



## Get Rich Quick With This Company's 1-Month Return of 50%

### Description

Investors doing anything other than momentum investing last year have underperformed, with 2017 seeing a massive rally in companies operating in sectors which had shown previous outperformance. Similarly, 2016 laggards once again underperformed last year, highlighting a shift in investing mandates, which many believe will continue into 2018.

While I have spoken at length about the risks associated with investing in sectors that are clearly being hyped up to [bubble levels](#), I rest my case, and instead will provide yet another company as fodder to momentum investors interested in getting in “early” on a financial services company which has increased by approximately 50% since the beginning of December.

Wait — a Canadian financial services firm has increased its market capitalization by 50% in one month? Could it be **Laurentian Bank of Canada** ([TSX:LB](#)), a [top pick](#) of fellow Fool analyst Ryan Goldman? Maybe it's **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) — after all, these two underappreciated Canadian banks are due for a rebound, right?

Actually, the award for one of the fastest-growing Canadian financial services companies goes to **GMP Capital Inc.** ([TSX:GMP](#)), a company which provides Canadians with wealth management services and operates in the capital markets segment as well.

GMP has had a difficult go of it in recent years for a number of reasons. Despite rising 50% in the past month, GMP's stock price currently sits at approximately half of its value five years ago. The company's wealth management division, the business unit which provides much of the value for GMP, was reportedly being considered by **Toronto-Dominion Bank** a year ago, but talks fell through after alleged shady advisor practices turned off one of Canada's “Big Five” banks from making a deal with the little guy.

With GMP's capital markets segment underperforming in recent years due in part to the choice of which sector to focus on, GMP has continued looking for a niche to establish a stronghold in.

It turns out, if times are rough and you need a quick valuation pop, just do something related to cryptocurrency. End of story.

The bulk of last month's 50% increase came immediately following an announcement from GMP that it would engage in financing for companies operating in the blockchain/cryptocurrency space. GMP is banking on the fact that investors will place a greater value on being "first" in an emerging sector with outsized returns.

### **Bottom line**

As it is with anything cryptocurrency or cannabis related, I remain on the sidelines, and GMP now falls into this bucket of companies I won't touch. That said, this is a bold move by a small player in need of a boost — bandwagon investors, set your marks!

Stay Foolish, my friends.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Tech Stocks

### **TICKERS GLOBAL**

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:LB (Laurentian Bank of Canada)

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