Fast TFSA Profits: 3 White-Hot Stocks to Buy Now

Description

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

- the stock continues to soar as momentum-oriented traders jump on for the ride; or
- the stock pulls back sharply as value-oriented investors lock in profits.

Holding on for the long term is still the most prudent path to wealth. But knowing how to play big short-term swings can add some extra pop to your overall returns — especially in your TFSA account where the gains are tax-free.

Without further ado, let's get to it.

Chorus of applause

Leading off our list is **Corus Entertainment** (TSX:CJR.B), which flew 15% last week.

Corus shares hit an all-time low in 2018 due to the steady decline of its TV unit, but Q2 results last week show signs of a turnaround. During the quarter, consolidated revenue increased 4%, TV ad revenue improved 11%, and free cash flow clocked in at a solid $83.9 million. Moreover, Corus's net debt-to-profit ratio declined 7%.

"Corus delivered another strong quarter, with double-digit Television advertising revenue growth exceeding our expectations," said President and CEO Doug Murphy. "Notably, the strength of our free cash flow in the quarter is accelerating our progress towards our leverage targets."

Corus shares are now up 43.5% year to date and currently sport a solid yield of 3.5%.

Rising dollar

With a gain of 8% last week, discount retail giant **Dollarama** (TSX:DOL) is next up on our list.

Slowing sales growth has put heavy pressure on the shares in recent months, but recent Q4 results offer some positive signs. During the quarter, revenue increased 13%, same-store sales inched up 2.6%, and net earnings grew 5.6%.

While those aren't market-thumping numbers, management still felt confident enough to increase the dividend 10% as well as forecast 60-70 new store openings in the new fiscal year.

"This performance demonstrates the resilience of our business model, which rests on well-executed organic growth, our direct sourcing strengths, and our multi-price point strategy," said President and CEO Neil Rossy.

Even with last week's spike, Dollarama shares remain off 25% over the past year.

Ironed out

Rounding out our list of gainers is royalty company **Labrador Iron Royalty** (TSX:LIF), whose shares popped 8% last week.

The stock dipped after the company posted its full-year results last month (production was down from 2017), but with U.S. and China making recent progress in trade talks, Bay Street is beginning to grow bullish.

"If the strong prices and premiums continue in 2019, the policies of the Chinese government on pollution are not materially relaxed, there are no major negative impacts from the China-U.S. trade negotiations," said the company in its report, "… the 2019 outlook for LIORC will be continued strong cash flows."

Labrador Iron shares are now up 31% so far in 2019 and boast an attractive dividend yield of 3.2%.

The bottom line

There you have it, Fools: three red-hot stocks worth looking into.

As always, they aren't really formal recommendations. Instead, view them as a starting point for further research. Momentum stocks are particularly fickle, so plenty of due diligence is required.

Fool on.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:LIF (Labrador Iron Ore Royalty Corporation)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date
2025/07/03
Date Created
2019/04/08
Author
bpacampara