



3 Top Stocks Hitting New 52-Week Highs

Description

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

- The stock continues to climb as traders [ride the wave of momentum](#); or
- The stock pulls back as [value-oriented investors](#) seek to take profits off the table.

After a strong start to 2019, the **S&P/TSX Composite Index** has pulled back a bit recently. So, it might make sense to look at a few stocks that are bucking the trend.

Let's get to it.

Convenient choice

Kicking off our list is **Alimentation Couche-Tard** (TSX:ATD.B), which recently hit a 52-week high of about \$74 per share. Shares of the convenient store giant are now up 22% over the past six months versus a gain of 11% for the **S&P/TSX Capped Consumer Staples Index**.

Shareholders have benefited from consistently solid numbers. The stock is up 165% over the past five years, as Alimentation has posted annual revenue, operating cash flow, and net income growth of 63%, 82%, and 149%, respectively, over the same time frame.

In the last quarter, the gross margin in the U.S. — its largest market — expanded 1.1%.

At a forward P/E of 21, Alimentation shares aren't exactly dirt cheap. But an extremely low beta of 0.2 might make the risk/reward trade-off a bit more palatable for value investors.

Staying active

Next up we have **Gildan Activewear** ([TSX:GIL](#))([NYSE:GIL](#)), whose shares sit at a 52-week high of around \$46 per share. The apparel products manufacturer is now up 14% over the past six months

versus a loss of 10% for the **S&P/TSX Capped Consumer Discretionary Index**.

With retail behemoth **Walmart** as its main customer for over a decade, Gildan has steadily grown its revenue over the years. And it's clear from the stock that investors expect more good things to come in 2019.

That said, Desjardins Securities recently downgraded Gildan on worries over its new role with Walmart. In 2019, Walmart intends to swap Gildan-branded underwear for its own private label — which will be manufactured by Gildan — raising concerns over decreased profitability.

Given Gildan's recent run and P/E of 22, taking profits off the table might be prudent.

Keep it intact

Rounding out our list is **Intact Financial** ([TSX:IFC](#)), which is hovering around a 52-week high of \$113 per share. Shares of the property and casualty insurance company are already up 12% in 2019 versus a gain of 9% for the **S&P/TSX Capped Financials Index**.

Fueling the recent run was strong Q4 results last week. During the quarter, net operating income jumped 19% to \$1.93 per share, premiums grew 4%, and its combined ratio clocked in at a solid 91.7%.

On that strength, management even upped the quarterly dividend 9%.

"In the past year we made substantial investments in digital and artificial intelligence as we continue our customer-driven transformation and position ourselves for continued outperformance," said CEO Charles Brindamour.

With the stock sporting a decent dividend yield of 2.5%, betting on that bullishness might be a good idea.

The bottom line

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

As always, they aren't formal recommendations. Just look at them as a jumping-off point for more research. Red-hot momentum stocks can very often burn, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:GIL (Gildan Activewear Inc.)
3. TSX:IFC (Intact Financial Corporation)

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