3 Stocks Hitting New 52-Week Highs

Description

Hello, Fools. I'm back to quickly highlight three stocks trading at new 52-week highs. Why? Because after a given stock rallies over a short time, one of two things usually happens: the stock keeps on climbing as momentum traders pile on; or the stock quickly pulls back as value-oriented investors lock in profits.

If you have ambitious goals of turning an average $27K TFSA into $1 million bucks in 20 years, you'll need an annual return of at least 20% to do it. While momentum stocks are on the fickle side, they can often rally higher (and for longer) than you might expect.

Let's get to it.

Electric opportunity

Leading off our list is electric utility **Emera** (TSX:EMA), which is up 40% over the past year and currently trading near 52-week highs of $56.50 per share.

Emera's attractive assets (worth about $30 billion) and diverse base of customers continue to drive the stock price higher. In the most recent quarter, earnings per share improved 13% to $0.43 on revenue of $1.38 billion. Meanwhile, year-to-date operating cash flow increased to $775 million.

"We have made significant progress on strengthening our balance sheet and optimizing our allocation of capital among our businesses," said CEO Scott Balfour. "While near-term earnings will be impacted by asset sales, these efforts reinforce our confidence to deliver long-term earnings and dividend growth for our shareholders."

Emera currently offers a healthy dividend yield of 4.2%.

Fresh selection

Next up we have grocery giant **Metro** (TSX:MRU), whose shares have gained 27% over the past year and currently trade near 52-week highs of $54.20 per share at writing.

Metro's operating momentum appears to be gaining speed. In the most recent quarter, EPS of $0.90 topped estimates by $0.21 as revenue improved 12.7% $5.23 million. Meanwhile, same-store food sales — a key metric in the grocery space — improved 3.4%.

"We executed well on our business plans while realizing synergies from the acquisition of the Jean Coutu Group, which have now reached $61 million on an annualized basis," said CEO Eric La Fleche. "We're confident that our sustained investments and customer-focused strategies will enable us to reach our long-term growth objectives."

Metro currently sports a yield of 1.5%.

One and only

Capping off our list of momentum plays is electric utility **Hydro One** (TSX:H), which is up 23% over the past year and currently trading near 52-week highs of $24 per share.

Hydro One's price performance continues to be backed by its highly regulated competitive environment, dominant position in Ontario, and improving cash flows.

In the most recent quarter, operating cash flow increased to $297 million from $292 million in the year-ago period even as EPS and revenues declined.

"We have made meaningful progress in building the foundations of a corporate sustainability strategy to deliver enduring value for our customers, employees, communities and shareholders," said President and CEO Mark Poweska.

Hydro One currently boasts a solid dividend yield of 4.1%.

The bottom line

There you have it, Fools: three red-hot stocks worth checking out.

As always, they aren't formal recommendations. Instead, look at them as a starting point for further research. Momentum stocks are especially fickle, so plenty of your own due diligence is required.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

2. TSX:H (Hydro One Limited)
3. TSX:MRU (Metro Inc.)

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Date
2025/08/21
Date Created
2019/08/15
Author
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