2 Stocks That Are Set to Double in 2019

Description

Ready. Set. Go.

That's how I felt going into 2019 after the insanity that ended 2018. This year could not come soon enough with the hope that 2019 would be different. With low oil prices, a housing crisis on the horizon, and overall poor market performance, investors — myself included — are simply looking to catch a break!

Now, with a market that is seeing some major discounts on high-quality stocks, it can be easy to get lost and not know where to invest. If you're a bit impatient and looking to have a banger 2019, it can be even harder.

Luckily, there are a few stocks that should, at the very least, see some major increases and, at best, even double by the end of 2019, according to analysts. Included in that list are **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS) and **Martinrea International** (TSX:MRE).

Getting GOOSed

Canada Goose hasn't been in the market long, but it's certainly made an impression. The retailer has outperformed almost every quarter since going public in 2017 and continues to expand at a remarkable pace.

Things were going steady this year for the retailer until President Trump and the trade war got in the way. After reaching almost $100 per share, the stock plunged to prices not seen since June with the announcement that it would delay opening its Beijing store following the arrest of Huawei Culture's chief financing officer.

Then, right as the new year approached, the company opened its Beijing store. and since then shares have slowly but steadily been climbing back up. It seems investors and analysts alike aren't quite convinced that the luxury retailer will get back to where it was in November.

But there are a few things to consider when looking at this stock. First of all, in the past year Canada Goose's return on equity (ROE) was strong at 36%, and again in the last few years the company has consistently exceeded analyst expectations in their quarterly reports.

Now, to be fair, analysts believe this stock is overvalued at the moment, trading at about $65 at the time of writing this article with a fair value more around $53. However, those same analysts predict the company could surge back to around $100 per share. Given that the stock has rebounded quickly the last few times it has dipped, analysts are still recommending this stock as a "buy."

Automatic buy

Where you might decide to wait a bit for prices to come down on Canada Goose, Martinrea is a good buy right this minute. The undervalued stock is trading at about $11.50 at the time of writing this article — a solid 30% discount on its fair-value estimate.

Just like Canada Goose, the auto-parts supplier was hit hard by trade wars in 2018. Yet it still managed to pull off a record year with adjusted income of $37.2 million on sales of $851 million in Q3. The company posted earnings per share (EPS) at $0.43 for the quarter and predicts to increase to $2.43 in 2019.

Yet with all this great news, investors just don't seem all that excited by the stock. The price-to-earnings ratio (P/E) currently sits at 6.31; while it means you won't pay a premium on the stock, it also means investors aren't expecting a lot from it either in the future.

But analysts aren't so sure. Should the company continue to grow earnings, the P/E ratio could prove to be far too low. In fact, most analysts are predicting the company to go nowhere but up in 2019, with many expecting it to more than double to as high as $24 per share by the end of 2019.

Bottom line

We're all hoping 2019 will have a better ending than 2018, but, of course, no one can see the future. That being said, by looking at historical performance and the future outlook of these two companies, it's easy to see how your stock portfolio could achieve some major gains this year.

CATEGORY

1. Investing

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2. TSX:GOOS (Canada Goose)
3. TSX:MRE (Martinrea International Inc.)

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