



TFSA Investors: 2 Buyable Stocks at 52-Week Highs

Description

Motley Fool co-founder David Gardner thinks that investors should shed their fear of stocks trading at their 52-week highs.

Many perennial [winners](#) are members of the exclusive 52-week-high club, after all. And although the basket of stocks may be perceived as overvalued names where the easy money has already been made, you'll occasionally come across a company that not only warrants its premium price tag but may actually have a realistic means to command even higher highs.

Consider the following two Canadian stocks that look buyable at their 52-week highs.

Alimentation Couche-Tard

Couche-Tard (TSX:ATD.B) has been on an absolute tear over the last year with shares soaring over 56%. The multinational operator of convenience stores is one of the few companies that I believe has perfected the growth-by-acquisition model. When it comes to firms that rely on M&A for growth, their urge to merge often leads to deals that don't drive an optimal return given the integration risks taken on.

What makes Couche-Tard a winner that'll keep on winning is the fact that its management has an ocean to fish for potential deals, and it's only going to reel in the biggest fish, rather than waste its time and efforts on the small fry.

What does that mean for investors?

Couche-Tard will only pull the trigger on a deal if it's able to get a good price and if the potential synergies will be more than worth the integration efforts put in. Investors know Couche-Tard is all about the maximum creation of long-term shareholder value with every deal it strikes. That's a huge reason why Couche-Tard pops on the announcement of deals and why the company always has found a way to keep moving higher in conjunction with its earnings after all these years.

Even after the past-year run, the stock still trades at a relatively modest 19.4 times next year's

expected earnings, which is not high at all for a high-double-digit grower with a proven business model and exceptional stewardship.

CargoJet

Up next, we've got [CargoJet](#) (TSX:CJT). While not at 52-week highs at the time of writing, it's pretty darn close and is less than 3% away from breaking out of a multi-month level of consolidation.

For those unfamiliar with the name, it's a cargo-flying airline that essentially has a monopoly in the overnight Canadian delivery market. The company carries over 1.3 million pounds of cargo each business night, and as e-commerce continues to take off, one can only imagine how many tonnes of goods the firm will be moving a decade from now.

As of late, the firm has been firing on all cylinders. Operations have been progressing very smoothly, and with a Canada Post contract bagged until at least 2025, there are many reasons to believe that CargoJet can continue flying much higher.

More recently, CargoJet announced a rather peculiar partnership with rapper Drake, naming him as brand ambassador and gifting him a private jet in the process. After winning the NBA championship, the Toronto Raptors were reportedly flying on Drake's private jet. That's a ridiculous amount of publicity for CargoJet, even though the partnership may have cost the firm a pretty penny.

In any case, the secret is out on CargoJet, and over the next year, I suspect the name will continue garnering momentum as the general public learns more about the red-hot high flyer. The stock is priced with nothing short of perfection expected at 73.4 times trailing earnings. It's a high price to pay, but when you consider the firm's dominant market position (it's essentially a monopoly) and the powerful secular tailwinds (the rise of e-commerce), the premium price of admission isn't as ridiculous as some of the other sexy growth names out there.

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