Cure Recession Blues With These Red-Hot Healthcare Stocks

Description

Healthcare is often seen as recession-proof, but the following two stocks also have the potential to make a bold investor rich. Having sifted through the available options, this duo of tickers represents a long-range value option and a high-growth option that could offer some quick upside. Let's take a look at the stories behind two of the most popular medical stocks on the TSX and see whether either of them is a buy.

Viemed Healthcare

Covering two key areas of niche medical treatment, **Viemed** (TSX:VMD) produces solutions for neuromuscular patients as well as for sufferers with respiratory disease, sleep apnea, and oxygen-related conditions. This growth stock leaped 85% so far this year and more than doubled last year. While this means that the stock could obviously be cheaper — and its fundamentals indicate the same — the upside potential makes the stock a buy at almost any price.

Capital gains investors have a clear opportunity to make some serious dough by trading this stock. Go right back to January 2018, and you'll see that the share price hasn't stopped climbing since then. Though a spike caused a subsequent drop-off in mid-November, the trend has been otherwise steeply positive — particularly so this summer. A dip in the share price presents a rare value opportunity, making any subsequent gains even greater.

Immunovaccine

Having doubled in the past couple of years, **IMV** (TSX:IMV)(NASDAQ:IMV) is no stranger to growth, though its share price has been somewhat beaten up of late. Still, if good value for money suits your investment style, IMV could fit nicely into the healthcare section of a long-range capital gains-based portfolio of stocks. With a focus on biopharmaceutical treatments for cancer as well as other immunotherapies, this stock could soar on good news from the labs.

Whether the bottom has been reached just yet isn't clear, though there's a wide margin for profit from this stock that recently hit a year-long low. While the share price has managed to climb back off its 52-week low, at $3.74 a pop, it's still a long way off even its low target price of $7.95. And while it seems an exciting prospect for hopeful shareholders, its high target price of $15.29 seems almost unfeasibly steep from this vantage point.

Still, considering that IMV saw $8.49 in the last 12 months, there's every reason — especially given favourable lab results — that an investor could double their money here. One of the biggest reasons to get invested is IMV's market share. Niche medical treatments are few and far between in the upper echelons of the TSX, and IMV is one of the better ones. In short, if you're looking for a downturn-hardy investment with upside potential, look no further.

The bottom line

Niche markets cornered by thriving companies whose stock can seriously multiply an investor's wealth are like gold mines for portfolios centred on growth. With the call for a recession gaining mainstream traction and any number of signs of a downturn amassing on the horizon, healthcare stocks should form part of a TSX investor's defensive strategy, with the two tickers listed above being suitable examples of what to buy to stay safe while making a profit.

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