



Hold or Fold? 3 Hot Headline Stocks That Require Your Attention Now

Description

Hi there, Fools. I'm back to call your attention to three stocks that popped last week. Why? Because after a given stock rallies over a short period of time, one of two things usually happens: the stock continues to climb as [momentum traders pile on](#); 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 big short-term swings can really add some extra juice to your returns.

Without further ado, let's get to it.

Departure time

Leading off our list is airline operator **WestJet Airlines** (TSX:WJA), whose shares soared a whopping 62.5% last week.

The stock popped on Monday after private equity firm Onex, run by billionaire Gerry Schwartz, offered to acquire WestJet for \$3.5 billion. The surprise offer works out the \$31 per share, representing a healthy 67% premium from where the struggling airline was trading.

The deal helps WestJet work on its long-term growth initiatives without the scrutiny of public investors, while also allowing Schwartz to purchase WestJet at a relatively low valuation.

"Onex' aerospace experience, history of positive employee relations and long-term orientation makes it an ideal partner for WestJetters, and I am excited about the future."

The transaction is expected to close in the latter part of 2019 or early 2020.

Steel of a deal

With a healthy gain of 15% last week, steel products specialist **Stelco Holdings** ([TSX:STLC](#)) is our

next red-hot stock

The shares soared Friday after U.S. President Donald Trump lifted the 25% tariffs on steel from Canada and Mexico, thereby triggering optimism over Stelco's profitability going forward. Stelco managed to post a solid EBITDA margin of 22% in 2018 even with the tariffs, suggesting that things are only going to improve.

"If we were able to do this in the face of tariffs, now we believe we will be able to do even better now that we don't face the tariffs," said Stelco CEO Alan Kestenbaum in an interview with Bloomberg. "We expect to be active in the M&A side of things, and we're really excited to do that from a balance sheet perspective."

Stelco shares are now up 13% in 2019 and offer a dividend yield of 2.3%.

Digging in

Rounding out our list is excavating equipment specialist **Badger Daylighting** (TSX:BAD), whose shares soared 11% last week.

Triggering the pop was a strong Q1 report: during the quarter, revenue increased 22%, adjusted EBITDA climbed 36%, and gross margin expanded 350 basis points to 29%. Due to that strength, management even repurchased 633,454 shares during the quarter.

"Given Badger's strong growth opportunities, particularly in our U.S. operations, we continue to invest in all aspects of our business to facilitate long-term sustainable growth as these investments will ultimately drive further revenue, margin and operational improvements in future years," said President and CEO Paul Vanderberg.

Badger shares are now up an impressive 50% so far in 2019 and currently offer a yield of 1.1%.

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 especially fickle, so plenty of your own due diligence is required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:STLC (Stelco Holdings Inc.)

PARTNER-FEEDS

1. Msn
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