2 Growth Stocks for Young Investors to Hold Forever

Description

The S&P/TSX Composite Index has managed to rebound in early November after a rough October, but it still has a way to go before breaking even in 2018. The TSX is down 5% this year as of close on November 7.

Back in mid-October, I'd discussed why new investors should opt for active management of their portfolios rather than go with the "set-it-and-forget-it" promise offered by ETFs and index funds. **Vanguard FTSE Canada All-Cap ETF** (TSX:VCN), which aims to track the performance of the FTSE Canada All Cap Index, has dropped 2% year over year. Young investors are often targeted as candidates for these products. The world economy is facing big challenges going forward, and investors young and old will be forced to contend with a more volatile market, as the period of historically low interest rates and aggressive monetary stimulus winds down.

Today, I want to explore two stocks that offer attractive growth opportunities in the long term. These types of stocks are particularly enticing for young investors, as their time horizon makes them well equipped to weather short-term volatility. Let's dive in.

Jamieson Wellness (TSX:JWEL)

Jamieson Wellness plunged 11.35% on November 7 after the company released its third-quarter results at close the previous day. The single-day drop pushed shares down 12% for 2018. This sell-off screams overreaction, and investors should look to add on the dip.

The company reported strong results in its core business as revenue rose 3.7% year over year to $83.1 million and adjusted EBITDA climbed 10.7% to $17.9 million. However, the company was hit by raw material delays in its Strategic Partners business and a difficult quarter for its Specialty Brands segment. Jamieson's full-year guidance was narrowed across all metrics, but it is still within range of what was forecast in the beginning of the fiscal year.

Jamieson filed two more products in China in the third quarter and is slated to file another six by the end of the calendar year. The company's growth strategy in Asia is promising and will position it to see significant revenue gains into the next decade. The stock also offers a dividend of $0.09 per share, which represents a 1.8% yield.

Zymeworks (TSX:ZYME)(NYSE:ZYME)

Zymeworks stock has soared 92% in 2018 as of close on November 7. The company released its third-quarter results after markets closed on November 6.

As usual, the biggest news at Zymeworks centred on the development of its flagship product candidate ZW25. Results for the phase one study of ZW25 will be presented at an upcoming European oncology conference later in November. It also reported that it was on track to file an IND for ZW49, its second product candidate. Zymeworks plans to begin a phase one study of the product in early 2019. Research and developments costs rose to $14.1 million compared to $11.5 million in Q3 2017 due to the resources being poured into ZW25.

Zymeworks is an extremely attractive speculative buy taking into consideration the scope of its product offerings. Its clinical trials have shown promising progress, and the stock will prove massively undervalued at its current price if it is able to execute its product pipeline.

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2. TSX:JWEL (Jamieson Wellness Inc.)

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