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ViroPro Inc., VPRO, a small Bio Pharmaceutical company today signed a Letter of Agreement (LOA) with Spectrum Pharmaceuticals, SPPI, to develop a Bio-similar (generic) drug for Rituximab, currently marketed by Roche/Genentech. Global sales for this particular drug reached $5.6 Billion Dollars.

Today's LOA marks the huge development for VPRO and recognition of its technology. This is just the beginning of a lengthy drug development and approval process, which may take number of clinical trials spanning over years, before any drug resulting from this agreement could reach the market.

Investors, however, sent the stock to dizzying heights, the stock gained a whopping 2700% today. Even after such a huge run, the company's Market Cap remains under $25 Million Dollars. We will not be surprised to see further speculative run on this stock for the next few days and weeks.

FDA has recently finalized the process of approving the Bio-Similar drugs and held many public hearings. Bio Similar drug development is not as straight forward and easy as the generic drugs, the relatively large molecules makes it harder and costly to develop. According to the industry experts the cost of developing Bio Similar drugs could be 10 to 15 times higher than the generic drugs.