



## Swing for the Fences and Buy This Growth Stock in April

### Description

In the beginning of this year I discussed why **Zymeworks** ([TSX:ZYME](#))(NYSE:ZYME) was a [fantastic stock](#) for growth-oriented investors to stash. Zymeworks stock has climbed a paltry 0.55% in 2019 as of close on March 22. The stock has been outpaced by dozens of other equities on the TSX in what has been one of the best starts for the market in decades.

Does that mean you should give up on Zymeworks and look elsewhere? No way.

Zymeworks still represents one of the most attractive home-run swings on the TSX. At the same time, the company has proven that it has been able to bring multiple promising candidates to clinical trials. Zymeworks is much more than a “stash and pray.”

One development that investors should keep in mind is the growth of the breast cancer therapeutics market. A new research study published by Global Market Insights projects that this market will exceed \$30 billion by 2025, which represents a compound annual growth rate (CAGR) of 10.2% from 2019 to 2025. Moreover, its growth in developed economies will be the most pronounced as its progress in developing economies will be restrained due to its prohibitive cost.

Zymeworks is a Vancouver-based company dedicated to the discovery, development, and commercialization of next-generation multifunctional biotherapeutics, with an initial focus on cancer treatment. Its lead product candidate, ZW25, is a bispecific antibody that has led to significant anti-tumor activity in preclinical models of breast and gastric cancers. ZW49, its most recent product candidate submitted for clinical trials, uses the same antibody framework as ZW25.

Both product candidates have massive potential and could feasibly generate billions in revenue if they are able to make it to market. Zymeworks released its fourth-quarter and full-year results for 2018 on March 6. The company announced that it had expanded its global clinical development for ZW25 and ZW49 in the Asia Pacific region. Research and development expenses increased to \$56.7 million compared to \$41.7 million in the prior year. Zymeworks projects this number to grow in 2019 and 2020 as it pours more into both of its lead candidates.

Zymeworks concluded the year with \$200 million in available cash, which means that it can pursue

aggressive development for its product candidates. Investors can expect more data on ZW49 at the American Society of Clinical Oncology (ASCO) annual meeting in May. More clinical data on ZW25 is expected to come in late 2019 through 2020.

In December 2018 I'd [targeted Zymeworks](#) as a stock for investors to keep over the next decade. Shares are currently trading at the mid-to-low level of its 52-week range. The stock is still up 29% from the prior year. Zymeworks stock last boasted an RSI of 45, which puts it in neutral territory in late March.

Zymeworks has announced promising developments and boasts a footprint in the fastest-growing sector in the pharmaceutical industry; biotherapeutics. The stock comes at a nice price today, and investors seeking big returns down the line should seriously consider pulling the trigger this spring.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:ZYME (Zymeworks)

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aocallaghan

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