

February Winners Column: Wannabe virus fighters ride high in a rough month for stocks

16 hours ago | Reuben Adams

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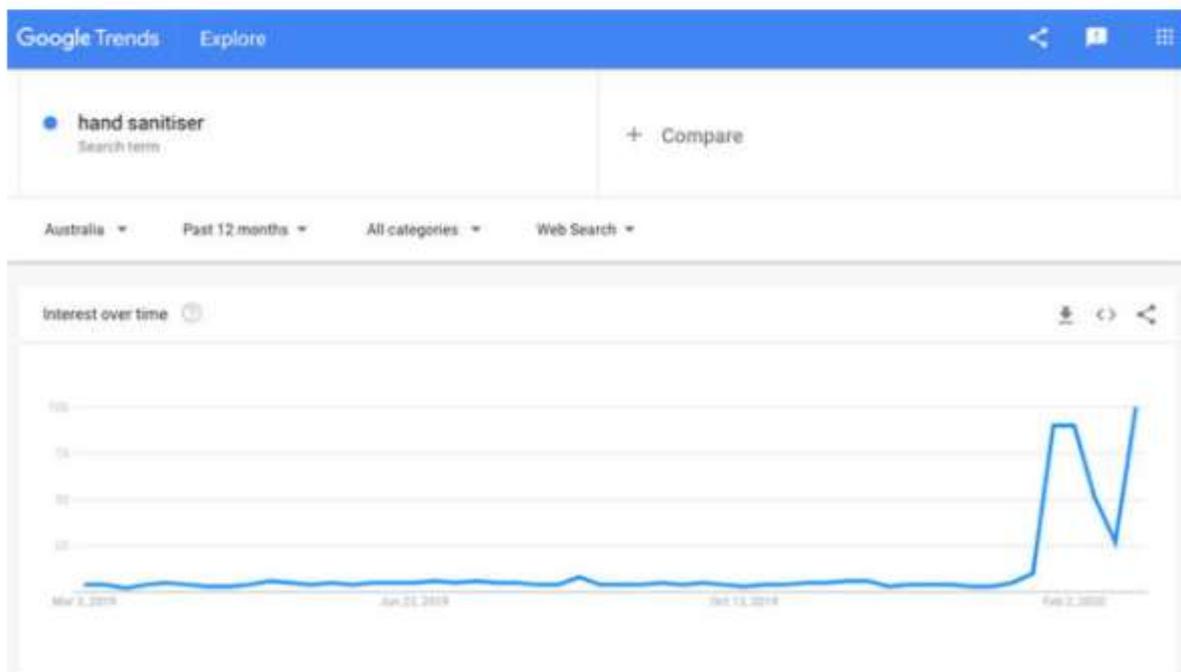
In February, mounting coronavirus-led uncertainty finally culminated in a late-month share price bloodbath.

After a 3 per cent gain in January, the S&P/ASX Emerging Companies Index – which gauges the health of the microcap sector – had plunged 12.3 per cent at the end of February to mid-2019 levels.

Of the sub-\$500m market cap companies on our list, 256 went up, 1261 went down, and 140 stayed the same over the month. Ouch.

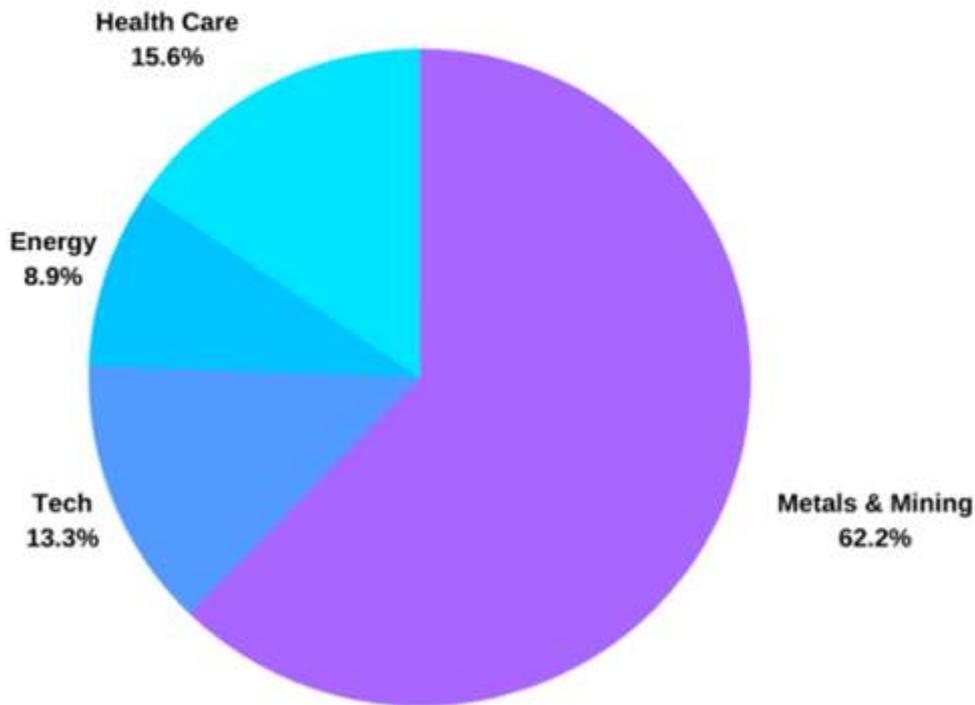
But there's always winners in times of crisis.

