



These 3 Stocks Might Be About to Take Off!

Description

There are a number of different ways you can try to determine if a stock is a good buy or if it's on an upward ascent. One way is to look at a company's fundamentals and valuation multiples. However, an undervalued company doesn't mean that its stock price will be on the way up any time soon. This is where technical analysis can be very helpful. I'm not an advocate of using technical analysis on its own to purchase a stock, but when a company with good fundamentals has a buy signal from the technicals, then that is something that shouldn't be ignored.

One buy signal that happens is when a stock price's 50-day moving average (MA) crosses above the 200-day MA. However, oftentimes, if you wait for that crossover to happen, you will have likely missed out on many gains, so it is sometimes good to buy even before it happens. I'm going to take a look at three stocks that could see this crossover happen soon and that could be great buys today.

Saputo Inc. ([TSX:SAP](#)) has seen its stock rise 3% in the past month. Currently, the 50-day MA of \$42.63 is less than a few dollars away from its 200-day average of \$44.45. If the share price continues its climb, it will soon see a crossover.

The stock currently trades at 23 times its earnings and is less than **Maple Leaf Foods Inc.** ([TSX:MFI](#)), which trades at almost 26 times earnings, and **Premium Brands Holdings Corp.** ([TSX:PBH](#)), which is at a multiple of 35. Saputo could see more room to grow as the stock looks to make a recovery. The last time the stock reached \$44 was in early June, before it would go on to tumble to less than \$40 a share. Prior to that, the stock had strong support above \$44, and for that reason, it could still have lots of potential for its share price to increase.

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) has seen its share price decline 2% year to date, and its 50-day MA currently sits at \$40.10 and very close to the 200-day MA of \$41.16.

At a price-to-earnings ratio of over 26, Suncor still trades at less of a multiple than energy giant **Enbridge Inc.** (YSX:ENB)([NYSE:ENB](#)), which is priced at 37 times its earnings. Suncor doesn't have much room to grow until it reaches its 52-week high of just under \$45, but if oil prices continue to rise, then the share price could easily soar to new highs.

Canadian Natural Resources Limited ([TSX:CNQ](#))([NYSE:CNQ](#)) has not yet seen the crossover happen, but with how prices are trending upward, it could happen soon. The company's 50-day MA is just over \$39, while the 200-day MA is a little less than \$41. Since Canadian Natural is heavily invested in the oil sands, it could stand to see more of a benefit from improving oil prices than others in the industry, and if the commodity price continues to improve, the stock price could see a crossover in its MAs. Although, year to date, the share price has dropped 1%, in the last three months, the stock is up over 12%, and there could be more of an increase still to come.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)
5. TSX:ENB (Enbridge Inc.)
6. TSX:MFI (Maple Leaf Foods Inc.)
7. TSX:PBH (Premium Brands Holdings Corporation)
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Author

djagielski

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