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## Wedbush repeats 'outperform' on Catabasis Pharmaceuticals

Wedbush was bullish on Catabasis Pharmaceuticals (NASDAQ:CATB) today and repeated an 'outperform' stance and \$4 price target.

The current price is around \$1.30.

In its first quarter update, the broker said the firm's \$31.8mln in cash and equivalents is expected to provide a cash runway covering the release of data from Part C of its MoveDMD trial

This part of the trial appears to be progressing as planned with interim data release targeted in the third quarter, said the broker, adding this will be the next 'material' catalyst.

"Catabasis has successfully transitioned all patients to the 100 mg/kg/day dose of edasalonexent and is expected to report interim results from Part C of trial once all patients complete 24 weeks of treatment."

Elsewhere in brokerland, Tesla (NASDAQ:TSLA), the electric car maker never far from the spotlight, was targeted by heavyweight Morgan Stanley.

Analyst Adam Jonas downgraded the stock to an "equal weight" position, saying that he now expects Tesla to remain in the red on a generally accepted accounting principles (GAAP) basis until late 2019.

His estimate of annual cash burn deepens to US\$3.1bn from US\$2.3bn the year before.

"By itself, these changes to our model would have taken our price target to US\$292. Rolling forward the starting point of our DCF [discounted cash flow] of the core business to May 1st (from Jan 1st) was an equal offset. Our price target thus remains unchanged at \$305, or roughly 6% downside from the current stock price," the Morgan Stanley analyst said.

Conversely, broker Mackie was upbeat on Pediapharm (CVE: PDP) and has repeated a 'speculative buy' rating and targets \$0.50 on the shares.

The specialty Canada-based pharma that exclusively distributes and licenses medicines to treat pathological conditions that mainly affect children from infancy through to 18 years has just announced a \$5mln private placing, which the broker expects to be used to acquire more products.

It believes drug Rupall is the key growth driver for the company and expect it to achieve over \$8mln in peak sales in out years.

"We expect Pediapharm to launch Otixal in Q2 CY2017 and Cuvposa in Q4 CY2017 if approved," the broker adds.

Combined, Mackie reckons sales of the three products should eventually bring in over \$16.5mln of annual revenues.

"Excluding new product acquisitions, we expect Pediapharm to become cash and net income positive around CY2018-2019," it said.

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