

Forum:[Hack Forums](#)

Thread: [How to trade pharma stocks](#)

Who Soup - April 13, 2017, 7:43 pm

Pharma companies have to go through medical trials before their drug is deemed safe; different drugs require different types of trials.

When you're trading a pharma stock you're betting on two key things: Will it pass trials (or at what stage will it fail)

Will the drug be able to sell

Short term trading

You want to hedge mostly on them passing medical trials. For every trial they pass it goes up substantially because there's a higher chance it's going to become an actual drug. These trials are often quick with a high risk high reward. If a trial fails stocks will go red fast, and your now holding on a hope that they get their shit together and fix what ever failed the test. Also keep in mind products can fail all together in which case you loose everything.

Long term trading

You're betting on a company's ability to not only pass all trials but create a product that has a large target audience and market to that audience. This is normally seen as a high risk high reward type of trading because if anything fails you're fucked. On the other hand, new pharma stocks are normally low because no one can know for sure if it will or will not pass trials. You'll end up seeing substantial gain if you decide to hold long term.

[Click Here for an example on how to analyze a company.](#)

Donald Trump Jr. - April 13, 2017, 9:39 pm

Thanks for this bro, was a great read just a question.

How do you feel about investing into Rigel pharmaceuticals?

thales - April 13, 2017, 9:45 pm

(Apr 13, 2017 09:39 PM)Donald Trump Jr. Wrote: [\[CITE\]](#) Thanks for this bro, was a great read just a question.

How do you feel about investing into Rigel pharmaceuticals? Awful net margins, bad price to sales, awful return on equity, low volume, declining price, etc. Wouldn't touch it.

Who Soup - April 13, 2017, 10:04 pm

(Apr 13, 2017 09:39 PM)Donald Trump Jr. Wrote: [\[CITE\]](#) Thanks for this bro, was a great read just a question.

How do you feel about investing into Rigel pharmaceuticals?

I'm actually happy you asked so I can give an example.

<http://www.rigel.com/index.php/pipeline/>

From their charts it looks like 3 of their drugs are going to pass trials and one is already in the NDA review.

I'll analyze "Fostamatinib - ITP".

Since it's already almost past it's clinical trials you should be interested in if it's marketable.

Target Audience:

A quick search shows 3/100k people are roughly affected. do some quick research and math and you find out that there are roughly 9,567,000 people who suffer from this in the US.

Employees:

On their site it looks like Raul has a lot of past experience in not only business operation but marketing and graduated from standford with a MBA (fag lol). So I'm pretty sure once the trials are over he more than likely will be able to market this product effectively.

<http://www.rigel.com/index.php/about-rigel/management-team/>

Conclusion:

Once Fostamatinib - ITP is out of the trials and into marketing it will more than likely be a successful launch. After which you will probably see a lot more volatility in the stock. Obviously the more research you do the better your projection will be but that's my quick analysis of what I see in the near future.

Hope that answered your question ?