3 Stocks to Sell This Summer

Description

Investors don’t like to admit it, but we’re all greedy people. We want to find those bargain stocks that will provide us with a surge of gains, and finding those stocks is definitely great when they come our way.

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But there’s another side as well to investing, and that’s knowing when to sell. That’s when the greed really comes out. As we watch shares go up and up and up, we think it could just continue forever. That is until we wake up one morning and find news that sends our shares in a nose dive.

That’s why today I’m looking into three stocks that could be facing that nose dive in the near future. If you have any of these stocks, I would consider getting out before the summer season. With a potential recession ahead, these stocks have been hitting all-time highs, making it the perfect time to step away and relish your earnings.

Agnico-Eagle

Agnico-Eagle Mines (TSX:AEM(NYSE:AEM) has been on a hot streak lately that would make most miners completely green. The stock has gained almost 25% since the beginning of the year, with a huge jump happening in the last month alone that sent it to its 52-week high just shy of $70 per share.

Don’t get me wrong; the stock is a strong one with a strong future ahead. The company’s production has been on a tear, with production rising in the next few years by about 30%. This has come from two large mergers that have set up the company well. However, now that those mergers have come and gone, investors shouldn’t expect to see further jumps as seen in the last month. Rather, a slow and steady increase should occur, if not a drop due to trade jitters. That makes now a great time to cut and run if you’re not willing to wait out a potential storm.

Franco-Nevada

Another gold company seeing some strong growth lately is **Franco-Nevada** (TSX:FNV)(NYSE:FNV).

This stock is up over 15% year to date, trading near its 52-week high of $114 per share. Just like with Agnico, Franco-Nevada stands to make some further gains in the long term, but given an uncertain short-term future, investors may want to get out while they can.

In fact, RBC Capital Markets analysts recently downgraded Franco-Nevada from “outperform” to “sector perform,” with a price target of $117 per share, not far from where it is now. Now, of course, Franc0-Nevada is a great long-term investment if you’re willing to buy and hold and should continue to be one for the next decade or so. But if you’re looking to take out funds before a market downturn, now is definitely the time.

Shopify

Finally, we have **Shopify** (TSX:SHOP)(NYSE:SHOP). This TSX darling has increased by over 100% since the beginning of the year, but analysts have been screaming from the rooftops, “Enough is enough!”

Just like with the other stocks, Shopify is a solid performer that has a strong future ahead of it. It’s just completely overvalued at the moment. Analysts have taken everything into account for its valuation and come out at about $210 per share. About half of its 52-week high of $446 per share.

I’m not even sure at this point investors should consider this a buy-and-hold stock at these prices. In fact, I would sell and wait for the inevitable plunge, then buy up a tonne of these shares, as this company continues on its path of growth.

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Foolish takeaway

All three of these stocks provide investors with the perfect opportunity to take out their cash and wait for a market downturn. With so many stocks trading at 52-week –or even all-time — highs, that downturn is pretty much inevitable. Even if you love these stocks, I would sell and wait for a fall, so you can buy up even more of them afterwards. After all, each is definitely a solid long-term investment. But selling now means you’ll just have a bit more cash in your pocket over the summer season.

CATEGORY

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:AEM (Agnico Eagle Mines Limited)
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