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Pfizer breast cancer drug hits midstage study goal (Update)

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Drugmaker Pfizer Inc. said Monday that a midstage study of its experimental drug for advanced breast cancer, palbociclib, met the main goal.

The world's second-biggest drugmaker said the drug, combined with another medicine called letrozole, increased the time patients survived without tumors growing, compared with women just getting letrozole.

Shares of New York-based Pfizer jumped more than 4 percent early on and were up 38 cents, or 1.3 percent, at $30.79 in afternoon trading on a day when the broader markets fell sharply.

Analysts are closely watching palbociclib, which is for postmenopausal women with certain tumor characteristics found in about 60 percent of patients with advanced breast cancer. It's seen as a potential huge seller.

Credit Suisse analyst Vamil Divan wrote to investors Monday that he expects the drug to produce annual global sales of $2.9 billion in 2013.

"We believe our forecasts are likely conservative at this point," particularly if palbociclib turns out to also work on lung and blood cancers, Divan wrote in a research note.

He reiterated his "Outperform" rating for Pfizer, saying he likes the company's stock "as a multi-year restructuring story" due to possible bonuses from its pipeline of experimental drugs, "shareholder-friendly

capital allocation" and a low share price.

Shares had languished in the teens for several years, then nearly doubled from $17.45 over the past 29 months—still well below the share price for Pfizer's major competitors.

Divan noted Pfizer's comments Monday could raise expectations the company could apply for and receive palbociclib approval a little earlier than expected.

Pfizer said it plans to release detailed results from the latest study, called PALOMA-1, at the American Association for Cancer Research meeting in San Diego in early April.

The company is now enrolling patients in a late-stage test of palbociclib. Last April, the Food and Drug Administration designated it a breakthrough therapy, a recognition that helps speed up the review needed for approval.