



These 3 Stocks Doubled Investors' Money in 2016

Description

It has been a remarkable year for the stock market. The S&P TSX gained almost 18% this year, as of this writing. But that performance pales when you realize the number of stocks that have doubled or more to make investors filthy rich in 2016.

Here are three stocks that have doubled investors' money in 2016, and a look into whether or not they can continue to rally in 2017.

Encana Corp. (TSX:ECA)(NYSE:ECA)

It was a remarkable turnaround year for Encana; its aggressive restructuring efforts undertaken in the past year and a half have paid off. From selling assets to issuing stock, the oil and gas producer went all out to raise money to deleverage and finance key growth projects.

Encana slashed its costs dramatically to turn a surprise profit in the third quarter. Encana's efforts amid challenging business conditions didn't go unnoticed; the stock is up almost 140% this year, as of this writing.

With a cleaner balance sheet and greater financial flexibility, Encana is stepping into 2017 on a solid note. Encana plans to grow production by 60% and boost cash flows by a whopping 300% by 2021; the company is backed by investments in high-potential, low-cost regions like the Permian Basin.

Investors should start to see Encana's plans unfurling in 2017 even as it positions itself better to exploit the growth opportunities that OPEC's planned production cuts could bring about. Overall, Encana's good days might have just begun.

Teck Resources Ltd. ([TSX:TECK.B](#))([NYSE:TECK](#))

Who would've thought a stock from the dying industry of coal could be one of the biggest outperformers of 2016. Teck didn't just double — it more than quintupled investors' money! Teck rallied as prices of metallurgical coal, copper, and zinc shot up.

The optimism, though stretched, isn't misplaced; Teck expects its fourth-quarter average realized prices of coal to be almost double that of Q4 2015. In other words, 2016 can easily be called a turnaround year for Teck.

Whether or not Teck can continue to run higher in 2017 depends a great deal on where coal prices are headed. The coal business isn't out of the woods yet, what with the steel industry still grappling with supply overhangs.

On a positive note, Teck's diversification into oil via its Fort Hills oil sands project presents a solid growth opportunity, though the project could still take at least a year to go online.

Teck is a typical cyclical stock that has bottomed, but the ride ahead could be lumpy given the volatile nature of commodities.

Canopy Growth Corp. (TSX:CGC)

It has been a wild ride for Canopy ever since it started trading on the TSX in July. The marijuana darling has gained almost 200% since.

You can credit Snoop Dogg for some of the rise. Partnership with the rapper to sell three varieties of cannabis in Canada was among Canopy's biggest highlights of the year.

Of course, investors' enthusiasm rides largely on the potential legalization of recreational marijuana in Canada in 2017. The boom in marijuana sales across the border in the states of Colorado and Washington only added fuel to the fire.

That's not to say Canopy is resting on its laurels. It has already positioned itself as a key player in the medical marijuana space by expanding its global footprint in high-potential countries like Germany and Brazil.

Not surprisingly, investors aren't concerned that Canopy is yet to turn a profit as long as they're buying into a frontrunner in an emerging business.

I think 2017 could be a huge year for Canopy if legalization pans out as anticipated, but unless that happens, investors should tread with caution given Canopy's sky-high valuations.

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1. NYSE:TECK (Teck Resources Limited)

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3. TSX:WEED (Canopy Growth)

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