



2 Biopharma Stocks to Add to Your TFSA Today

Description

An August report from Grand View Research projected that the global biotechnology market would be worth \$727 billion by 2025. Biotherapeutics have emerged as the fastest-growing sector in the pharmaceutical industry. Today we are going to look at two stocks in this sector that are worth your attention.

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

Zymeworks is a Vancouver-based clinical-stage biopharmaceutical company. It is focused primarily on cancer therapeutics and its leading product candidate, ZW25, is a bispecific antibody which is currently being evaluated in phase 1 trials. Shares of Zymeworks have climbed 49% year over year.

In early January I'd recommended Zymeworks as the [perfect growth stock](#) to stash in a TFSA with a long time horizon. The market research firm Mordor Intelligence released a 2018 report that put the cancer therapeutics market value at \$136 billion last year. It estimates the market to be worth \$220 billion by 2024, which represents a compound annual growth rate (CAGR) of 8.3%.

Zymeworks is set to release its fourth-quarter and full-year results for 2018 next week. In December the company submitted an investigational new drug (IND) application for ZW49, a biparatropic HER2-targeted ADC. January brought more excitement as Zymeworks reported a second IND in collaboration with Eli Lilly Company.

This second IND was on an Azymetric bispecific drug candidate. Both demonstrate that Zymeworks' platform technologies are yielding consistent success.

The early data for ZW25 is very promising, and if it makes it to market its potential is enormous. Zymeworks stock currently boasts an RSI of 35, putting it just outside of oversold territory ahead of its Q4 earnings release. This stock has home run potential for growth investors.

HLS Therapeutics ([TSX:HLS](#))

HLS Therapeutics is a Toronto-based specialty pharmaceutical company. Shares of HLS Therapeutics were up 8.2% in 2019 as of early afternoon trading on March 5. The stock has soared over 550% over the past year.

The company is expected to release its fourth-quarter results in late March or early April. HLS Therapeutics stock announced its graduation to the **Toronto Stock Exchange** (TSX) in early February. In the third quarter of 2018 the company established a quarterly dividend policy and declared a payment of \$0.05 per share. This currently represents a modest 0.6% yield.

HLS Therapeutics announced a net loss of \$19.7 million or \$0.72 per share primarily due to one-time costs related to its debt refinancing. Most of HLS's business is tied to Clozaril, a drug used to treat schizophrenia patients who are not responding to other forms of treatment.

In Q3 2018 the company won FDA rights to distribute Vascepa, a drug which has been shown to reduce cardiovascular events by 25% and death by 20%. It plans to commercialize the drug in Canada this year. HLS estimates that the drug could be worth up to \$250 million in sales at peak value in Canada alone.

The stock is a solid value in comparison to the broader TSX index which has [grown pricey](#) in recent weeks. HLS is trading at the high-end of its 52-week range, but its potential for massive growth down the line should not be ignored.

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