3 Drug and Nutrition Stocks That Belong in Your TFSA

Description

Canadian investors on the hunt for tax-free growth in early 2018 may have found their efforts frustrated by the performance of the TSX thus far. The S&P/TSX Index closed down 1.1% on March 23, and the index is now down 6% in 2018. For those that are taking a more active role in their portfolios in response, it is prudent to focus on growing industries.

Today, we are going to look at three stocks that could make attractive additions to a TFSA in 2018.

Zymeworks Inc. (TSX:ZYME)(NYSE:ZYME)

Zymeworks is a Vancouver-based clinical-stage bio-pharmaceutical company. Zymeworks develops protein therapeutics that assists in cancer treatment and for autoimmune and inflammatory diseases. The company had its initial public offering in May 2017. Zymeworks stock has climbed 62.7% in 2018 as of close on March 23.

The company released its 2017 fourth-quarter and full-year results on March 14. ZW25, which is the lead product candidate currently being evaluated in a phase one clinical trial, saw progress over the course of the year. The product has shown positive results in combating HER2-expressing cancers, and Zymeworks increased the number of clinical trial sites in Canada and the United States.

Zymeworks reported a net loss of $10.4 million compared to $33.8 million in 2016 with higher revenues offsetting research and development expenses. The company also boasts $87.8 million in cash and cash equivalents. The stock remains an attractive speculative add for those seeking growth in the long term.

Valeant Pharmaceuticals Intl Inc. (TSX:VRX)(NYSE:VRX)

Valeant is a Laval-based specialty pharmaceutical and medical device company. Valeant stock fell 4% on March 23, as it suffered due to a global sell-off. Shares have plunged 24.3% in 2018 but are up 38% year over year. Valeant is in the midst of a recovery following a precipitous fall in its stock in 2015 during a drug price scandal.

Valeant released its 2017 fourth-quarter and full-year results on February 28. The company reported that it had managed to decrease over 20% of its debt from the first quarter of 2016. It also posted 6% organic growth in its largest business — The Bausch + Lomb/International segment. However, total revenues were still down 10% year over year to $8.7 billion. Net income grew to $2.404 billion in 2017 compared to a net loss of $2.409 billion in 2016.

The company is still in the midst of a recovery, and its upside will likely be muted in the short to medium term.

Jamieson Wellness Inc. (TSX:JWEL)

Jamieson is a Toronto-based sports nutrition and supplements company. Jamieson stock has dropped 9.3% in 2018 thus far. The company is well positioned for future growth, as its products are geared towards an expanding consumer base.

Jamieson released its 2017 fourth-quarter and full-year results on February 22. For the full-year revenue rose 21.1% to $300.6 million, and adjusted EBITDA jumped 31.4% to $61.5 million. Jamieson also declared a quarterly dividend of $0.08 per share, representing a 1.2% dividend yield.

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