

**PROHOST FILTER**

*Some of what is described as good or bad news pushes the stocks up and down for a few hours or one day with no impact on the firms' rating. Other important real good, or bad news either adds dimensions to the firms' structures and promises that can shape their future, or induces long-lasting negative impact. Prohost uses its intuitive antenna to **detect the impacting news** and work its fine filter to **isolate it from the huge wild wind of news that blows in our faces during the hours of each passing day.***

APPROVAL

▲ **NITROMED (NTMD):** As we predicted, the FDA approved on June 23, this company's drug, **BiDil®**, for the **treatment of heart failure in black**. The approval marks the first time the FDA has approved a drug targeted at a specific ethnic group. We expected the stock to gain momentum following the approval, as clinical trials had shown the drug to be highly effective in those patients, but largely ineffective in the rest of the population. Indeed, the stock, which was halted during the FDA debate at \$18.97 are trading at over \$20. We expect this stock **to reach over \$25 near-term**. (Read further expectations for longer term pricing in Prohost Faxletter that will be posted on Tuesday, June 28.)

DELAYED APPROVAL

ABIOMED (ABMD): The Circulatory System Devices Panel of the FDA today requested additional information on ABIOMED's AbioCor® total artificial heart. The FDA will further review the submission of the AbioCor to the FDA under the Humanitarian Device Exemption (HDE), along with the transcript and proceedings. ABIOMED is committed to working with the FDA to submit additional data regarding patients' anti-coagulation and quality of life information. FDA approval of the AbioCor would provide patients who have serious heart failure and who have no other alternative, the option for the first completely self-contained artificial heart.

The stock has already lost 13.12% following the news to \$8.61. Currently, we buy this stock if it slips to \$7.50 as the artificial heart seems promising and has a great chance of receiving approval in the next few months.

▲ **ALKERMES (ALKS):** A partnership with Cephalon (CEPH) to market its long-acting alcoholism drug, **Vivitrex**, which is **awaiting FDA approval**. Alkermes gained only 1%, as the news might not have echoed favorably in investors' mind despite the fact that Cephalon will pay Alkermes \$160 million up front and \$110 million if the drug receives FDA approval. Alkermes could also stand to receive up to \$220 million in milestone payments if certain sales levels of the drug are met. The stock closed at \$13.21.

Is the deal a good one? Will the drug be approved? Will it be a best seller? To know the answers to these questions read Prohost Faxletter tomorrow. The answer will also be in Prohost next ewsletter.

CORGENTECH (CGTK): **NF-kappaB Decoy** drug candidate was **effective** in preclinical studies in reducing disease activity in acute and chronic models of **Crohn's disease** and **ulcerative colitis**-both also referred to as inflammatory bowel disease (IBD). NF-kappaB Decoy was shown to be efficiently delivered to inflamed areas of the gut, **significantly reduced inflammatory cell infiltrates and expression of proinflammatory genes**, and **reversed disease-associated weight loss and tissue damage in multiple chronic and acute preclinical models of IBD**. These data were presented today at the 12th International Congress of Mucosal Immunology in Boston, MA.

This is a long-term news, but good and promising news about a successful new approach to deal with inflammatory bowel diseases. The firm is worth a follow up.

**BAD RESULTS**

▼ **MYOGEN (MYOG):** Results of two phase 3 trials of the firm's **enoximone** capsules for advanced chronic heart failure. Were disappointing. The trials failed to demonstrate a statistically significant benefit for any of the three co-primary endpoints so it plans to terminate development of the capsules and concentrate its resources on its two other late-stage clinical programs. The stock fell \$1.45, or 20.7%, to **\$5.55**.

We expect the stock to continue falling.

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