenetic regulator and pharmaceutical programs. The company offers ALZET product line that consists of osmotic pumps and accessories used for experimental research in mice, rats, and other laboratory animals; and a range of biodegradable polymers for pharmaceutical and medical devices clients use as raw materials in their products under the LACTEL brand. Its product pipeline consists of multiple investigational drug candidates in development, such as DUR-928, an endogenous, orally bioavailable small molecule that is in Phase I and II development stage to play a regulatory role in lipid homeostasis, inflammation, and cell survival.



DRRX just posted positive data from its clinical trial of DUR-928 for alcoholic hepatitis.

"We are excited that the first trial of DUR-928 in AH patients demonstrated superior outcomes compared to historical control data," said James E. Brown, President and CEO of DURECT, as quoted from the company's press release. "DUR-928 was well tolerated at all dose levels tested and we have gained valuable information to help support dose selection in the next study. We look forward to completing our analysis and reporting additional data at the upcoming AASLD Liver Meeting in Boston in November."