



## 3 Hot Stocks to Buy in October

### Description

North American stocks slid sharply to start off the month of October. There is increased investor anxiety as global growth fears have come on strong. Investors will hope that this will not be a repeat of the bloodbath in late 2018. Today, I want to look at three stocks that may still be worth targeting in this turbulent market.

### Namaste

**Namaste** (TSX:N) stock has climbed 3.3% over the past month as of mid-afternoon trading on October 2. Back in early August, I'd discussed why Namaste [looked like a discount](#) priced at its 52-week low. Shares rebounded into the late summer, but headwinds in the cannabis sector have put a cap on its potential.

We are weeks away from a second wave of legalization in the cannabis sector. This will see several top companies move forward with a slew of product launches in order to jump on "Cannabis 2.0." This is fertile ground for Namaste to grow. It has managed to grow its e-commerce footprint globally and on the domestic front. The glacial pace of the retail rollout in Canada means that many eager buyers will be forced to turn online.

Shares of Namaste are still trading close to a 52-week low. The stock reached technically overbought levels in early September but have undergone a reversal and are now trending to oversold territory at an RSI of 38.

### Zymeworks

**Zymeworks** ([TSX:ZYME](#))(NYSE:ZYME) stock has slipped 7.4% over the past month. However, the emerging biopharma company has put together a great 2019 so far. Shares have climbed 66% year to date. When this year began, I'd suggested that investors grab onto Zymeworks and [hold on for the long haul](#).

Patience is the name of the game with Zymeworks right now, as both of its top product candidates are in phase one and phase two clinical trials. The company presented recently at the ESMO conference, and the results were highly encouraging. Zymeworks has the potential to make a huge mark in the HER2 therapeutic landscape and the opportunity to make waves in this growing market.

The stock has retreated from its 52-week highs and is worth monitoring in early October. I love Zymeworks as a long-term buy right now, and it becomes even more attractive if it falls below the \$30 mark.

## TMX Group

**TMX Group** ([TSX:X](#)) has dropped 1% over the past month, but this stock has also been a monster in 2019. Shares have increased 63% so far this year. The past decade has seen increased financialization in Canada and across the developed world. It is a no-brainer for market watchers to invest in this shift, as we can expect this trend to continue into the next decade.

In the second quarter of 2019, TMX Group achieved record quarterly adjusted diluted earnings per share of \$1.45 compared to \$1.34 in Q2 2018. Quarterly revenue also hit a record of \$210.3 million. TMX stock possesses a price-to-earnings ratio of 23.8, but its forward P/E is in favourable territory — 18 at the time of this writing. It also boasts a solid price-to-book ratio of 1.8.

TMX offers a quarterly dividend of \$0.62 per share, representing a 2.1% yield. This is a nice boon for a stock that has generated average annual returns of 14% over the past decade.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:ZYM (Zymeworks)
2. TSX:X (TMX Group)
3. TSXV:LFST (Namaste Technologies)

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