

Crisis and Opportunity: Buy Vaccine Stock on Weakness

A good deal of stocks pulled back over the last few days.

However, we're using any signs of weakness as opportunity.

For one, the current situation shows no signs of slowing. Global cases are now up to 21.7 million with more than 775,937 deaths.

In the U.S. alone, there are nearly 5.41 million cases, with some cities considering a rollback of openings.

Brazil is up to 3.3 million cases

India is up to 2.6 million cases

Russia is up to 925,558 cases

South Africa is up to nearly 587,400 cases

Meanwhile, the World Health Organization has warned the situation could get far worse.

Plus, news out of Russia isn't worth getting excited about. Russia is claiming to have the first vaccine in the world.

"As far as I know, a vaccine against a new infection has been registered this morning, for the first time in the world," said Russian President Vladimir Putin, who also claims one of his daughters has already taken it, as noted by CNBC.

"Although I know that it works quite effectively, it forms a stable immunity and, I repeat, has passed all the necessary checks," Putin added.

However, despite the news, this isn't a safe vaccine.

There's no Phase 3 trial data. We don't know if it's safe or what potential long-term effects could be. Most people I've spoken to wouldn't trust a vaccine without that data.

With that, some of the top stocks to consider after a recent pullback include:

Opportunity No. 1 – Novavax Inc. (NVAX)

Novavax (NVAX) is starting a Phase 2b clinical trial in South Africa to evaluate the efficacy of its vaccine candidate.

"Because South Africa is experiencing a winter surge of the disease, this important Phase 2b clinical trial has the potential to provide an early indication of efficacy, along with additional safety and immunogenicity data for NVX-CoV2373," said Gregory Glenn, president of research and development at Novavax.



In addition, the UK just announced the purchase of 60 million doses of the NVAX vaccine.

“It is encouraging that Novavax’ recent clinical data shows their vaccine triggers an immune response greater than that in patients who have recovered from the disease,” said Kate Bingham, Chair of the UK Government’s Vaccines Taskforce. “We believe that Novavax has a highly innovative vaccine that could be the first in its class of protein-based vaccine options. We are happy to partner with them and global organizations such as CEPI to further our mutual commitments to ensure global access to the vaccine.”

Opportunity No. 2 – Moderna Inc. (MRNA)

After pulling back to \$69, it’s a buy again on news the U.S. government will purchase 100 million doses of its vaccine. At the moment, the treatment is in Phase 3 trials, with results due in October 2020. “ If the vaccine works as intended, the body will start producing the proteins soon after injection, prompting the immune system to react and build up protective antibodies against them,” notes Bloomberg.



Opportunity No. 3 – Vaxart Inc. (VXRT)

The stock is just beginning to explode higher again after VXRT filed an Investigational New Drug (IND) application with the US FDA.



Once granted, it can begin testing its experimental vaccine on people in a clinical trial. Filing the IND is a major step toward advancing its vaccine. What sets VXRT's candidate apart is that its treatment is a tablet, and not an injection.

"We expect our upcoming Phase I study to generate data that will further differentiate our oral vaccine from injectable vaccines by substantiating the importance of activating both systemic and mucosal immunity in protecting against the virus. We believe that this mechanistic benefit combined with the significant advantages of oral administration to the patient while eliminating the need for cold chain distribution, could make our vaccine an ideal candidate for successful mass vaccination campaigns globally," said Andrei Floroiu, CEO.