

Bayer Shares Crash Most on Record After Monsanto Cancer Trial Loss

By [Zero Hedge](#)

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Bayer AG shares are down over 12% this morning – the biggest drop ever – to the lowest levels since October 2013, amid investor anxiety over the potential future legal costs associated with newly-acquired Monsanto’s RoundUp weedkiller.

[As we detailed Friday](#), a San Francisco Jury awarded \$289 million in damages to a former school groundskeeper, Dewayne Johnson, who said Monsanto’s Roundup weedkiller gave him terminal cancer.

The trial was an important test of the evidence against Monsanto and will serve as a template for litigating thousands of other claims over the herbicide.

As Bloomberg reports, the verdict surprised Bayer investors and may stir up memories of the scandal over cholesterol-lowering pill Lipobay, said Markus Mayer, an analyst with Baader Bank AG. Bayer paid more than \$1.1 billion to settle suits over the heart drug.

“Investors might worry that this will become a ‘Lipobay 2.0,’” Mayer said.



The company, whose market value fell by more than 10 billion euros (\$11.4 billion) Monday, says Roundup is safe.

“They’re going to appeal, and we’re going to have to see what happens then,” said Ulrich Huwald, an analyst with Warburg Research in Hamburg. Even if Bayer doesn’t face similar verdicts in other cases, the company may need to pay out settlements. “As the northern Germans say, ‘In court and on the high seas, you’re in God’s hands.’”

Bayer closed a deal to buy Monsanto for \$66 billion in June. If the litigation generates large verdicts, it could have a material impact on Bayer’s bottom line, said Chris Perrella, an analyst for Bloomberg Intelligence.

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