



3 Stocks That Have Soared More Than 45% in the Past 3 Months!

Description

When a stock gets hot, sometimes there is simply no stopping it from rising further, as momentum builds and prices continue to climb. We've seen hype accelerate the growth of [marijuana stocks](#) and speculative buys like Bitcoin, and the biggest danger is that prices can get too high, leaving little upside for new investors.

In all cases, even in buying on the dip, investors should carefully analyze a stock and the reasons for its jump or drop in price, as that can offer insights into whether the change in price is justified or if it is purely speculative.

Below are three stocks that have risen more than 45% over the last three months. I'll assess the reasons behind the strong price movement and if investors should consider buying today.

Baytex Energy Corp. ([TSX:BTE](#))(NYSE:BTE) has risen 47% in three months, and the company started to go on a rapid ascent in April, as oil prices started to climb and eventually rose to highs not seen since 2014. However, in the past month, as oil prices have struggled, the share price has gone on to decline by 7%.

The obvious risk with investing in Baytex is that commodity prices will have a big say in which direction the share price goes. Earnings, unfortunately, did not do much to bring in bullishness, as the company posted a loss of \$63 million in May, even though sales were up 10% year over year.

The rise in Baytex's price has mainly been speculative in response to more bullish oil prices, and although the stock has a lot of upside left and is trading well below its book value, it's still a very risky buy.

Great Canadian Gaming Corp. (TSX:GC) saw its share price skyrocket after the company reported an impressive earnings result in early May and is up more than 50% in three months.

With both sales and profits rising by more than 60% from a year ago, there's a lot of excitement in the year about the company's future, especially after it was part of a [winning bid](#) last year that will see it jointly operate three key locations in Ontario.

Great Canadian's stock is doing well on its results and the potential opportunity the company has over the long term. As a result, this is a much safer stock to invest in than Baytex, as the growth potential that Great Canadian possesses makes it a very good buy today, despite the stock trading near its 52-week high.

Valeant Pharmaceuticals Intl Inc. (TSX:VRX)(NYSE:VRX) is an even higher-performing stock than the others on this list with its share price rising more than 70% during the same time period. The stock had been rising steadily and got a big bump in June, despite no major news or developments surrounding the stock, suggesting speculation is playing a big role in the price.

The company didn't release an impressive earnings result in May, but it did beat expectations and raised its outlook, which would have helped push momentum for the stock price even higher.

However, I suspect speculators are fueling a lot of this rise in price and Valeant is still a high-risk buy today.

CATEGORY

1. Investing

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2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:BTE (Baytex Energy Corp.)

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