



Shares of niche antiviral drugmakers rocket on flu news; Major antiviral, vaccine makers also gain

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Niche makers of antiviral products and vaccines see shares rocket on news of a possible global pandemic of the swine-flu virus.

BOSTON (MarketWatch) -- Niche makers of antiviral products and vaccines saw shares rocket Monday on news of a possible global pandemic of the swine-flu virus.

Concerns about the growing health crisis helped boost drug stocks into positive territory while the broader market slid into the red. The Amex Pharmaceutical Index (\$DRG, US) rose 2% to 238.07 and the Amex Biotechnology Index (\$BTK, US) jumped 1.5% to 626.67. Meanwhile, the Dow Jones Industrial Average (DJII, XX) was largely flat at 8,082.

[Biota Holdings Ltd.](#) (BTAHY, US)(BTAHF, US) led gainers, with U.S.-traded shares shooting up almost 500% to \$3.50. Australia-based Biota receives royalties on a leading flu-fighting agent, Relenza, which is marketed by [GlaxoSmithKline PLC](#). (GSK, US)

Also gaining at least 30% were [Generex Biotechnology Corp.](#) (GNBT, US), BioCryst Pharmaceuticals (BCRX, US), [Novavax Inc.](#) (NVAX, US) and [Hemispherx Biopharma Inc](#) (HEB, US). Advancing at least 12% were shares of [Vical Inc.](#) (VICL, US) and [Peregrine Pharmaceuticals](#). (PPHM, US).

Many of the companies have also been active in developing products to combat a deadly strain of the avian flu called H5N1, which has been eyed over the years by world health officials as a pandemic threat. The current swine-flu virus is of a strain called H1N1.

Shares of [Pure Bioscience](#) (PURE, US) were up 50% at \$2.75. The group manufactures a disinfection product called PureGreen24 that it says is effective in combating the H1N1 virus.

Large-scale anti-viral developers [Gilead Sciences](#) (GILD, US), [Roche Holding](#) (RHHBY, US) and [GlaxoSmithKline PLC](#) were also up significantly.

Gilead developed a leading flu-fighter, Tamiflu, also called oseltamivir. The biotech group receives royalties on Tamiflu sales from marketer Roche (RHHBY, US).

Shares of Gilead were up 4% at \$47.84, as shares of Roche climbed 4% to \$31.62. Shares of Glaxo were up 7% at \$31.50.

Gilead reported last week that it took in \$33 million in Tamiflu royalties, down from \$93 million the previous year. Gilead attributed the drop to stockpiling by health agencies worldwide in preparation of a possible pandemic of the avian-flu virus.

According to Biota's Web site, Relenza had sales of \$462 million for the quarter ended March 31, garnering the company about \$32 million in royalties. Biota noted that the U.K. and British governments had recently ordered "significant" amounts of the product as part of their pandemic stockpiling measures.

Lazard Capital Markets analyst Joel Sendek said in a note early Monday that the Centers for Disease Control and Prevention suspects other flu-fighting agents are ineffective against the swine-flu virus and is recommending either oseltamivir or zanamivir to treat patients.

"Gilead is likely a beneficiary of the current situation. We anticipate increased retail sales of Tamiflu as people with suspicious symptoms consistent with the flu are likely to purchase Tamiflu. We also expect additional government stockpiling in the future given the scale and speed of the current swine flu emergency," wrote Sendek, who tracks Gilead.

Trading among the remaining major vaccine makers was more mixed. As opposed to other pharmaceutical products, flu vaccines require months of production.

Shares of [Baxter International](#) (BAX, US) rose 3% to \$49.33, while [AstraZeneca PLC](#) (AZN, US) shares were up 4% at \$36.38. Shares of [Sanofi-Aventis](#) (SNY, US) edged up 2% to \$27.27.

[Novartis AG](#) (NVS, US) was the notable exception, with shares trading flat at \$36.83.

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