



3 Stocks That Popped on Wednesday

Description

Hi there, Fools. I'm back to highlight three stocks that made especially big gains on Wednesday. I like to mention big one-day winners because

- rally-fueling news should always be looked at more closely; and
- stocks with [strong momentum](#) have a tendency to keep rising over the short term.

While I'm a value investor at heart, there's nothing wrong with using a list of hot stocks as a jump-off point for further research.

So, without further ado, let's get to Wednesday's big winners.

Smokin' situation

Leading off our list is **Aphria** (TSX:APH), which soared 15% on Wednesday. Over the past six months, shares of the cannabis producer are now up about 110%.

Fueling yesterday's double-digit surge was a report from the *Globe & Mail* saying that cigarette giant **Altria** is in talks with Aphria regarding a potential investment. Citing sources close to the matter, the *Globe* said that Altria is interested in a minority stake in Aphria with the goal of taking a majority position over time — but that terms of the deal aren't final.

Aphria has since responded, saying that while it engages in discussions with strategic partners, "there is no agreement, understanding or arrangement in place with a potential investor at this time."

As long as you can handle severe stomach-churning volatility — Aphria shares are four times as volatile as the overall market — an "official" deal with Altria [might be worth betting on](#).

Fully fueled expansion

Next we have **Parkland Fuel** ([TSX:PKI](#)), whose shares jumped 5% to a new 52-week high on Wednesday. Over the past year, the fuel distributor is up more than 75% versus a loss of 1% for the **S&P/TSX Composite Index**

Driving yesterday's spike was the news that Parkland would buy a 75% stake in private company SOL Investments for \$1.57 billion. Bay Street is excited about the move, as it will greatly expand Parkland's business in the Caribbean. Specifically, Parkland will now have access to SOL's 526 retail gas stations and boost its total annual fuel volume to more than 21 billion litres.

While Parkland's shares are climbing quickly, a dividend yield of 2.8% and beta of just 0.2 might just provide the safety needed to keep riding the momentum.

Delicious quarter

Finally, we have **MTY Food Group** ([TSX:MTY](#)), which gained 2% on Wednesday. Over the past three months, shares of the fast-food restaurant operator are up a solid 26% versus a loss of 15% for the **S&P/TSX Capped Consumer Discretionary Index**.

Fueling Wednesday's gain was another strong quarter for MTY. In Q3, the company's diluted EPS surged 57% as revenue increased 55% to \$39.6 million. Operating cash flow jumped 40% to \$38.1 million. Moreover, operating margins clocked in at 43.4% versus 35.3% in the year-ago period, suggesting that MTY's competitive environment and cost structure are improving.

With the shares trading at a P/E in the mid-teens and sporting about half the volatility of the overall market, MTY might be more of a conservative value play than its recent rally suggests.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MTY (MTY Food Group)
2. TSX:PKI (Parkland Fuel Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
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