



## It's Time to Average Up on These 3 Stud Stocks Flirting With 52-Week Highs

### Description

Many investors will scour the 52-week-low list, looking for [bargain stocks](#), just like they look for cheap meat in the grocery store.

Personally, I like this strategy. But I'm the first to admit you have to be selective. There's nothing saying a stock selling at a 52-week low can't set a new, even lower low next week. Many of these stocks are cheap for a reason. Some will take years to recover, while others will be permanently stuck at a depressed level before mercifully being acquired.

Some investors will do the exact opposite approach and buy companies at fresh 52-week highs. The reasoning is simple. Momentum matters more than most people think, especially in the investing world. And besides, stocks bumping up against new highs are winners. Shouldn't we look to add some of these studs to our portfolios?

Let's look at some of Canada's more expensive stocks — companies that still look good going forward, despite flirting with 52-week highs.

### A&W

**A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) released earnings last week, delivering yet another stellar quarter.

Same-store sales for the quarter shot up more than 10%, while total royalty income was up more than 15% compared to the same period last year. A&W is both growing sales at existing stores as well as opening up new ones. That's a nice combination.

Management also made the decision to hike the dividend, which marks the sixth consecutive quarter A&W has increased its distribution. The current yield is an attractive 4.2%.

With all this good news, it's no surprise A&W is trading within 10% of its all-time high of \$47.65. I believe the stock can march higher, especially as the company opens more locations. There are some

900 locations today, still a far cry from the +1,400 **McDonald's** restaurants in the country.

Then there's the U.S. expansion potential. There's a separate A&W chain in the U.S., an uninspired patchwork of a few hundred restaurants in the Midwest. I believe A&W Canada should acquire the U.S. chain and run it properly.

## Killam Apartment

**Killam Apartment** ([TSX:KMP.UN](#)) shares recently touched a new high, surpassing \$20 for the first time ever.

Investors like the apartment business. Occupancy is strong throughout most of Canada, which is resulting in both plenty of predictable cash flow and the potential to increase rents. The company is also growing its portfolio via acquisitions and by developing new assets. Finally, investors are much more bullish on Atlantic Canada than before. Remember, more than 65% of Killam's net income comes from the region.

Killam also has one of Canada's youngest portfolios of apartment buildings. Newly developed locations don't need as much maintenance as older buildings. Plus, people are more likely to want to live there.

Finally, investors are getting a solid 3.3% yield — a payout that's been hiked three times since the beginning of 2017.

## Gran Colombia Gold

I last wrote about **Gran Colombia Gold** (TSX:GCM) in February, calling it the [TSX's cheapest stock](#). The stock was under \$4 per share back then, even after a big run-up. I'm happy to report shares have just surpassed the \$5 mark, and I think there's plenty more upside here.

The recent move in gold bullion has helped, of course. Gold is up more than 16% over the last year. That's a nice increase, especially after years of disappointment before that.

Gran Colombia is also doing a nice job on the operational front. Lead by strong results from its flagship Segovia mine, the company reported a 12% increase in production for the first half of 2019. That's enough for it to raise its 2019 production guidance.

Finally, Gran Colombia has also announced the intention to invest in Venezuela when the situation there becomes a little more stable. It sees some pretty significant potential in certain mining assets that were nationalized in 2011 and wants to move forward as soon as embattled president Nicolas Maduro steps aside. You've got to like that growth potential. Talk about getting in on the ground floor.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

### POST TAG

1. Editor's Choice

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1. TSX:ARIS (Gcm Mining)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:KMP.UN (Killam Apartment REIT)

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nelsonpsmith

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