



## 3 Red-Hot Stocks for the 2nd Half of October

### Description

What's up, Fools? I'm back again to highlight three stocks that have recently touched new 52-week highs. As a quick refresher, I do this because stocks with improving fundamentals are superior to those with declining fundamentals; and stocks with price strength tend to break out even further over the near-term.

While buying quality stocks at good prices should be your priority, companies with both positive operating and price momentum shouldn't be completely ignored.

Let's get to those winners, shall we?

### Trendy selection

Our first gainer is **Aritzia** ([TSX:ATZ](#)), which currently sits right by its 52-week high of \$18.41. Year-to-date, shares of the fashion retailer are up an impressive 45% versus a loss of 12% for the **S&P/TSX Capped Consumer Discretionary Index**.

Aritzia has grown rapidly in recent years, and the momentum isn't slowing. In its recent Q2 report, earnings tripled to \$15.1 million on a revenue jump of 18%. More important, same-store sales — a key metric for retailers — increased a solid 11.5%, marking the 16th straight quarter of positive comparable growth. Demand was particularly strong in the U.S., where revenue spiked 40%.

The stock isn't dirt cheap. But with a forward P/E in the high-teens and a PEG ratio of 1.2, Aritzia's growth still seems reasonably priced.

### Profitable pot pick

Next we have **CannTrust Holdings** (TSX:TRST), which hit a 52-week high of \$14.24 just this past Friday. Over the past six months, shares of the medical cannabis producer are up a whopping 115%, while the **S&P/TSX Capped Health Care Index** has risen 72% over the same timeframe.

As my fellow Fool David Jagielski [noted last week](#), CannTrust is actually profitable, making it a

particularly special pot play. Over the first six months of 2018, the company earned \$11.5 million as revenue more than doubled to \$16.9 million.

Earlier this month, CannTrust announced a milestone of serving 50,000 patients, and said it now captures 36% of all newly registered patients in Canada. So, when you combine that strong operating momentum with the decent chance of a blockbuster deal in the future, CannTrust clearly has plenty of upside left.

### Golden gainer

Our final flyer this week is **Seabridge Gold** ([TSX:SEA](#))([NYSE:SA](#)), whose shares hit a new 52-week high of \$18.97 on Friday. Over the past six months, shares of the gold explorer are up an impressive 41% versus a loss of 6% for the **S&P/TSX Capped Materials Index**.

A string of bullish updates over the past few months has helped Seabridge [buck the gold slump](#). In August, the company said its KSM Project in B.C. is meeting objectives after early delays. And just last month, the stock surged after reporting a smaller-than-expected Q2 loss, as well as the discovery of two new gold zones at its Courageous Lake project in the Northwest Territories.

Seabridge's positive operating trends, coupled with recent worries over the global economy, give the stock lots of room to run. And with zero debt on its balance sheet, Seabridge's downside looks relatively limited, as well.

Fool on.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:SA (Seabridge Gold Inc.)
2. TSX:ATZ (Aritzia Inc.)
3. TSX:SEA (Seabridge Gold Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Investing

### Date

2025/07/23

### Date Created

2018/10/15

### Author

bpacampara

default watermark

default watermark