

05:08 16 May 2017

## Wedbush repeats 'outperform' on Catabasis Pharmaceuticals

Wedbush was bullish on Catabasis Pharmaceuticals (NASDAQ:CATB) today and repeated an 'outperform' stance and \$4 price target.

The current price is around \$1.30.

In its first quarter update, the broker said the firm's \$31.8mln in cash and equivalents is expected to provide a cash runway covering the release of data from Part C of its MoveDMD trial

This part of the trial appears to be progressing as planned with interim data release targeted in the third quarter, said the broker, adding this will be the next 'material' catalyst.

"Catabasis has successfully transitioned all patients to the 100 mg/kg/day dose of edasalonexent and is expected to report interim results from Part C of trial once all patients complete 24 weeks of treatment."

Elsewhere in brokerland, Tesla (NASDAQ:TSLA), the electric car maker never far from the spotlight, was targeted by heavyweight Morgan Stanley.

Analyst Adam Jonas downgraded the stock to an "equal weight" position, saying that he now expects Tesla to remain in the red on a generally accepted accounting principles (GAAP) basis until late 2019.

His estimate of annual cash burn deepens to US\$3.1bn from US\$2.3bn the year before.

"By itself, these changes to our model would have taken our price target to US\$292. Rolling forward the starting point of our DCF [discounted cash flow] of the core business to May 1st (from Jan 1st) was an equal offset. Our price target thus remains unchanged at \$305, or roughly 6% downside from the current stock price," the Morgan Stanley analyst said.

Conversely, broker Mackie was upbeat on Pediapharm (CVE: PDP) and has repeated a 'speculative buy' rating and targets \$0.50 on the shares.

The specialty Canada-based pharma that exclusively distributes and licenses medicines to treat pathological conditions that mainly affect children from infancy through to 18 years has just announced a \$5mln private placing, which the broker expects to be used to acquire more products.

It believes drug Rupall is the key growth driver for the company and expect it to achieve over \$8mln in peak sales in out years.

"We expect Pediapharm to launch Otixal in Q2 CY2017 and Cuvposa in Q4 CY2017 if approved," the broker adds.

Combined, Mackie reckons sales of the three products should eventually bring in over \$16.5mln of annual revenues.

"Excluding new product acquisitions, we expect Pediapharm to become cash and net income positive around CY2018-2019," it said.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)1202 770386 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

**No investment advice**

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior columns and opinions we have published. These references may be selective, may reference only a portion of a column or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.