Featuring heavily on our top 50 were our small cap contingent of *potential* coronavirus fighters, including any company that mentioned 'hand sanitiser':



And despite a late-month hiccup, gold explorers also performed well.

That's not surprising, given that the precious metal is considered a safe haven asset in times of economic catastrophe.



Here's the top 50 small caps for the month of February>>>

Scroll or swipe to reveal table. Click headings to sort. Best viewed on a laptop

TICKER ^	NAME	% RETURN ↕	PRICE FEB 29 ↕	MARKET CAP ↕
EXR	ELIXIR ENERGY	60	0.032	16.03M
FHS	FREEHILL MINING	115	0.029	39.90M
GUL	GULLEWA	50	0.045	6.98M
HCT	HOLISTA COLLTECH	70	0.160	41.35M
KAI	KAIROS MINERALS	33	0.008	8.16M
KIN	KIN MINING	87	0.058	33.12M
KRR	KING RIVER RESOURCES	74	0.033	41.21M
LCY	LEGACY IRON ORE	33	0.002	12.49M
LOM	LUCAPA DIAMOND CO	36	0.150	74.87M
LTR	LIONTOWN RESOURCES	31	0.110	186.34M
MDI	MIDDLE ISLAND RESOURCES	100	0.008	14.12M
MOH	MOHO RESOURCES	77	0.076	3.73M
MRD	MOUNT RIDLEY MINES	50	0.003	8.05M
MTC	METALSTECH	45	0.058	6.78M
MX1	MICRO-X	27	0.190	47.50M
NCL	NETCENTRIC	45	0.029	7.61M
NSX	NSX	50	0.180	40.28M

Small Cap Focus: The Virus Fighters

USCOM (ASX:UCM) +148%

Market Cap: ~\$46m

Medtech Uscom is no bandwagoner. The tightly held cardiovascular and pulmonary medical device company is targeting global markets with its non-invasive tech.

In early February, it announced a “material increase” in orders from China, with some devices being specifically installed for the monitoring of hospital patients diagnosed with coronavirus.

Now the company says it is “approaching profitability”, driven in part by its rapidly expanding Chinese operations.

ZOONO GROUP (ASX:ZNO) +118%

Market Cap: ~\$310m

New Zealand company Zoono (ASX:ZNO) makes anti-microbial sprays designed to kill germs and treat acne.

Sales have surged as the coronavirus epidemic/pandemic – and the fear of it – spreads, but the market darling was moving higher even before the first case of coronavirus was reported in China in December.

The stock has now run an incredible +3,315 per cent over the past six months.

HOLISTA COLLTECH (ASX:HCT) +70%

Market Cap: ~\$41m

Holista CollTech is still up substantially, despite being forced to withdraw some claims it made in early February about its coronavirus fighting nasal sanitising balm.

The balm will use an ingredient called Path-Away, it declared, which has killed all previously tested coronavirus types as well as the AIDS virus.

The company has now retracted these statements “as a result of not technically complying with the level of disclosure required in accordance with the ASX Biotech Code, Code of best practice”.

BIOTRON (ASX:BIT) +50%

Market Cap: ~\$84m

Biotron hit the big time in late 2018 with positive clinical trial data around an HIV cure, but hasn't had much news to share with investors since.

On February 6, Biotron told investors that it had a “proprietary library” of different compounds used in the treatment of viral diseases, and is now assessing those compounds for applicability in tackling the current coronavirus outbreak directly.

EAGLE HEALTH HOLDINGS (ASX:EHH) +44%

Market Cap: ~\$63m

Shares in the health and nutrition company – which made a \$2.5m profit in FY19 – surged after it announced a “co-branding” arrangement with Zoono (ASX:ZNO) whereby it will import Zoono products to its facility in Xiamen, China.

AERIS ENVIRONMENTAL (ASX:AEI) +29%

Market Cap ~ \$108 m

Aeris Environmental – not a health company – is also a coronavirus beneficiary after the Singapore National Environmental Agency (NEA) said its hospital-grade disinfectant had been added to a list of approved general products for virus disinfection.