
# 3 Stocks With Price Strength for the 2nd Half of September

## Description

The Canadian stock market remains sluggish.

Last week, the **S&P/TSX Composite Index** lost about 130 points, or 0.5%, continuing a recent multi-week downtrend. Currently, the S&P/TSX sits a touch above the 16,000 mark. The decline was led by energy and healthcare stocks (primarily marijuana plays), while NAFTA uncertainty continued to weigh heavily on sentiment.



But not all stocks got caught up in the broad-based decline. Here are three stocks that went completely against the market grain, posting especially strong gains last week.

**Healthy settlement**

**Bausch Health Companies** (TSX:BHC)(NYSE:BHC), formerly known as Valeant Pharmaceuticals, is up 7% over the past five days, driven largely by a big jump on Wednesday.

What triggered the rally? Well, the drugmaker said it finally reached a settlement with **Teva Pharmaceutical Industries Limited**'s Actavis Labs regarding a patent fight over gastrointestinal drug Xifaxan. Actavis says it acknowledges the validity of the Xifaxan patents and will now license the drug from Bausch.

While analysts remain wary of Bausch's long-term prospects, the agreement with Teva suggests that the downside is now much more limited. Moreover, with the stock still off about 15% over the past three months, the recent pop could be the beginning of a prolonged rebound.

**Auto-correct**

**Linamar** (TSX:LNR) was another big winner last week, climbing 10% over the past few trading days. Shares of the auto parts specialist has fallen in recent months on potential trade war concerns, but Bay Street is starting to see some value in the shares.

CIBC is particularly bullish, upgrading Linamar from "neutral" to "outperform" on Thursday. CIBC also maintained its price target of $82 per share, representing 35% worth of upside from where the stock sits today.

Linamar isn't exactly the most stress-free stock given the current trade uncertainty with the U.S. But with a paltry PEG of 0.6, the bad news might already be baked into the price.

**Shop till it pops**

Our last big gainer is e-commerce platform **Shopify** (TSX:SHOP)(NYSE:SHOP), which gained a solid 9% last week.

There was no specific news driving the rally, but that's not a huge surprise given how volatile the stock is. Over the past year, Shopify shares have traded in the range of about $112 and $233. So, it's obvious that Mr. Market is still struggling with the stock's seemingly lofty price multiples.

But if you're a long-term investor looking for growth, Shopify's volatility might be worth stomaching. In a recent interview with us, Shopify founder and CEO Tobi Lutke said he expects the e-commerce industry to grow from $1.9 trillion to $4 trillion over just the next couple of years — and that he wants Shopify to be entrenched enough to fully capitalize on the opportunity.



**The bottom line**

There you have it, Fools: three stocks that popped last week, bucking the overall market's continued sluggishness.

As always, don't view these companies as formal recommendations. No matter what style of investing you choose, doing proper due diligence is the key to success.

Fool on.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. NYSE:BHC (Bausch Health Companies Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BHC (Bausch Health Companies Inc.)
4. TSX:LNR (Linamar Corporation)
5. TSX:SHOP (Shopify Inc.)

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