



## 3 Stocks That Have Soared Over 10% in the Past Month

### Description

Value investors that look to buy on the dip or buy stocks that have had serious declines could be taking on significant risks. After all, there is no rule in investing that what comes down must go back up. The danger with trying to catch a stock on its way down is that you may end up going down with it and accumulate losses along the way.

In some cases, it may be better to hitch a ride with a stock that is skyrocketing and hope that it continues its ascent and that the rally is still going strong. Either strategy presents risk, but at least stocks that are going up in price likely have positive news or momentum that could lead to higher returns.

For this reason, I am going to take a look at three stocks that have gone up over 10% in the last month and assess whether these stocks would be good buys today or if the share prices are due for a drop.

**Empire Company Limited** ([TSX:EMP.A](#)) has seen its stock rise 15% recently as and is now trading at a multiple of 41 times its earnings. The main driver of the stock's increase was the company's Q1 earnings result, which beat expectations and saw sales rise, albeit mildly. The share price is not quite at its 52-week high and would need to rise another 9% to get to that level. However, outside of beating earnings, there is no reason I would expect this stock to continue its climb.

If we look at the stock's peers, it does not compare well in terms of price. **Loblaw Companies Ltd.** ([TSX:L](#)) trades at a multiple of just 23 times its earnings, while **Metro, Inc.** ([TSX:MRU](#)) is priced at less than 17 times its earnings per share. Empire's stock is quite expensive and could be due for a drop in price.

**Brookfield Asset Management Inc.** ([TSX:BAM.A](#))([NYSE:BAM](#)) is up 12% in the last month, and its stock has seen a more gradual increase in price, rather than a sharp jump on good news. Brookfield did not have any significant news in the past month that likely would have caused its share price to ascend, but since late June, the stock had been declining, and that may have attracted some value investors.

Like Empire, the stock is also trading at 41 times earnings and could be a bit rich for some investors. However, Brookfield has seen much stronger growth, and in its last quarter alone, it saw sales rise over 50% year over year. The company has earnings coming up soon and a positive result could give the stock even more of a boost.

**Cara Operations Ltd.'s** ([TSX:CARA](#)) share price has increased 11% since mid-September, and the

company also did not have any press releases during this time that would have impacted its stock. Similar to Brookfield, this could be because of value investors picking up a stock that has been on a decline, with Cara's share price dropping 20% over the previous five months. Currently, its share price trades at 15 times its earnings, and with peers like **MTY Food Group Inc.** ([TSX:MTY](#)) and **Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)) trading at similar multiples, it's hard to see Cara's stock seeing much more of an increase from where it is now.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
4. TSX:EMP.A (Empire Company Limited)
5. TSX:L (Loblaw Companies Limited)
6. TSX:MRU (Metro Inc.)
7. TSX:MTY (MTY Food Group)
8. TSX:RECP (Recipe Unlimited)

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