



Top 2 TSX Healthcare Stocks to Buy in June

Description

There are few industries that carry the promise of healthcare as we look ahead to the next decade. Canada and other parts of the developed world are facing the reality of aging and growing populations, meaning that demand for healthcare services will grow exponentially in the years to come. Healthcare stakeholders have been burdened by these trends, and there is hope that new business and care delivery models as well as digital technologies will help build a future for sustainable, affordable, and high-quality health care.

Today, we are going to look at two equities that have high-growth potential as we move into the second half of 2019. Investors who are on the hunt for healthcare exposure should consider adding these stocks today.

Zymeworks

Zymeworks ([TSX:ZYME](#))(NYSE:ZYME) is a Vancouver-based clinical-stage company. Shares have climbed 31% in 2019 as of close on June 6. Early last month, I discussed an exciting development that the company reported for its lead product candidate: ZW25.

In application, ZW25 has led to significant anti-tumour activity in pre-clinical models of breast and gastric cancers. Zymeworks announced in mid-April that it was advancing ZW25 into a phase two clinical trial.

With the announcement, Zymeworks said, “We anticipate that data from this trial will support initiation of a first-line registrational trial, which could position ZW25 as the new standard of care for HER2-positive metastatic gastric cancer.”

In May, Zymeworks announced it had entered a licensing agreement with Iconic Therapeutics. The deal adds to Zymeworks’s deep pipeline and bolsters the strength of its technology platforms.

Zymeworks stock is an attractive target for investors on the hunt for medium- to long-term returns. It has tremendous [high-growth potential](#) if its product candidates continue to progress through clinical

trials.

BELLUS Health

BELLUS Health ([TSX:BLU](#)) is a Quebec-based clinical-stage biopharmaceutical development company. Shares of BELLUS have climbed 57.8% in 2019 as of close on June 6. The stock is up over 175% from the prior year.

In early April, BELLUS announced that the U.S. Food and Drug Administration (FDA) had accepted its Investigational New Drug (IND) application. This clears the way for the start of phase two study for BLU-5937 in chronic cough patients in the United States. Early results suggest that BLU-5937 is highly selective. This means that it can potentially reduce coughing with little to no effect on taste. This is another drug that carries massive long-term potential, pending the success of its trials.

BELLUS concluded the previous fiscal year in a promising cash position. It boasted \$48.9 million in cash and zero debt at the end of the fourth quarter of 2018. It is well-positioned to fund research and development in 2019. BLU-5937 has a chance to be a best-in-class therapeutic for the treatment of chronic cough, but this is another equity that will require patience from shareholders. The stock had an RSI of 66 as of close no June 6, which puts it close to technically oversold territory. It is currently hovering near 52-week highs, so value investors may want to await a more attractive entry point.

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