These 3 Stocks Have Soared This Spring: Should You Buy Today?

Description

The S&P/TSX Composite Index rose 61 points on June 6. Apart from a few hiccups here or there, the TSX has been on a steady upswing since mid-April. In spite of this, it is still in negative territory for 2018. During this rally, a number of top stocks on the TSX have enjoyed impressive gains. Today, we are going to look at three that have reached new heights in recent weeks. Should investors jump in or exercise caution as we head into the summer?

Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS)

Canada Goose stock was a favourite of mine in 2017, and as we entered 2018 it looked like it was ready to fly even higher on the back of its brand. Shares took a surprising dive in February after the release of its fiscal 2018 third-quarter results. Results were positive, but analysts were sounding alarms over supply concerns and the company's readiness to take the next step.

Canada Goose leadership worked to squash that perception and vowed to ramp up production. In late May, the company also laid out aggressive expansion plans in the Chinese market, which carries huge potential. Shares of Canada Goose have soared 44.3% in 2018 as of close on June 6. Its P/E ratio is very high ahead of its fiscal 2018 Q4 report. I still like Canada Goose long term, and there is a lot to like about its drive into China. However, investors should think about taking profits ahead of the summer season.

Saputo Inc. (TSX:SAP)

Saputo stock flirted with January highs but has since retreated. The stock is down 2% over the past week as of close on June 6. Saputo and the dairy industry in Canada at large has a significant stake in ongoing NAFTA talks, and the company was critical of Canada's handling of the Trans Pacific Partnership.

In its fiscal 2018 third quarter, adjusted net earnings fell 7.2% year over year to $183.2 million. Revenues rose 1.9% to $3.02 billion. In Canada, revenues were flat, while the company experienced positive momentum in the U.S. due to higher than average butter market prices as well as higher sales volumes. Saputo was oversold following a January and February sell-off, and the stock is up 2.2% year over year. The stock is still a solid buy and hold due to its wide moat and history of dividend growth.

Waste Connections Inc. (TSX:WCN)(NYSE:WCN)

Waste Connections stock has climbed 12.5% in 2018 so far. The company handles collection and disposal and municipal solid waste in secondary markets in the United States. Waste Connections released its first-quarter results on May 2.

Revenue rose to $1.14 billion compared to $1.09 billion in the prior year, beating the company's outlook. Net income surged to $125 million compared to $15 million in Q1 2017. The stock offers a modest quarterly dividend of $0.14 per share, representing a 0.7% dividend yield. Waste Connections is a great long-term hold, but investors may want to wait for an entry point, as it hovers around all-time highs in the midst of a broad stock market rally.

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2. NYSE:WCN (Waste Connections)
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