



52-Week High Alert: 3 Red-Hot Stocks to Jump-Start Your 2020

Description

Hi there, 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, 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.

Electric appreciation

Leading off our list is electricity utility **Hydro One** ([TSX:H](#)), whose shares are up more than 25% over the past year and are trading near 52-week highs of about \$25 per share at writing.

Hydro One's outperformance continues to be fuelled by its leadership position in Ontario, strong scale (123,000 circuit kilometers of low-voltage distribution network), and highly stable cash flows.

In the most recent quarter, EPS improved 21% on revenue of \$1.6 billion. Meanwhile, operating cash flow increased to \$648 million.

"The roll out of our corporate strategy will involve sticking to our strengths and continuing to champion for our customers and the electricity sector in Ontario," said CEO Mark Poweska.

Hydro One shares currently offer a dividend yield of 3.9%.

Open communication

Next up, we have cloud-based software technologist **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)), which

is up about 30% over the past year and currently trades near 52-week highs of \$44.50 per share at writing.

Open Text's market-leading product portfolio, highly recurring revenue stream, and shareholder friendly management team should continue to drive solid gains in 2020. Since the inception of its shareholder dividend program in 2013, management has returned close to \$715 million to shareholders.

More recently, the company has generated impressive operating cash flow of \$842 million over the past 12 months.

"The Open Text Cloud creates a modern platform for innovation and our leadership with the strongest Enterprise Information Management (EIM) offering in the industry positions Open Text to gain share in a shifting economic environment," said CEO Mark Barrenechea.

Open Text currently offers a dividend yield of 1.6%.

Babbling brook

Rounding out our list is diversified holdings giant **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)), whose shares are up about 30% over the past year and are trading near 52-week highs of \$77 per share at writing.

Brookfield's solid gains continue to be supported by massive scale (over \$500 billion in assets under management), high-quality assets, and wide geographic reach. In the most recent quarter, Brookfield's funds from operations (FFO) clocked in at \$826 million as revenue jumped 20%.

More important, Brookfield ended the quarter with a whopping \$65 billion of capital available for investments, a company record.

"Our results were strong, underpinned by long-term businesses which are doing well," said CEO Bruce Flatt. "With the completion of our Oaktree transaction we broadened our product offering and this should be additive for our clients."

Brookfield offers a dividend yield of 1.1%.

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.

CATEGORY

1. Investing

2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. NYSE:BN (Brookfield Corporation)
3. TSX:BN (Brookfield)
4. TSX:H (Hydro One Limited)
5. TSX:OTEX (Open Text Corporation)

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