



Sick of the Non-Stop Losses? Here Are 3 Red-Hot Stocks to Propel You Into 2019

Description

Hi there, Fools. I'm back to highlight three stocks that popped sharply last week. Why? Because after a stock rallies over a short period of time, one of two things usually happens:

- It [keeps on climbing](#) as momentum-oriented traders pile on; or
- It quickly pulls back as [value-conscious investors](#) take profits off the table.

The S&P/TSX Composite Index continues to slump, falling about 1.4% last week. So, it might make sense to take a look at some stocks that are bucking the downtrend.

Let's get to it, shall we?

Settled situation

Kicking off our list is **Wheaton Precious Metals** ([TSX:WPM](#))(NYSEWPM), whose shares flew 15% on Friday. The silver streaming company is now down just 9% over the past year versus a loss of 11% for the **S&P/TSX Capped Materials Index**.

So, what triggered the big pop? Wheaton said it has finally reached a settlement with the Canada Revenue Agency, stipulating that foreign income generated by Wheaton International will not be subject to tax in Canada.

"The terms of the settlement are an excellent outcome for Wheaton and its shareholders," said President and CEO Randy Smallwood. "This settlement removes uncertainty with the use of our business model going forward and puts the tax issue behind us."

With the stock still off about 15% from its 52-week highs, there might be enough upside left to buy into that optimism.

Climbing back

Next up, we have **NuVista Energy** ([TSX:NVA](#)), which climbed 14% last week. Shares of the oil and gas small cap are still down 53% over the past six months, while the S&P/TSX Capped Materials Index is off 16% during the same time period.

Pessimism over the long-term prospects of natural gas has weighed heavily on NuVista, but there's reason to remain optimistic. In its quarterly results last month, NuVista achieved record Q3 production of 40,080 boe/d. More importantly, adjusted funds flow — an important cash flow metric — clocked in at \$72.6 million, up nicely from \$69.5 million in the year prior.

At a beta of 2.5, NuVista isn't for conservative Fools. But with the shares still off 60% from their 52-week highs, more aggressive investors should take a peek.

Heading north

Rounding out our list is **North West Company** ([TSX:NWC](#)), which gained nearly 7% last week. Shares of the food retailer are down slightly over the past year, almost right in line with the **S&P/TSX Capped Consumer Staples Index**.

Sparking the rally was North West's strong Q3 results. Operating income surged 72.5% as sales increased 5% to \$511.5 million. More importantly, same-store sales — a key metric in retail — managed to improve 3%.

"Robust consumer incomes in northern and key Caribbean markets helped drive sales in the third quarter, with margin enhancement coming from the convenience range of our product offer," said President and CEO Edward Kennedy.

Of course, when you combine the secular decline of retail with the recent stock price run-up, now might be an opportune time to some dough off the table.

The bottom line

There you have it, Fools: three red-hot stocks worth checking out.

They aren't formal recommendations, of course. Instead, view them as a starting point for more research. Momentum stocks are especially tricky to handle, so plenty of due diligence is required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:WPM (Wheaton Precious Metals Corp.)

2. TSX:NVA (NuVista Energy Ltd.)
3. TSX:NWC (The North West Company Inc.)
4. TSX:WPM (Wheaton Precious Metals Corp.)

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Date

2025/08/23

Date Created

2018/12/17

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