



3 Shockingly Strong Stocks Hitting New 52-Week Highs (Even as the Market Crashes)

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 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.

So if you're a TFSA investor looking to protect your portfolio from more market pain, this list is a good place to begin.

Business intact

Leading off our list is insurance giant **Intact Financial** ([TSX:IFC](#)), whose shares are up about 40% over the past year and are trading at a 52-week high of \$157 per share.

Intact's solid cash flow generation, healthy premium growth, and rock-solid dividend continue to support strong price appreciation. In the fourth quarter, for example, operating income increased 8% as premiums improved 12%.

More importantly, the company's operating return on equity clocked in at 12.5% with \$1.2 billion of total capital margin, providing investors with plenty of comfort. Based on that strength, management boosted the quarterly dividend by 9%.

"We delivered strong results in the fourth quarter with double-digit topline growth and a low-90s combined ratio," said CEO Charles Brindamour. "With a strong balance sheet and momentum in favourable market conditions, we are pleased to increase dividends to our common shareholders for the fifteenth consecutive year."

Intact currently offers a decent dividend yield of 2.2%.

Power play

Next up, we have renewable energy provider **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which is up almost 50% over the past year and currently trades near a 52-week high of \$22.40 per share.

Algonquin's strong price appreciation continues to be backed by attractive assets, solid scale (70 power facilities across North America), and highly dependable dividend growth. In the most recent quarter, earnings per share of \$0.20 topped expectations as revenue improved 4% to \$440 million.

More importantly, the company's adjusted funds from operations – a key cash flow metric – increased an impressive 9% to \$144 million.

"Looking into 2020 and beyond, we remain committed to delivering on our recently announced five-year, \$9.2 billion growth plan to drive growth in earnings and cash flows which will, in turn, support a growing dividend and compelling returns for our shareholders," said CEO Ian Robertson.

Algonquin shares currently offer an attractive dividend yield of 3.5%.

Economic utility

Rounding out our list is electricity provider **Canadian Utilities** ([TSX:CU](#)), whose shares have gained almost 20% over the past year and currently trade near 52-week highs at \$43 per share.

Canadian Utilities' highly stable cash flow, massive scale (over \$20 billion in assets), and impressive global reach continue to provide investors with plenty of comfort. In 2019, for example, earnings increased slightly to \$608 million on strong base rate growth and continued cost improvements.

More importantly, the company has now raised its dividend for 48 consecutive years – the longest dividend growth streak of any publically traded company in Canada.

"Going forward, Canadian Utilities' strong, stable foundation of regulated utility and long-term contracted energy infrastructure investments and services will provide the platform to continue our long track record of exceptional returns for our shareowners," said CFO Dennis DeChamplain in the most recent conference call.

Canadian Utilities currently offers a dividend yield of 4.1%.

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

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:IFC (Intact Financial Corporation)

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