3 Stocks That Have Soared Past the TSX

Description

The TSX has declined more than 7% year to date, and the worst may not be over. Recently, the index's 50-day moving average (MA) dropped under its longer 200-day MA, creating a very bearish and dangerous "death cross" that could trigger even more selling by investors.

While this doesn't mean that the TSX is doomed, it does underscore the importance of holding stocks that have been resilient and strong enough to not be impacted by the market as a whole. The three stocks below have outperformed the TSX in the past year and are good bets to continue to do so.

Air Canada (TSX:AC)(TSX:AC.B) saw its share price hit all-time highs within the past year, as its stock has nearly doubled in the last 12 months. Although the stock has declined 1% so far in 2018, it could still have a lot of upside left with oil prices remaining low and the economy continuing to do well, which will bring in more business and leisure travelers.

Trading at a multiple of less than four times its earnings, Air Canada remains one of the best bargains on the TSX. Airlines have been doing well lately, and as the company continues to produce strong results, it will be difficult to keep this stock from soaring higher. With a strong position in the industry and limited competition, Air Canada has a lot of moat, and that makes it a great long-term buy for any portfolio.

Bombardier, Inc. (TSX:BBD.B) was able to get investors excited about the stock last year after its deal with Airbus, which would see the two partnering to produce its CSeries jets. While it's not a great deal by any means, there's no denying the impact it has had on the share price: in the last 12 months, Bombardier's stock has rocketed more than 64%. Even year to date, the stock's returns are an impressive 23%.

However, Bombardier has more risk than Air Canada, and expectations are a big driver behind the stock's recent success, as both investors and customers are hoping that its new partnership will help provide the manufacturer with some stability and reliability. If that fails to be the case, we could see the stock falter, but at this point it seems to be a good hold, at least for the short term.

Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS) has been listed on the TSX for a little more than a year, and in that time its stock has doubled in price. Even concerns about the economy and NAFTA uncertainty haven't been enough to keep it down this year, as the share price has risen more than 9% to start the year.

With an earnings multiple over 70 and a price-to-book ratio of over 30, investors will be paying a premium, but it may be worth it. After all, customers are already paying a big premium for the company's homemade products and quality craftsmanship.

The brand has proven to be a winner with customers, as in its latest quarter sales were up 27% year over year, and the company has also been able to post a profit in the past two periods. Despite its high price tag, Canada Goose looks to be a solid bet to hold, as the company continues to grow at a rapid rate.

CATEGORY

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3. TSX:BBD.B (Bombardier)
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