



## Do These 3 High-Price Stocks Belong in Your Portfolio This Summer?

### Description

Last week, I'd focused on three stocks that were [hovering around 52-week highs](#) and tried to determine whether or not investors should consider buying in June. The Canadian and U.S. stock markets have [struggled with volatility](#) in the first half of 2018, but many of the top performers have still scored huge gains.

Today, we are going to look at three of the priciest stocks available on the TSX. Which stocks should investors consider adding today? Let's take a look.

#### **Constellation Software Inc.** ([TSX:CSU](#))

Constellation Software is a Toronto-based company that develops and customizes software for the public and private sector. Shares have climbed 35.7% in 2018 as of close on June 4. The stock has also increased 45% year over year. The company released its first-quarter results on April 25.

Revenue rose 25% year over year to \$719 million, and net income jumped 104% to \$83 million, or \$3.90 per diluted share. Earnings were boosted by its acquisitions and organic growth of 5% in the quarter. Cash flows from operations rose 42% to \$258 million.

Constellation also announced a dividend of \$1.00 per share, representing a modest dividend yield of 0.3%. The stock has surged over 500% over a five-year period and is well positioned to continue to power earnings with acquisitions going forward. The stock surged over \$1,000 in May. It is hard to bet against it long term, but investors may want to wait for an entry point if they are committed to owning Constellation.

#### **E-L Financial Corp Ltd.** ([TSX:ELF](#))

E-L Financial is an investment and insurance holding company that operates through its corporate and Empire Life segments. The company boasts a market cap of over \$3 billion, but its low daily volumes tend to keep it off the radar. Its stock closed at \$805.11 on June 4. The company released its year-end results on March 6.

Its E-L Corporate segment generated net income of \$498.3 million compared to \$181.6 million in the prior year. This was due to a positive net gain on investment of \$544.5 million over \$155.8 million in 2016. Empire Life also saw its net income rise to \$169.8 million compared to \$151.5 million in the prior year. Total net income more than doubled to \$668.1 million for 2017.

E-L Financial boasts an industry-beating P/E as well as a modest dividend of \$1.25 per share. The stock may be a sneaky bargain, but there are simply superior options for investors looking for financials exposure. I am passing on E-L Financial today.

### **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#))

Shopify stock has surged back over \$200 following a short-selling campaign in March that caused the stock to briefly fall below \$150. The previous two shorting campaigns have represented remarkable buying opportunities. In the first quarter, Shopify reported a 68% jump in revenue, and gross profit dollars grew 71% to \$123.8 million. Shopify also plans to expand its presence by adding a brick-and-mortar location for its merchants. The rapid growth of e-commerce and successive earnings beats make it hard to bet against Shopify going forward.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:ELF (E-L Financial Corporation Limited)
4. TSX:SHOP (Shopify Inc.)

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1. Investing

### **Date**

2025/08/14

### **Date Created**

2018/06/05

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