



## Stock Market Canada: Add Profitable Volatility to Your RRSP

### Description

There's nothing wrong with adding some risk to your retirement portfolio in your Registered Retirement Savings Plan (RRSP). In fact, a little volatility is strongly encouraged, as long as you don't take the same risks in your Tax-Free Savings Account (TFSA). Your TFSA should be reserved for low-beta, Canadian dividend stocks with strong performance histories on the **Toronto Stock Exchange**.

You can add more risk to your RRSP because your savings liquidity requirements should be lower in this account than in your TFSA. If you need to dip into your savings for an emergency, you want to do that with your TFSA, because it won't be taxed as income, whereas you would pay income taxes to the [Canada Revenue Agency](#) on early withdrawals from your RRSP.

### A promising new medical technology stock

**Profound Medical** ([TSX:PRN](#)) is a small-capitalization international healthcare stock with potential on the TSX. While nothing is guaranteed for relatively [new technology stocks](#) like this, it could be a top-grossing medical research and development firm within the next three to five years. The company is developing a new robotic surgical treatment to remove the prostate gland in prostate cancer patients.

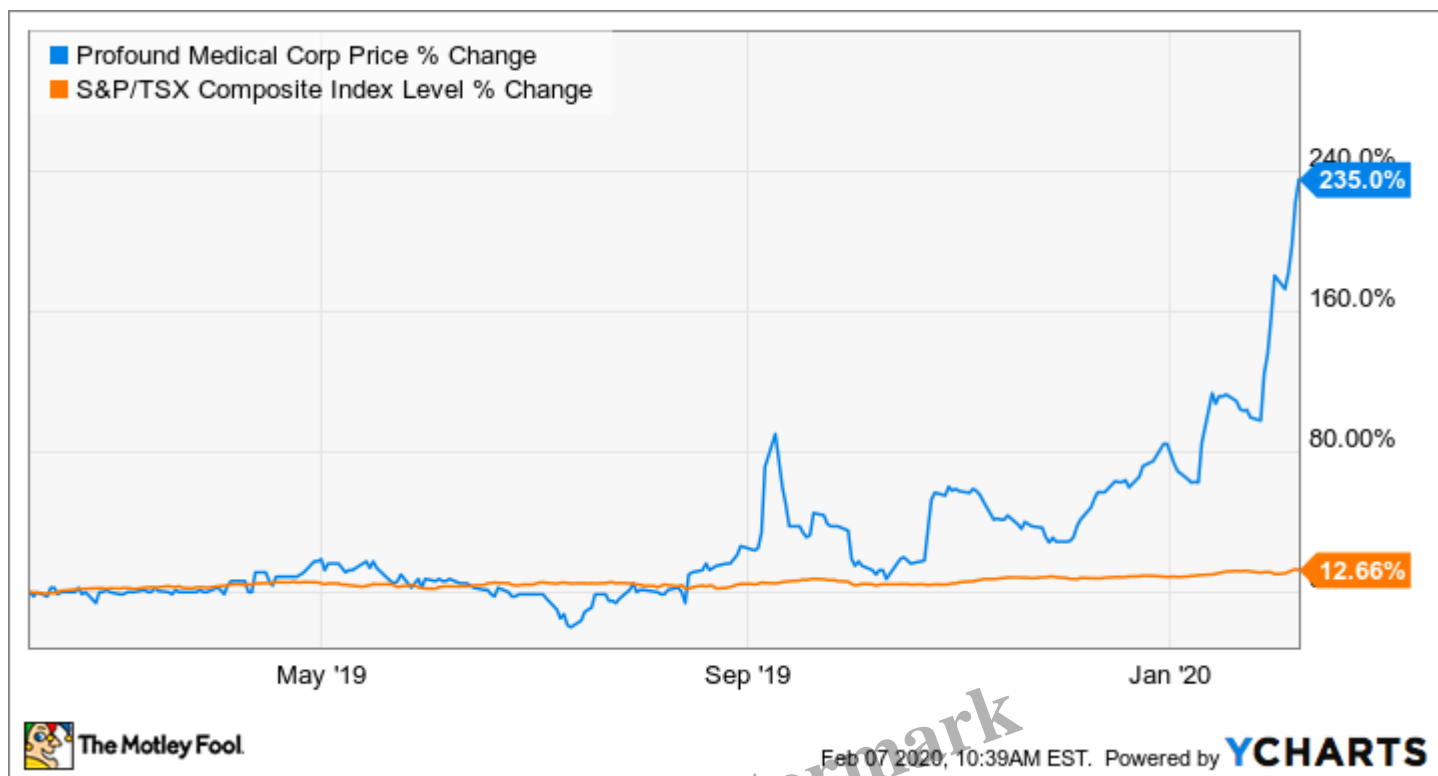
Operating not only in Canada, but also in Germany and Finland, gives this stock an advantage over competitors. Germany is one of the countries with substantial control over the healthcare market globally, particularly pharmaceuticals. The geographic presence foreshadows successful projects that will substantially impact the medical industry over the next five years.

### Stock price turnaround after paying dues for five years

Over the past five years, which encompasses the entire listing life of **Profound Medical** on the TSX, the stock has mostly underperformed the **S&P/TSX Composite Index** until the end of last year. Before you turn up your nose to this stock, it is important to understand that underperformance is generally normal for newly listed stocks.



This stock's market activity changed in August 2019. For the past five months, the stock price has been on a strong uptrend. The price percentage change on shares of Profound Medical is now 235% for the past year. The stock has officially become an outperformer on the TSX compared to last year's 12.66% level percentage change of the S&P/TSX Composite Index.



## Stable stock price preceded optimistic uptick

What makes the Profound Medical special is the lack of volatility over the past five years. The stock price has stayed near \$10 per share the entire time before its recent rise to \$26.60. Of course, the additional activity caused a spike in the beta, or the stock's primary measure of volatility.



From here, it is hard to say where this stock will go. It could continue to go up or it could crash. The best strategy is to start slow with a small position. Watch the stock and keep up with press releases and news articles.

If things continue to look good, add some more shares to your portfolio. Right now, the stock is getting some great reviews from top TSX stock market analysts. Rahul Sarugaser, a Raymond James analyst, raised his price target to \$45 from \$35 and gave it a strong buy rating. The firm's surgical robotic technology has already been approved in the United States, lowering the risk of investment in this medical tech firm.

## CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

## TICKERS GLOBAL

1. TSX:PRN (Profound Medical Corp.)

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1. Business Insider
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