



1 Hot Growth Stock That Could Double This Year

Description

Earlier this week, **Stars Group** (TSX:TSGI)(NASDAQ:TSG) saw a sharp sell-off take place after the company released its latest quarterly results. Dropping more than 20% during the day sent the stock to a new 52-week low, and it could be a very attractive time to buy the stock, as it could prove to be a steal of a deal at its current price.

The earnings report wasn't bad enough to justify such a sell-off in the first place

What surprised me is that investors were so bearish on the stock in the first place. The company's earnings per share (EPS) of US\$0.48 actually came in above what analysts were expecting at \$0.48. It was also a big improvement from the prior year when Stars Group posted a big loss during the quarter.

Unfortunately, what looks to have been the catalyst behind the bearish activity was a guidance update, which saw the company effectively decrease both the revenue and earnings that it expects to earn for 2019. The sales targets were trimmed by about 7% (on the high end), while EPS saw a reduction of as much as 13%.

As much as investors don't like an earnings miss, a reduction to guidance can sometimes be even more damaging. However, that's still a bit of an extreme reaction given the circumstances.

Stars Group still has tremendous growth potential, and for investors that are a bit short-sighted and are only focused on the immediate quarters ahead of the company, they could miss out on bigger long-term opportunities ahead. That's where investors today have a great chance to pick up the stock at a great price.

The last time that Stars Group closed below \$18 a share was back in 2016. And since then, the company's sales have nearly doubled, while growth prospects have become even stronger now that the U.S. has [opened the gates for online sports betting](#).

Not new territory for the stock

For Stars Group, this is, unfortunately, not new for the stock, as it's seen a lot of bearish activity over the past year, losing around half of its value. A year ago, its share price was trading at around \$35, which was already down from where it was months earlier.

While there's certainly a lot of potential for the stock to rally, the big question is where the bottom is for Stars Group. Whether it has been hit or if it's likely to continue to fall is what could be keeping both growth- and value-oriented investors away.

Bottom line

I've been holding onto Stars Group for some time, and not only do I not plan to sell, but I'm tempted to buy more shares just because of the potential that the company has going forward.

With [Fox](#) getting on board and sports betting still a long way to go in many states, there are plenty of reasons to believe that the stock will rally from where it is today and I wouldn't be surprised to see it double in value.

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