

These 3 Stocks Have Doubled in 2019: Will They Do it Again in 2020?

Description

Momentum investing is a ridiculously simple strategy that many investors swear leads to better returns.

All the scheme does is load up on the best short-term performing stocks and rides them until they start to fizzle out. New companies are found at that point, and the whole process repeats itself.

See? I told you it was easy.

It's also been traditionally profitable, with numerous studies saying a momentum investing strategy has outperformed the results of the broader stock market.

In fact, a 2013 study proved the strategy worked for not only North American stocks, but commodities, currencies, and foreign markets too.

This powerful strategy has been ignored by Canadian investors for too long.

Let's take a closer look at three of the **Toronto Stock Exchange's** top recent performers, stocks any momentum investor should be owning today. They're all up more than 100% thus far in 2019 — performance that could carry over to 2020.

Shopify

Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#)) has seemingly been a momentum stock for years now. It just doesn't quit, despite what the naysayers say about the stock being too expensive.

Underlying results continue to impress, further cementing the company as the best option for entrepreneurs who want to take their businesses online.

Second quarter revenue hit US\$362 million, an increase of 48% compared to the same period last year. The company also posted a solid adjusted net profit of US\$0.14 per share versus US\$0.02 per share last year.

The stock is up more than 12% since those earnings were announced as investors are bullish about Shopify finally turning the corner and becoming a consistently profitable company.

Shopify shares could easily again double in the next year. The beauty of a stock like Shopify is the stock is largely driven by investor sentiment. As long as the market still likes the story, shares will continue to march higher. It really *is* that simple.

Alacer Gold

Thanks to the commodity's recent run-up, many [gold miners](#) have enjoyed terrific moves higher. Some, like **Alacer Gold Corp** (TSX:ASR), have seen their share prices more than double since the start of 2019.

Gold miners carry huge operational leverage, which works a little something like this. Say a gold mine has all-in sustaining costs of US\$1,000 per ounce of gold mined. It sells that gold for US\$1,200 per share, makes a little money, and life is okay.

Gold then surges to US\$1,500 per ounce. The miner's costs are exactly the same, yet it's suddenly enjoying US\$300 per ounce in extra profits. No wonder investors get so excited.

Alacer's economics are even better than this, with all-in sustaining costs of approximately US\$700 per ounce of gold it mines, which it attributes to the quality of its main asset. It owns 80% of a mine in Turkey, and is currently exploring the country in an attempt to expand its operations there.

Copler Gold Mine, the company's main asset in Turkey, is a world-class asset. It offers an enticing combination of low production costs along with a long mine life. Management estimates the company can continue with today's production for another 20 years.

Village Farms

Village Farms International Inc. (TSX:VFF)([NASDAQ:VFF](#)) has transformed itself from a sleepy vegetable grower to one of the most exciting names in the marijuana industry. Shares have rocketed higher as a result, leading to some eye-popping [long-term returns](#).

The most powerful part of the Village Farms bull thesis is only about a third of its greenhouse space has already been converted to marijuana production.

It still has 2.6 million square feet of greenhouse space in British Columbia that can be easily switched from vegetables to pot. And the company's Texas greenhouses — which will soon be used to grow hemp — give it even more upside potential when marijuana is legalized in the United States.

A favourable result in the 2020 Presidential election in the U.S. could send Village Farms shares soaring, thereby adding to already impressive short-term returns.

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Author

nelsonpsmith

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