

BioRunUp

Analyst Report

This Week's Watchlist 10/4/10

ALXA – #1 on this week's watchlist is Alexza pharmaceuticals. ALXA had an interesting (and disappointing) week. Not only did the share price fall from a run-up peak in the \$3.60 range, but an SEC filing left many investors puzzled. Our stance is that nothing has changed with ALXA, and while we are disappointed that ALXA is not in the \$4 range, it should have time this week to increase in value. However, the timing is awkward and while many may look to buy before the PDUFA date for a quick gain, many run-up traders will be looking to sell as the week progresses. I still am holding all my shares and the lack of a run-up in ALXA is making me lean towards holding my shares all week and maybe even possibly through the weekend (gasp). Make sure you follow BioRunUp on Twitter as I will tweet as soon as I sell my shares.

JAZZ - Jazz shares the same PDUFA date as Alexza, which is 10/11/10. On August 20th the FDA Advisory Panel voted 20 – 2 to NOT recommend JZP-6 for approval. A CRL is expected, and we do not expect a run-up. The price of JAZZ will likely react to the perceived 'severity' of the CRL. This letter will address what the FDA feels JAZZ will have to do to make JZP-6 approvable. The more time and money JAZZ must put into getting JZP-6, the more negatively the market will react.

ISTA – As we wrote about last week, ISTA has experienced a nice run-up to its 10/16/10 PDUFA date. We first wrote about ISTA on June 23rd, when it was trading at \$2.65. Last week it hit a high of \$4.23, representing a near **60%** gain in share price.

BIOD – Bidel's low float helped its roller coaster ride to continue last week, even causing a stop-loss clearing dip into the \$4.80 range. There are no signs that this dramatic ride will end anytime soon. However, we are confident that the potential of Bidel's drug and its massive market share will drive the price up before its 10/30/10 PDUFA date. This week should be another fun ride.