



3 High-Growth Canadian Stocks for Capital Gains Investors

Description

There are quite a few stocks on the TSX index with high growth statistics; however, for stocks that pay no dividends, a capital gains investor would want to see a decent amount of momentum. Below are a few high-profile stocks that have had their data analyzed, from the five-year betas to future cash flow evaluations.

CannTrust Holdings (TSX:TRST)

While revenues were up, third-quarter profits for [CannTrust Holdings](#) were down in what proved to be a tough late-fall season last year for cannabis stocks. Legalization didn't seem to do pot stocks any favours, it seems. And yet Canadian marijuana stocks are still extremely popular; one reason for this is that they display a lot of momentum.

Take CannTrust Holdings as a case in point: its beta of 2.59 relative to the pharmaceuticals industry, its share price that's up 5.42% in the last five days, and somewhere around double its future cash flow value shows that this ticker has what it takes to get momentum investors buying — and selling. A 43.4% expected annual growth in earnings is on the cards, and while this isn't the highest growth stock in the cannabis space on the TSX index, it's still significant.

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD)

2019 is going to be a good year for gold and silver, and as such, stocks like Barrick Gold look set to do well. However, it doesn't have the kind of momentum attributes that a short-seller might get excited about: its 0.81 beta relative to the market is pretty quotidian, and while its share price is overvalued by around 50% of its future cash flow value, it is barely moving: indeed, it budged just -0.06% in the last five days.

However, with considerable and steady inside buying over the last 12 months in high volumes, it may be of interest to capital gains investors with their sights set on the horizon: a negative P/E ratio, P/B of 1.5, and 42% expected annual growth in earnings make it one of the better high-growth mining stocks

on the TSX index.

Aphria (TSX:APHA)(NYSE:APHA)

This [weed stock](#) has a lot going for it at the moment, with a broad appeal to various investing types. An allowable P/E of 23.5 and P/B of 1.3 mean that value investors have a close-to-book valuation in terms of assets, for instance.

Meanwhile, momentum investors are probably already aware of high volatility here: a beta of 3.01 relative to the market industry shows how wildly Aphria can oscillate. Gaining 4.89% in the last five days, and with a share price that's overvalued by a whopping three times its future cash flow value, you have even more reason to get excited.

The bottom line

Cannabis stocks are winning when it comes to momentum. Of course, keep an eye on your usual mix of miners, techies, oil, and materials stocks, but the green stuff is king when it comes to volatility. Aphria and CannTrust Holdings have some decent momentum, with the former being one of the best pot stocks on the TSX index with a 53.6% expected annual growth in earnings in combination with an upward trending share price.

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