



These Stocks Have Crushed The Market in 2014. Is It Too Late To Buy Them?

Description

As the year comes to an end, some Canadian stocks have clearly distinguished themselves as big winners. And while we can lament not buying them, it would be much more useful to answer a simple question: is there any room left for these stocks to run?

So below, we take a look at three of Canada's big winners in 2014, and try to determine if you should buy them now.

1. Canadian Pacific

It's been another strong year for Canada's #2 railroad, **Canadian Pacific Railway Limited** ([TSX: CP](#)) ([NYSE: CP](#)). Thanks to expanding volumes, continued operational improvement, and a bigger multiple, the company's stock is up nearly 44% this year.

In fact this is just the latest piece of good news – over the last three years, the stock price is up an astounding 278%. The real key has been new CEO Hunter Harrison, who took over the job thanks to activist investor William Ackman. And to determine if CP is overvalued, one only has to look back to Mr. Ackman's original presentation.

While making the case for Mr. Harrison, Mr. Ackman said that CP's share price could range from \$111 to \$173 by the end of 2014, depending on the level of revenue growth and cost cutting. Fast forward to today, and CP shares are trading for \$230, and Mr. Ackman has been selling down his stake.

If you didn't own the shares, it looks like you missed the boat (or missed the train?) on this one.

2. Constellation Software

You may not have heard of **Constellation Software Inc.** ([TSX: CSU](#)) before, but it's been one of Canada's most successful technology companies. In fact, the stock trades for \$321, after going public for less than \$20 per share in 2006. It's up 43% this year alone. Is there any room left to run?

Here we can look to Jason Donville of Donville Kent Asset Management. The stock trades at about 18

times Mr. Donville's estimate for 2015 earnings, not bad for a company growing earnings at over 30% per year. He also expects the company to be a \$400 stock by late 2015. He's been right about the company before, so his advice may be worth following.

3. Amaya Gaming

If you had considered buying **Amaya Gaming Group Inc.** ([TSX: AYA](#)) at the beginning of this year, but bought CP or Constellation Software instead, you'd be kicking yourself. Because Amaya shares are up a dizzying 365% so far this year.

The big event for Amaya was the \$4.9 billion acquisition of Oldford Group Ltd., parent company of the Rational Group, which owns online poker juggernauts PokerStars and Full Tilt Poker. The move made Amaya the world's largest publicly-traded online gaming company.

Looking ahead, there are plenty of ways for Amaya to keep growing. One of the main ones is the legalization of online poker in the United States. Currently it is banned in all but three states.

But ironically, Amaya's shares are quite a gamble at this point, mainly because its success hinges on political factors. So from this list, Constellation Software is likely your best bet.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. TSX:CP (Canadian Pacific Railway)
3. TSX:CSU (Constellation Software Inc.)

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Date

2025/07/23

Date Created

2014/11/21

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