



Morning Movers 7/9: RIGL, PURE, SOMX, YRCW, AXL, NTKW Higher; NVGN, ELX, VRGY, EXAC, SIMO Lower

July 9, 2009

Rigel Pharmaceuticals, Inc. (Nasdaq: RIGL) 20.1% HIGHER; announced that R788 produced significant clinical improvement in rheumatoid arthritis patients in the recently completed TASKi2 Phase 2b clinical trial of 457 patients treated for up to 6 months. The groups treated with 100 mg of R788 bid and 150 mg qd (once a day) reported higher ACR 20, ACR 50, ACR 70 and DAS28 response rates than the placebo group. [Click here for the full report.](#)

PURE Bioscience (Nasdaq: PURE) 17.8% HIGHER; could be surging on reports that the Obama administration, as well as other worldwide officials, could be preparing for another wave of the A/H1N1 flu virus.

Novagen (Nasdaq: NVGN) 16.2% LOWER; shares seem to be correcting this morning after 2 straight days of upside on the back of news that Marshall Edwards reported its phenoxodiol kills rapidly proliferating T-cells. The stock surged about 80% over the last 2 days.

Somaxon Pharmaceuticals, Inc. (Nasdaq: SOMX) 16% HIGHER; announced that it has completed its previously announced private placement of approximately 5.1 million shares of its common stock at a price of \$1.05 per share and seven-year warrants to purchase up to approximately 5.1 million additional shares of its common stock, exercisable in cash or by net exercise at a price of \$1.155 per share, for aggregate gross proceeds of approximately \$6 million.

YRC Worldwide (Nasdaq: YRCW) 15.7% HIGHER; shares are rebounding this morning following a 50% decline over the last 5 trading sessions on continued bankruptcy fears. Last night, the company said it will focus on additional efforts to realize efficiencies from the YRC integration, restore financial strength, and position its operating companies for future success. [Click here for the full report.](#)

American Axle (NYSE: AXL) 15.5% HIGHER; bouncing today following a 50% drop over the last 4 trading session on bankruptcy concerns.

Emulex Corporation (NYSE: ELX) 13.9% LOWER; announced that its Board of Directors has responded to the revised offer by Broadcom Corporation (Nasdaq: BRCM) to acquire Emulex for \$11.00 per share in cash, and unanimously rejected the offer. The company also reported preliminary Q4 results: sales are expected to be in the range of \$78-\$79 million, which compares to the Street estimate of \$77.27 million. Nno-GAAP EPS for the quarter is expected to be at the high end of guidance of \$0.01-\$0.05. The Street is currently looking for Q4 EPS of \$0.04.

NetSol Technologies (Nasdaq: NTKW) 11.3% HIGHER; continuing higher today following news yesterday morning that it has won a \$1 million plus turnkey e-government contract to automate tax collection systems for Sindh.

Novavax, Inc. (Nasdaq: NVAX) 10% HIGHER; Novavax and Cadila Pharmaceuticals announced the launch of their joint venture in India under the agreement signed between the two companies in March 2009. [Click here for the full report.](#)

Verigy Ltd. (NASDAQ: VRGY) 9.2% LOWER; today updated certain financial guidance for its third fiscal quarter ending July 31, 2009. Revenue for Q3 is expected to increase 10%-25% from the \$71 million reported for Q2, which is consistent with prior guidance. As Verigy previously disclosed, the company does not expect Q3 revenue from Touchdown Technologies, which it acquired on June 15, 2009. Also consistent with previous guidance, Verigy expects gross margins to improve from 2-5% percentage points from the 31% level reported for Q2.

FCStone Group, Inc. (Nasdaq: FCSX) 8.6% HIGHER; reports Q3 non-GAAP EPS of \$0.02, 11 cents better than the analyst estimate of (\$0.09). Revenue for the quarter was \$57.5 million, versus the consensus of \$51.81 million.

Exactech (Nasdaq: EXAC) 7% LOWER; lowers its Q2 sales guidance to about \$43 million, versus the consensus of \$44.76 million. FY09 sales are expected to be \$167-\$173 million, versus the Street estimate of \$177.26 million.

Silicon Motion Technology Corporation (Nasdaq: SIMO) 6.2% LOWER; sees Q2 revenues down 5-10% sequentially, versus prior guidance of up 5-15% sequentially. SIMO also said it sees second quarter gross margin of 47-48%, versus prior guidance of 44-46%. They sees operating expense of \$11-\$12 million, versus prior guidance of \$12-\$13 million.

Kennametal Inc. (NYSE: KMT) 6% LOWER; announced its intention to offer, subject to market and other conditions, 6,500,000 shares of common stock. In addition, Kennametal expects to grant the underwriters an option for a period of thirty days to purchase up to 975,000 additional shares of common stock. Kennametal intends to use the net proceeds from the offering to pay down outstanding bank debt.