These Standout Stocks Defied a Bloodbath to Hit 52-Week Highs

Description

It's interesting to see what's managing to do well despite last week's wholesale sell-off that walloped some of the most defensive areas of the **TSX** index. The following three stocks represent three very different sectors, and yet all managed to hit year-long highs in the midst of a market meltdown. Let's review the data to see whether these are indeed safe havens during tough times.

Park Lawn (TSX:PLC)

Nudging toward the $30 mark at writing, Park Lawn has soared past its own 52-week high, finishing up 2.08% over the last five-day period at writing. The average analyst rating for Park Lawn right now is a strong buy, with the memorial provider pulling in solid returns of 21.49% over the past year with a track record of impressive returns.

Strong future growth is estimated, with year-on-year earnings set to increase not only for the next quarter by 47.4%, but by 31.2% for the end of this fiscal year. Meanwhile, low price volatility (as shown by a 36-month beta of 0.64) and a dividend yield of 1.55% should go some way to outweigh considerations of value, with a trailing 12-month P/E of 83.2 times earnings and P/B of 2.2 times book signifying overvaluation.

Héroux-Devtek (TSX:HRX)

A contrarian money-spinner or a surprise safe haven? Having landed a big contract with **Boeing** in April, Héroux-Devtek continues to be a canny play for exposure to the defense sector. It perhaps should not be overlooked that one reason for the current market uncertainty is the increase in geopolitical tension around the world; the very thing causing shifts in the market might therefore be worth investing in.

Up 7.3% in the last five days, it would appear that TSX investors are thinking exactly that. While it underperformed the Canadian aerospace and defense industry with returns of just 2.9% compared to an average 19.3%, Héroux-Devtek is looking at an 18.3% earnings hike over the next few years. Its focus on parts and partnerships with peers in its sector also add an element of diversification.

Newmont Goldcorp (TSX:NGT)(NYSE:NEM)

Up 4.2% in the last five days, this major gold stock hasn't been around long in its current form, and while it's on the pricier end of the scale (see a P/E of 76.4% and P/B of 2.6), it's also a solid play in the precious metals space.

Classically defensive and ready to go the distance, this stock comes with built-in peace of mind, with enough diversification to match its strong balance sheet and dependable track record. An estimated earnings growth rate of 40.4% is on the cards, while a modest but welcome dividend yield of 1.69% may tempt the income investor looking for a strong stock in a safe asset class.

The bottom line

When three of the biggest stocks hitting yearlong price records come from the funerary, defense, and gold sectors, that might be a sign that times could be about to get rough. While it's easy to be reactionary, however, a savvy investor may want to take advantage of these trends and make the most of the situation. All three stocks listed here could reward with upside, as their respective industries are classically defensive during times of increased instability in the markets.

CATEGORY

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TICKERS GLOBAL

1. NYSE:BA (The Boeing Company)
2. NYSE:NEM (Newmont Mining Corporation)
3. TSX:HRX (Héroux-Devtek)
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