



Sick of Cannabis Stocks? These 3 Biotech Stocks Offer Huge Growth Potential

Description

Back in May I'd discussed why biotechnology stocks were an [attractive option](#), as cannabis stocks were struggling at the time. Fast forward three months and the cannabis sector is red hot once again after a huge investment was announced last week. Still, volatility will continue to be a concern ahead of recreational legalization. Cannabis stocks are also wrestling with enormous valuations, and even a successful rollout may not meet the lofty expectations that have been set by this early surge.

Biotech stocks remain a great under-the-radar option for investors on the hunt for big growth potential. Today we'll review three stocks that were the subject of an [article in June](#). Are these still good options today? Let's dive in.

Aptose Biosciences Inc. ([TSX:APS](#))([NASDAQ:APTO](#))

Aptose Biosciences stock has suffered from volatility since mid-June. The company develops targeted medicines and personalized therapies for the treatment of specific life-threatening cancers. The stock is still well-ahead in 2018 – up 34.8% – and is up over 100% year-over-year as of close on August 22. The summer slump represents an enticing buy-low opportunity for investors. Aptose released its second-quarter results on August 7.

The company reported total cash and cash equivalents at \$18.5 million as of June 30, 2018, which it expects will be sufficient to fund research and development operations into the second half of 2019. Aptose was pleased to announce progress for its hematology product candidates APTO-253 and CG-806. The payment of a one-time licensing fee totalling \$5 million resulted in a \$10.3 million loss in the quarter.

Resverlogix ([TSX:RVX](#))

Resverlogix is a clinical stage biotechnology company with a lead product for the treatment of patients with cardiovascular disease, diabetes mellitus, and others. Shares have surged over 100% over a three-month span as of close on August 22.

In late July, Resverlogix announced that it would pursue a U.S. listing. This often provides a boost to

stocks in the near term. In August the company also announced a seventh positive recommendation from the Data Safety Monitoring Board for the phase 3 study of Apabetalone. The stock is hovering around all-time highs so investors may want to wait for entry points as we look ahead to the fall.

Zymeworks ([TSX:ZYME](#))(NYSE:ZYME)

Zymeworks is a Vancouver-based biopharmaceutical company focused on cancer treatments. Its flagship product is ZW25 which is currently in phase 1 of clinical trials. Shares have climbed 89% in 2018 as of close on August 22 but the stock has tapered off in the summer. The stock is now trading over \$10 off of the all-time highs it reached in early June.

In the second quarter Zymeworks reported revenue of \$22 million compared to \$1.3 million in the prior year. This was primarily due to an \$18 million upfront technology access fee. Research and development fees nearly doubled year-over-year but the company reported cash and cash equivalents of \$166.2 million as of June 30, 2018. ZW25 has been very promising so far and Zymeworks is approaching a much more attractive value as we head into September.

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