Attention TFSA Traders: 3 Red-Hot Stocks to Ride in the 2nd Half of April

Description

Hello again, Fools. I'm back to highlight three stocks that popped last week.

Why? Because after a given stock spikes over a short period of time, one of two things tends to happen: the stock keeps on soaring as traders look to ride the momentum or the stock quickly pulls back as value-oriented investors look to lock in gains.

"Buy and hold" is still the most prudent path to wealth. But knowing how to play those big short-term swings can add some extra juice to your returns — especially in a TFSA account where the gains are tax-free.

Without further ado, let's get to it.

Aim high

Leading off our list is loyalty program operator **Aimia** (TSX:AIM), whose shares flew 7% last week.

The big gain came on Monday after management announced the terms of its massive issuer bid to repurchase (for cancellation) up to $150 million of its common shares. The move is part of Aimia's longer-term strategic plan to downsize operations and focus on becoming a leading consolidator within loyalty and travel markets.

"Our capital allocation strategy will be two-pronged: returning capital to shareholders while retaining sufficient financial flexibility to execute on our strategy, which is expected to deliver very strong returns for the company and its stakeholders," said incoming Chairman Bill McEwan late last month.

Aimia shares are up a whopping 146% over the past year.

MEG-a rally

With a gain of 13% last week, oil sands company **MEG Energy** (TSX:MEG) is our next momentum stock.

MEG jumped early in the week after National Bank Financial analyst John Hunt upgraded the stock to "outperform" from "sector perform." Hunt also raised his price target substantially to $8.50 (from $6.50), representing about 36% worth of upside from current prices. Specifically, Hunt likes MEG as a "high torque" way to play its favourable view on global heavy oil.

In addition to the upgrade, MEG shares received fuel from oil prices last week, which gained solidly on tightening crude supply.

Despite the pop, MEG shares remain down 19% in 2019.

Turning point

Rounding out our list is oil and gas company **Crescent Point** (TSX:CPG)(NYSE:CPG), whose shares jumped a whopping 27% last week.

The stock has been walloped over the past several months on massive write-downs, lackluster production, and even a quarterly dividend cut. Thus, it's no surprise to see the oil rally giving Crescent Point an extra-large bounce.

Moreover, Macquarie analyst Brian Kristjansen upgraded Crescent Point early in the week to "outperform" from "neutral," suggesting that Bay Street is beginning to see plenty of value in the stock. Kristjansen raised his price target to $6.50 (from $5.50), representing about 15% worth of upside from current prices.

While Crescent Point shares are still down significantly over the past year, they're up a solid 36% so far in 2019.

The bottom line

There you have it, Fools: three red-hot stocks worth checking out.

As always, they aren't formal recommendations. Instead, look at them as a starting point for further research. Momentum stocks are particularly tough to predict, so plenty of your own due diligence is required.

Fool on.

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