



3 Ways to Gain As Much As 106% in 2020 (While Avoiding the CRA)

Description

Happy New Year, 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.

The three stocks below have returned as much as 106% over the past year. So if you're a TFSA investor looking to carry that momentum into 2020 (while keeping the CRA at bay), this list is a good place to begin.

Golden choice

Leading off our list is gold miner **Yamana Gold** ([TSX:YRI](#))([NYSE:AUY](#)), whose shares soared about 60% in 2019 and currently sit near 52-week highs of \$5.22 per share at writing.

Yamana's price appreciation should continue to be supported by solid production growth, strong gold prices, and sound fundamentals. Management even boosted the dividend by a whopping 125% in the third quarter of 2019.

The company also established cash reserve fund that it will be able to draw upon if and when gold prices decline and negatively impact margins.

"While the balance in the cash reserve fund would change from time to time, the Company intends to maintain a balance that can support the current or any future increased dividend for a minimum period," wrote Yamana.

Yamana shares currently offer a dividend yield of 1.0%.

Seeing stars

Next up, we have online gambling technologist **The Stars Group** (TSX:TSGI)(NASDAQ:TSG), which rose 52% in 2019 and currently trades near 52-week highs of \$34 per share at writing.

Stars' big gains in 2019 have been fuelled by landmark deals, as well as solid earnings and revenue growth. In the most recent quarter, EPS of \$0.50 topped estimates by \$0.08 as revenue improved 9% to \$622.5 million.

More important, operating cash flow clocked in at a solid \$197 million.

"We remain excited about the opportunities in front of us as the combination will enhance and accelerate each company's growth strategy by providing a diverse portfolio of leading brands and complementary best-in-class products with a broad geographic reach," said CEO Rafi Ashkenazi.

Stars trades at a forward P/E in the mid-teens.

Majestic view

Rounding out our list is silver producer **First Majestic Silver** (TSX:FR)(NYSE:AG), whose shares more than doubled in 2019 and currently trade near 52-week highs of \$16.44 per share.

First Majestic's massive gains continue to be supported by strong silver prices, solid production, and improving costs. In the most recent quarter, revenue increased 10% to \$97 million while all-in sustaining costs dropped an impressive 29%.

More important, First Majestic ended the quarter with \$118.6 million in cash, up significantly from the prior year.

"In the third quarter, our strong production results along with lower costs and higher metal prices drove a significant increase in cash generation for the business," said CEO Keith Neumeyer.

First Majestic has a PEG ratio of 1.3.

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. Metals and Mining Stocks
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:AG (First Majestic Silver)
2. NYSE:AUY (Yamana Gold)
3. TSX:FR (First Majestic Silver)
4. TSX:YRI (Yamana Gold)

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