



## These Were 3 of the Hottest Stocks in May: Are They Still Buys Today?

### Description

The TSX had a tough month in May, with the index falling close to 3% and coming close to closing below 16,000 for the first time since March. However, that wasn't the case for three stocks listed below, which had very strong performances during the month. Let's take a look at what was behind their strong returns and whether they're likely to continue rising.

**Westport Fuel Systems** ([TSX:WPRT](#))([NASDAQ:WPRT](#)) had a mammoth May with its share price rising by nearly 60%. The company released its quarterly results early on in the month, which were an improvement that saw sales rising 7% year over year and Westport reporting a smaller loss as well. A positive adjusted EBITDA of \$7.3 million also a big improvement over the \$3.4 million loss incurred a year ago.

It was a very strong reaction from the markets. However, despite the stock finishing the month at \$3.70, it is still nowhere near its 52-week high of \$4.86. Westport is recovering from a big sell-off in the markets that happened in the latter half of 2018. And so even with the impressive result in May, there's still more room for the stock to [grow](#), especially if it can build on these results. The last time the stock closed above \$4 was back in October.

**Hydrogenics** (TSX:HYG)(NASDAQ:HYG) also had a strong month, but the reasons for its rapid increase are a little mysterious. The stock was initially down when it released its quarterly results mid-month as sales were flat, and the company recorded a larger loss for the period.

However, the stock would go on to rise weeks later, getting a big boost just before the end of May and finishing the month up 44%. With Hydrogenics trading at around 10 times its book value and struggling to stay out of the red, there don't appear to be many reasons for investors to suddenly get excited about the stock.

The sudden increase in share price put Hydrogenics at a new 52-week high. I wouldn't bank on further increases from the stock, which gave back some of its gains on Friday, falling more than 5%. When there's no apparent reason for an increase, there's more of a chance for a correction to happen afterwards.

**Element Fleet Management** ([TSX:EFN](#)) saw a much more modest than the other two stocks on this list, jumping more than 17% during May. However, it was still a very good performance that also saw the stock reach a new 52-week high.

The reason behind the increase was that the company released a strong quarter that saw sales rise by more than 18%, while profits nearly quadrupled. A couple of key reasons for the improved quarter were the company incurred fewer restructuring costs compared to last year and had smaller investment losses.

While it was still a good quarter overall for the [dividend stock](#), if not for the big improvement from non-operating items, it wouldn't have been nearly as impressive. For that reason, I wouldn't jump on the bandwagon and buy the stock just yet. I'd wait to see if the company can continue to deliver these types of results going forward before deciding to invest.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NASDAQ:WPRT (Westport Fuel Systems Inc.)
2. TSX:EFN (Element Fleet Management Corp.)

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