



3 Red-Hot 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 period of 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.

While momentum stocks are on the fickle side, they can often rally higher (and for longer) than you might expect. So, if you're looking to get your 2020 returns off to a hot start, this list might be a good place to begin.

Let's get to it.

Living the life

Leading off our list is life insurance giant **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)), whose shares are up 33% in 2019 and are trading near 52-week highs of \$26.44 per share.

The stock's outperformance continues to be fueled by strong operating momentum. In the most recent quarter, for instance, EPS of \$0.76 topped estimates by \$0.03 as total new business value jumped 16% to \$526 million.

Management even initiated a bid to possibly buy back up to 3% of its shares.

"We continued to execute against our strategic priorities, with portfolio optimization initiatives announced to date resulting in a cumulative capital benefit of \$3.9 billion," said CEO Roy Gori. "We also expanded Manulife's distribution capabilities across our global footprint, entering into long-term partnerships in mainland China and Vietnam."

Manulife currently offers an attractive dividend yield of 4%.

Flying away

Next up, we have airline operator **Air Canada** ([TSX:AC](#)), which is up a massive 82% in 2019 and currently trades near 52-week highs of \$49.75 per share.

It has been a year of big spikes for Air Canada shares, with the latest jump coming after strong Q3 results. During the quarter, EBITDA improved 9% on record Q3 operating revenue of \$5.55 billion.

More importantly, Air Canada ended the quarter with record unrestricted liquidity of \$7.36 billion and leverage ratio of 0.8.

“Impressive as such strong results are on their own, they are even more meaningful given that we achieved them despite the serious disruption to our operations and to our cost structure created by the Boeing 737 MAX grounding,” said CEO Calin Rovinescu.

Air Canada trades at a forward P/E of 9.8.

Powerful pick

Rounding out our list is renewable power producer **Northland Power** ([TSX:NPI](#)), whose shares are up 24% in 2019 and are trading near 52-week highs of \$27 per share.

Northland's solid gains continue to be supported by robust cash flows, a highly regulated operating environment, and strong tailwinds. In the most recent quarter, net income improved 19% as revenue improved 8% to \$378 million.

More importantly, free cash flow per share grew 14%.

“Northland continued to deliver healthy, sustainable results in the quarter with a 14% increase in adjusted EBITDA and free cash flow per share over last year,” said CEO Mike Crawley. “Most significantly, we acquired EBSA, a high-quality regulated Colombian utility.”

Northland offers an attractive dividend yield of 4.6%.

The bottom line

There you have it, Fools: three red-hot momentum 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.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:AC (Air Canada)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:NPI (Northland Power Inc.)

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Date

2025/09/10

Date Created

2019/11/10

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