



3 Top Stocks Hitting New 52-Week Highs

Description

Hi, Fools. I'm here again to highlight three stocks trading at (or near) 52-week highs. Why? Because when a stock climbs to a new 52-week high, one of two things usually happens:

- The stock continues to make new highs as [momentum-oriented traders](#) climb on for the ride; or
- The stock pulls back as value-focused investors [take profits off the table](#).

The **S&P/TSX Composite Index** has had a solid start to 2019 — up about 10% year to date — so it might make sense to look at a few particularly strong performers.

Re-energized shares

Kicking off our list is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), whose shares hit a new high of \$49.39 earlier this week. After mediocre performance in 2018, the energy pipeline company is already up 16% in 2019 versus a gain of 9% for the **S&P/TSX Capped Energy Index**.

The oil glut in Alberta seems to be easing, while Enbridge's fundamentals remain solid. In December, management upped the quarterly dividend by 10%, and said it still expects full-year distributable cash flow in the upper half of its guidance of \$4.15-4.45 per share.

"We're confident our best-in-class assets and low-risk business model will generate shareholder value as we continue to deliver on our plans," said President and CEO Al Monaco.

With the stock boasting a juicy dividend yield of 6%, betting on that optimism makes a tonne of sense.

Tech triumph

Next up, we have **CGI Group** ([TSX:GIB.A](#))([NYSE:GIB](#)), which recently hit a 52-week high of \$89.42 per share. Shares of the IT services specialist are up 25% over the past year versus a gain of 18% for the **S&P/TSX Capped Information Technology Index**.

CGI continues to fire on all cylinders. In the company's Q4 results last week, net earnings clocked in at \$311.5 million, as revenue increased 5.2% to \$2.96 billion. Moreover, the net margin expanded 40 basis points.

"I am encouraged by the broad-based growth we are experiencing across all regions, accelerated by our recent metro market mergers," said President and CEO George Schindler.

Of course, with the stock now sporting a forward P/E of 20 and PEG of 2.3, I'd wait for some of the excitement to fade before diving in.

Wasted space

Rounding out our list is **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)), whose shares hit a 52-week high of \$111.25 on Tuesday. Over the past year, the waste management company is up 27% versus a gain of just 6% for the **S&P/TSX Capped Industrials Index**.

The company is set to report its Q4 results next week, and it's clear that investors expect good news. Last quarter, adjusted income increased 15% and solid waste pricing grew 4.5%, suggesting that management is on track to meet its full-year expectations.

"This price-led solid waste growth, along with continued strength in E&P waste activity, enabled us to overcome the toughest quarterly comparison for recycled commodity values in the year and certain continuing cost pressures," said CEO Ronald Mittelstaedt.

At a P/E of 30, however, sitting on the sidelines for a better entry point seems prudent.

The bottom line

There you have it, Fools: three stocks at or near 52-week highs worth checking out.

As always, don't view them as formal recommendations. They're simply ideas worth further research. Momentum stocks are particularly fickle, so extra due diligence is necessary.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:GIB (CGI Group Inc.)
3. NYSE:WCN (Waste Connections)

4. TSX:ENB (Enbridge Inc.)
5. TSX:GIB.A (CGI)
6. TSX:WCN (Waste Connections)

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