
From: Boris Nikolic <[REDACTED]>
Sent: Monday, August 4, 2014 9:55 PM
To: Jeffrey Epstein (jeevacation@gmail.com)
Subject: you asked about FMI

See article below and a table.

The entire sector is down.

A smaller companies and recent IPOs got it much worse

- &nb=p; Email <<http://www.genomeweb.com/forward?path=node%2F1423236>>
- &nb=p; Printer-friendly version <<http://www.genomeweb.com/print/1423236>>
- &nb=p; RSS Feed <<http://www.genomeweb.com/newsletter/69886/feed>>

By <= href="mailto:dailynews@genomeweb.com"> a GenomeWeb staff reporter <=span>

NEW YORK (GenomeWeb) – In July the stocks of companies operating in the omics research tools and molecular diagnostics space returned almost all of their gains from June <<http://www.genomeweb.com/omics-mdx-stocks-rise-5-percent-june-le-exact-sciences-sequenom-pacbio-and-genm>> as the GenomeWeb Daily News Index dropped 5 percent month over month.

In all, 25 of the 29 companies in the Index saw their stock prices fall in July, with Pacific Biosciences (-26 percent), Cepheid (-21 percent), and GenMark Diagnostics (-21 percent) seeing the steepest declines. The biggest gainer during the month was Luminex, whose shares increased 6 percent.

The GWDN Index's decline outpaced losses in the broader markets. The Dow Jones Industrial Average was down 2 percent month over month, while the Nasdaq decreased a fraction of 1 percent, and the Nasdaq Biotech Index dipped 2 percent.

PacBio's drop follows a gain of nearly 25 percent in June and was in spite of a reported 89 percent increase in revenues <<http://www.genomeweb.com/sequencing/pacific-biosciences-q2-revenues-climb-89-percent>> for the second quarter. While the results met the consensus analysts' estimate on the top line and exceeded expectations on the bottom line, its instrument bookings in the quarter fell short of expectations, leading to a 14 percent decrease in its share price the day after it released its Q2 financial results.

Cepheid's drop also came in spite of a sharp increase in its Q2 revenues, which were up 21 percent <<http://www.genomeweb.com/clinical-genomics/cepheid-reports-21-percent-uptick-q2-revenues>> year over year. Additionally, Wells Fargo initiated coverage of Cepheid with an Outperform rating. However, mid-month, Roche sued the company <<http://www.genomeweb.com/pcr-sample-prep/roche-files-patent-infringement-suit-against-cepheid-over-us-sales-tb-test>> alleging infringement of its patents covering PCR-based technologies. In the two days following the filing of the lawsuit, Cepheid's stock dropped 11 percent and has continued declining since. <=span>

Some Wall Street analysts also expressed caution on the company's shares after the release of its Q2 results. Although Cepheid beat the consensus estimates on the top and bottom lines, it lowered its EPS guidance for full-year 2014. Canaccord Genuity's Mark Massaro, for example, lowered his price target on the company's shares to \$58 from \$62, noting that "the company guided to a slight Q3 and announced it is pushing forward its R&D spend to advance its test menu in oncology testing (breast, leukemia, bladder)."

GenMark's share-price drop came without any obvious catalysts, just as its 23 percent increase in share price in June had no apparent drivers. Its stock steadily fell throughout July, and even a pre-announcement that its Q2 base revenues are anticipated to be up 71-percent year over year, has had only a limited effect on its stock price.

The company also pushed back the completion date of its molecular diagnostics platform called ePlex (formerly called NexGen) to the end of 2014. The system was originally set to be completed by April 2014 and then was pushed back to the end of the summer. Some analysts have remained bullish on the company despite the delay.

Nicholas Jansen of Raymond James Equity reiterated an outperform rating for the company and said, "[Our] thesis remains unchanged and we expect revenue growth to inflect in 2016, the first full year of the launch of the new platform. That said, we acknowledge that this minor delay could be a source of investor frustration; although, the strong 2Q report could provide some level of buffer."