Here's Why You Should Hop Between These 2 Growth Stocks Right Now

Description

Back in late 2018 I discussed stocks that were targeted by short sellers. At the time the TSX was just starting to enter the throes of one of the worst market spells since the financial crisis.

Today investors are staring at one of the hottest starts for the market in decades, but that doesn't mean that you should eschew caution in the spring.

Today we are going to look at two stocks that have performed well to start 2019. However, one has reached far into overbought, while the other has room to run. Let's see why it may be a good play to take profits and reinvest in the other stock today.

Badger Daylighting (TSX:BAD)

Badger Daylighting was one of my top recommendations in late October, as it was targeted by short sellers. The stock has erupted since releasing its third-quarter results for 2018 in early November. Shares had surged 32.8% in 2019 as of close on April 17. The stock hit an all-time high of $43.48 this month.

Badger Daylighting released its 2018 numbers in March. There were many positives to glean as total revenue rose to $615 million over $496 million in the prior year and adjusted EBITDA climbed to $161 million compared to $125 million in the prior year. Badger projects that adjusted EBITDA will increase to a range of $170 million to $190 million in this fiscal year.

Badger is a fantastic long-term hold, but the stock is ripe for a pullback in the spring. Shares had an RSI of 67 as of close on April 17, which puts it just outside of overbought territory.

Shareholders who are thinking of taking profits in Badger should consider reinvesting their gains in the second stock we will look at today.

Canada Goose (TSX:GOOS)(NYSE:GOOS)

Canada Goose stock has climbed 18% in 2019 as of close on April 17. Shares had increased 62% from the prior year. The stock suffered a sharp plunge in late 2018, as its growth prospects in China were seemingly in jeopardy. Fortunately, the opening of its Beijing store was received very well in the face of boycott threats.

In March I'd asked whether Canada Goose stock could reach the century mark in 2019. The stock came close in late 2018, reaching an all-time high of $95.58 before succumbing to the bad news and broader market pressures.

The company had a very strong third quarter for fiscal 2019, and is expected to release its fourth-quarter and full-year results in early June. Canada Goose is planning six new store openings in Alberta, Ontario, the United States, and Europe.

The company has intelligently navigated the modern retail environment, focusing on e-commerce growth while strategically expanding its brick-and-mortar footprint in key markets.

The launch of a spring line shows that Canada Goose is aiming to broaden its horizons, offering up its unique mix of utilitarianism and high fashion beyond winter clothing.

Shares are currently trading at the middle of its 52-week range. The stock had an RSI of 61 as of close on April 17, which means that patient investors may want to wait for a pullback before its next earnings release. In any case, I'd like Canada Goose to challenge its all-time highs before 2019 concludes.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:GOOS (Canada Goose)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/08/25
Date Created

2019/04/19
Author
aocallaghan