3 Stocks That Have Soared +50% in 2019: Are They Still Good Buys Today?

Description

It's been a strong year on the TSX this year, and the three stocks below have all done very well. Let's take a look at the high performers below and assess whether they could still go on to rally even further.

Kinross Gold (TSX:K)(NYSE:KGC) has had a terrific year so far in 2019, rising more than 60% so far. The stock got a big boost back in August after the company released its quarterly results, which came in above expectations, as Kinross benefited from higher volumes during the period.

Currently, Kinross stock is trading at 52-week high, and so it may be unappealing for investors to want to buy at what may turn out to be a peak for the stock. The good news, however, is that gold prices may stay at their current levels and possibly even rise further, which could lead to even better results in future quarters for Kinross.

Whether the stock is a buy for you will depend on your outlook for gold, and the stability of the markets overall. If you think tougher times are ahead, which is the boat that I'm in, then investing in Kinross and other gold stocks could be a great option. But if you're more bullish on the economy, then Kinross may be too expensive to expect greater returns ahead.

Element Fleet Management (TSX:EFN) has risen more than 50% this year, and the stock started taking off in May after the company posted impressive quarterly results and upgraded its forecast for 2020. The stock has started to cool this past month, rising a little less than 2%.

The concern with Element is that the stock that could be adversely impact by weaker economic conditions, especially if companies start cutting back on their spending and vehicle expenditures. Like Kinross, Element is also within striking distance of its 52-week high, and that makes it all the more challenging of a decision as to whether to buy the stock or not.

Although the company has done a good job transforming its business and being consistently profitable over the past three quarters, I'm not optimistic about the long-term outlook for the company, and that's what would prevent me from buying it today.

Home Capital Group (TSX:HCG) has made one heck of a comeback since a scandal crippled the stock back in 2017. It’s up around 75% year to date and only a few dollars away from where it was before the stock went over a cliff.

The company has done a great job of staying out of the press and slowly building its numbers. Now, looking at the past four quarters, there’s a lot of consistency in the company’s sales and earnings, as things have looked like they have returned to normal for the once-troubled stock.

Like the other stocks on this list, Home Capital is near its 52-week high as well. However, with the stock still trading below its book value, it may have the best odds of continuing to rise in value.

There may still be gains to be had here, but I wouldn’t expect for Home Capital to have a lot more upside left, at least, not over the short term.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:EFN (Element Fleet Management Corp.)
3. TSX:HCG (Home Capital Group)
4. TSX:K (Kinross Gold Corporation)

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