

U.S. Opioid Crisis 2018: Three Stocks to Buy and Hold

The opioid crisis is one of the worst epidemics to hit the United States.

More than 2.4 million Americans have reportedly abused opioid medications, many of which are formulated to match pain-reducing properties of opium, including legal painkillers like morphine, oxycodone, and hydrocodone.

Others have turned to heroin and fentanyl.

Making it worse, according to U.S. governors, as noted by NBC Chicago:

“The federal government needs to do more to block illicit versions of synthetic drugs such as fentanyl from being shipped into the U.S. Last year, the Department of Justice issued indictments of two Chinese companies accused of sending fentanyl illegally into the U.S., one of several anti-opioid moves by the federal government.”

It's gotten so bad that since 1999, the number of accidental deaths involving opioids has quadrupled. In fact, it's been reported that 91 Americans die every day from it.

In 2015, 52,000 Americans died from opioid abuse.

According to the U.S. Council of Economic Advisers (CEA):

“CEA estimates that in 2015, the economic cost of the opioid crisis was \$504.0 billion, or 2.8 percent of GDP that year. This is over six times larger than the most recently estimated economic cost of the epidemic.”

In 2016, that number exploded to 63,600. In 2017, early data has it up to 66,000.

It's why President Donald Trump declared the opioid crisis a “public health emergency.”

While we wait for the President's next announcement on the crisis, some of the stocks to keep an eye on with regards to treating opioid dependency include stocks, include the following:

Opioid Crisis Stock No. 1 – Pain Therapeutics (PTIE)

Pain Therapeutics just announced positive results from a human abuse study of REMOXY. The company plans to resubmit the drug candidate New Drug Application (NDA) to the FDA shortly. Study results indicated that in non-dependent, recreational opioid users, nasal administration of REMOXY resulted in significantly lower abuse potential, as compared to immediate-release oxycodone.



PTIE is a speculative buy at current market prices.

Opioid Crisis Stock No. 2 – Cara Therapeutics (CARA)

Cara Therapeutics, Inc. is a clinical-stage biopharmaceutical company focused on developing and commercializing new chemical entities designed to alleviate pain and pruritus by selectively targeting peripheral kappa opioid receptors. At the moment, it's developing lead molecules that selectively modulate peripheral CB receptors without targeting CNS cannabinoid receptors. Cara's most advanced CB compound, CR701, is in preclinical development.



CARA is also a speculative buy at current market prices.

Opioid Crisis Stock No. 3 – Alkeremes Inc. (ALKS)

One of ALKS' leading drugs – Vivitrol – treats opioid addiction. And CEO Richard Pops strongly believes, "the bet days of Vivitrol are still ahead of it. It's building into becoming one of the more important medicines for the treatment of this condition."



From my understanding, the drug injection prevents relapses to opioid dependence.

As CNBC reports, "The injection is meant for detoxed patients who want to avoid relapsing to physical dependence on opioids, a treatment long viewed as an "outlier" next to more traditional medicines." And, as the number of related deaths rises, the company is beginning to see the drug take center stage as a "reliable and effective treatment."

"Just last quarter there was a major government study that was published that showed the efficacy of Vivitrol compared to these existing medicines and showing how well patients do on it over time," Pops said, as quoted by CNBC. "I think we're making a big impact in addiction now, finally, after all these years."

The best way to trade ALKS is to buy the stock at market prices. Unfortunately, there's very little movement in the call options. As we move closer to a potential solution to the U.S. crisis, these are three names to buy and hold.