

3 Stocks That Have Outperformed the TSX in 2018

Description

The TSX has been down more than 5% to start the year, and the decline has nearly wiped out all of the gains that were achieved in 2017. It hasn't been one industry or sector that's been dragging down the market; the sell-off has been widespread and affected many stocks. However, it hasn't been all bad, and the three stocks below have had strong success this year and have outperformed the market by a wide margin.

Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#)) has found new life after 2017 ended with a whimper; the stock declined more than 12% in the last quarter of the year after a critical report by a short seller created panic in investors. The tech stock failed to gain momentum for the remainder of the year, but in 2018 it has been off to a strong start.

Since January, the share price has increased more than 38%, and a [strong finish to the year](#) pushed the stock as high as \$184. Shopify is poised to hit \$200 this year, as it looks to pick up where it left off before last year's decline. In the past 12 months, the stock has more than doubled in price, and with sales continuing to grow, there's no reason to expect that momentum to slow down anytime soon.

North American Palladium Ltd. ([TSX:PDL](#)) got off to a big start early in the year and with the price of palladium continuing to rise, so too will the share price. Palladium is used in car exhaust systems, and as car sales continue to rise, that will only push demand for the commodity up even higher, which recently hit all-time highs. The stock has increased almost 30% so far this year, although it has dropped 2% in the past month.

The danger with investing stocks that are heavily influenced by a commodity price is that there can be a lot of volatility. Investors need to look no further than what has happened to oil and gas stocks as proof of that. **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)) has declined more than 26% in the past year, even though oil prices have staged a bit of a rally lately, as investors remain unconvinced of the industry's prospects for growth.

CanniMed Therapeutics Inc. ([TSX:CMED](#)) has soared over 62% year-to-date and got a big boost when **Aurora Cannabis Inc.** ([TSX:ACB](#)) upped its bid for the company, as the two companies eventually agreed to a [friendly deal](#). CanniMed is one of the few pot stocks that has been doing well this year, as many have seen their share prices go on significant declines after a very strong 2017.

Aurora is no exception, as its stock price rose more than 250% in 2017, but in 2018 it has increased just 11%. However, other pot stocks have not been as lucky; **Aphria Inc.** ([TSX:APH](#)) has dropped 27% in value this year.

Even with these declines, many pot stocks are still trading at big multiples. Aphria has just \$25 million in sales in the past four quarters and trades at nearly 90 times its sales. Aurora trades at a whopping 160 times its sales. To put this into perspective, even ultra-hyped **Tesla Inc.** ([NASDAQ:TSLA](#)) trades at just five times its revenue.

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