



3 Red-Hot Rocket Stocks to Carry Your Wealth Into October

Description

Hey there, Fools. We're back again to highlight some stocks that have recently set new 52-week highs. As a reminder, we do this because

- it's better to own businesses that boast improving fundamentals, as opposed to worsening fundamentals; and
- a bit of positive price momentum can carry a stock to even greater heights.

As a value investor, paying up for a stock isn't my ideal approach. But sometimes it can make a whole lot of sense.

Fully fueled rise

Our first high flyer is **Parkland Fuel** ([TSX:PKI](#)), whose shares hit a new 52-week high of \$43.91 on Monday. Over the past year, the energy storage and transportation company is up an impressive 68% versus just 5% for **S&P/TSX Composite Index**.

A good chunk of that return came in August after Parkland posted market-thumping Q2 results. During the quarter, sales spiked 109% to \$3.8 billion, while adjusted EBITDA more than quadrupled over the year-ago period. The results were driven by strong fuel and petroleum product volume, which jumped 62%.

Even after the recent rally, Parkland shares offer a decent yield of 2.7%. That might not seem like much, but given the solid cash flow and operating momentum backing it up, the risk/reward trade-off seems enticing. Moreover, with a beta of just 0.3 — about a third of the volatility of the overall market — the stock should be somewhat easy on the stomach.

Living the Dream

The next play on our list is **Dream Office REIT** ([TSX:D.UN](#)), which hit a 52-week high of \$26 on Friday. Dream Office is now up about 17% over the past year, besting the **S&P/TSX Capped REIT Index's** return of 13%.

For those unfamiliar with Dream, it's one of the largest REITs in Canada, with 38 properties comprising about 7.4 million square feet of gross leasable area. Management recently initiated a restructuring program to focus on its properties in downtown Toronto, and investors seem to be applauding the progress. The company has sold \$3.3 billion of assets, repaid \$1.8 billion of debt, and repurchased \$1.1 billion of units since the start of the program.

For income-hungry investors, Dream doles out a monthly dividend, which currently yields a healthy 4%. And just like Parkland, conservative investors won't have to deal with intense volatility to earn it — Dream stock has a beta of 0.8.

Bankable momentum

Our final flyer this week is **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), whose shares hit a 52-week high of \$125.21 late last week. Over the past year, the banking behemoth is up 12% versus 7% for the **S&P/TSX Capped Financial Index**.

Like most of its Big Five counterparts, CIBC is benefiting from strong business on both sides of the border. In Q3, the company posted a profit of \$1.37 billion, driven largely by a 14% increase in personal and small business banking. Meanwhile, U.S. commercial banking and wealth management earnings jumped 34% to \$162 million, fueled by its purchase of PrivateBancorp.

The strong results are leading to bigger dividends for shareholders. Along with the Q3 release, management increased the quarterly dividend from \$1.33 to \$1.36, representing its second raise of the year. With the stock sporting a still-healthy 4.4%, I wouldn't bet against it in October.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:D.UN (Dream Office Real Estate Investment Trust)
4. TSX:PKI (Parkland Fuel Corporation)

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Author

bpacampara

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