

ZYBT

Small Cap

Biotech

Chinese Stocks

Dilution Risk

Momentum

ZYBT Pops 19% But Dilution Hangover Remains From \$14 High

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SUMMARY

ZYBT bounced hard off March 2nd's close but the Chinese vet vaccine maker still trades 94% below its April 2025 peak amid ongoing dilution concerns.

SINCE REPORT +4.1%

DATA BOX

Price	\$0.8461
Change	+19.17%
Volume	8.33M
Float	~47.5M
Mkt cap	\$40.19M

Key Data:

- Price: \$0.8461 (+19.17%)
- Volume: 8.33M
- Float: ~47.5M shares
- Market Cap: \$40.19M

Report written at 10:09 AM ET on March 23, 2026

ZYBT's catching attention with a 19% bounce Sunday, but don't mistake this for a turnaround story just yet. The Chinese veterinary vaccine maker hit \$0.90 intraday before settling at \$0.8461 — still sitting 94% below its April 2025 high of \$14.30.

The stock was down 5.8% just Tuesday, trading as low as \$0.7102, making this weekend gap a decent bounce off what looks like short-term support around \$0.71. ZYBT reached its all-time low of \$1.04 on January 23, 2026, so we're still testing those basement levels.

Volume tells the story here — 8.33M shares moved today against a float of roughly 47.5 million. That's about 17.5% of the float changing hands, suggesting genuine interest rather than just thin-air moves. The question is whether this represents real accumulation or just another failed bounce in what's been a brutal dilution cycle.

The IPO Disaster Blueprint

ZYBT completed its Nasdaq listing in January 2025 at \$4.00 per share, raising \$6.9 million including the over-allotment. Classic small-cap setup: company goes public, trades like a rocket ship for a few months, then reality sets in. The stock peaked at \$14.30 in April 2025, giving early buyers a nice 3.5x return before the wheels came off.

The chart from here is textbook dilution death spiral. ZYBT shares have struggled significantly over longer timeframes, down nearly 80% over the past six months. That's not market volatility — that's structural selling pressure.

The company received a delinquency notice from NASDAQ on May 20, 2025, for failing to file its 2024 annual report on time, though this doesn't immediately affect its listing status. Red flag for anyone thinking this bounce has legs.

The Levels That Matter

From a tape perspective, \$0.71 proved to be legitimate support last week. That's your line in the sand — break below and we're looking at new lows. The stock couldn't hold above \$0.90 today despite the gap, which suggests overhead resistance around that level.

ZYBT stock has fallen 6.90% compared to the previous week and shown a 40.76% fall over the month. That's the kind of technical damage that doesn't repair overnight, even with 19% bounces.

The key test comes at \$1.04 — that January low. Clear that with conviction and volume, and maybe you've got something. Fail here, and \$0.71 becomes the next battleground.

The Business Beneath

Don't let the biotech label fool you — this isn't some moonshot drug discovery play. Zhengye manufactures veterinary vaccines for livestock in China, focusing on swine, poultry, cattle, and sheep. The company has partnerships with China Agricultural University and established testing centers, so there's actual revenue here.

In the last 12 months, ZYBT had revenue of \$25.53 million and earned \$1.55 million in profits. That's a legitimate business trading at less than 2x sales, which would be compelling if not for the dilution overhang.

The company submitted registration materials for two poultry vaccines in Vietnam in 2025, with approvals expected throughout 2026. Management plans strategic expansion into the companion animal sector through M&A, describing it as "structurally resilient."

What Could Change the Script

This isn't dead money if management stops the dilution cycle and executes on their expansion plans. 2026 priorities target large customers, product-led solutions, and laboratory network expansion. The Vietnam approvals could provide a catalyst if they materialize.

But here's the reality check: As of January 2026, ZYBT had a \$49.4 million market cap, putting it in the 15th percentile of Pharmaceuticals companies. You're fishing in the penny stock pond here.

Short interest sits at 198,847 shares — just 0.42% of outstanding shares. That's not enough to drive a squeeze, but it also means no massive short covering pressure.

Smart money approach: treat this as a momentum trade if it can clear \$1.04 with volume. Risk management below \$0.71. Don't size this like it's your retirement fund — the dilution history speaks for itself. Sometimes the bounce is just a bounce.

This analysis is for informational purposes only and should not be considered investment advice.

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