3 Smokin' Stocks That Could Stay Hot in September

Description

Last week was a wacky one for the TSX.

Optimism over a new trade deal between Canada and the U.S. lifted the market early in the week, but the positive vibes steadily faded as it became clear that nothing was going to be signed. President Trump has warned that if Canada and the U.S. aren't able to reach a deal, he'll slap new auto tariffs on Canadian car imports.

This past Friday was Trump's deadline for Canada to make concessions, so we'll just have to wait and see if Trump quickly follows through on his threats. Overall, the **S&P/TSX Composite Index** shed about 0.6% over the week.

Of course, not all stocks fell last week. A few of them even popped quite considerably, suggesting that they might be solid hedges against all of this trade turbulence.

Remember, Fools: don't think of it as a "stock market," but rather a market *of* stocks. No matter what's happening on the larger economic or geopolitical front, you'll always be able to find companies that are performing well.

With that in mind, I've highlighted three hot stocks that bucked last week's market weakness. Additionally, they all have solid revenue growth over the past year — this helps us hone in on stocks that are actually being fueled by fundamentals.

Company	**5-Day Price % Change**	**1-Year Rev**
Aphria (TSX:APH)	21%	45%
Canada Goose Holdings (TSX:GOOS)(NYSE:GOOS)	8%	32%
Linamar (TSX:LNR)	10%	13%

As always, these stocks aren't formal recommendations. They're simply ideas for you to do further research on.

With that said, winter jacket specialist Canada Goose catches my eye.

Goosed-up shares

Canada Goose isn't for the faint of heart. With a beta of around three, it can go from an ice-cold stock to a red-hot momentum play very quickly. But there are few reasons why this recent run-up seems sustainable.

First, the company's most recent results bode well for the rest of the year. In Q1 — a traditionally slow one for Canada Goose — revenue still managed to spike 58.5% to $44.7 million. Moreover, gross and adjusted EBITDA margins also topped expectations.

"Our strong start to the year, in our smallest fiscal quarter, is a great leading indicator," said President and CEO Dani Reiss. "Our products and our brand continue to resonate with people around the world, and our direct-to-consumer channel was a standout performer in the quarter."

Second, even with last week's gain, the stock is still off about 13% from its 52-week highs. I'm not big into technical analysis, but I always get a bit nervous when I see a stock sitting at its highs for the year.

Finally, Canada Goose's global growth potential — particularly in China — remains phenomenal. So regardless of what the stock does in September, the company's long-term upside should give investors plenty of comfort.

The bottom line

There you have it, Fools: Canada Goose seems like a stock that could keep rallying — even in the face of more NAFTA-related trouble. The company's operating momentum, short-term upside, and overseas potential all provide a solid setup going forward.

Fool on.

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