2 Hot Stocks to Buy Before May

Description

North American markets have cooled in the middle of April in response to grim data on the jobs and GDP growth front. This has made it hard to jump on the momentum that a hot stock may offer. Moreover, there is still considerable uncertainty surrounding the duration of the lockdowns that are currently in place. Prime Minister Justin Trudeau has suggested that an easing of social distancing is still “weeks” away.

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Today, I want to look at two stocks that that boast high growth potential and some income as a boon. Dividends are especially attractive in a choppy market. These stocks have managed to heat up — or stay hot — during the worst economic pullback since the 2007-2008 financial crisis.

One hot healthcare stock: Savaria

When this decade started, healthcare already looked like one of the most explosive and promising sectors. The COVID-19 pandemic has bolstered interest in healthcare, and investors should take notice. One of my favourite TSX stocks in the healthcare sector is **Savaria** (TSX:SIS).

Shares of Savaria have climbed 20% month over month as of close on April 16. Back in early March, I’d recommended that investors buy the dip. Moreover, the stock is still down 18% in 2020 so far. This means there is still time for investors to jump in on the discount. The company designs, engineers, and manufactures products for personal mobility in Canada, the United States, and globally. Personal mobility products have experienced soaring demand in large part due to an aging population in the developed world.

In 2019, Savaria saw revenue grow 30.9% year over year to $374 million. Adjusted net earnings climbed 37.4% to $26.7 million and adjusted EBITDA also rose 37.9% to $55.6 million. The stock last paid out a monthly dividend of $0.0383 per share, which represents a solid 4.1% yield. Savaria is a hot stock and has the potential to electrify your portfolio for the remainder of this decade.

A long-term play: Jamieson Wellness

Back in the summer of 2019, I'd discussed why Jamieson had not come close to reaching its potential. The nutrition and supplements market is growing fast. Like Savaria, it owes much of this growth to an aging population. There is increased interest in health-conscious living right now, and this will only be enhanced in the wake of this crisis.

Jamieson Wellness (TSX:JWEL) is a Toronto-based company that develops, manufactures, distributes, sells, and markets natural health products domestically and internationally. Its shares have increased 23% over the past month. The stock is up 70% year over year.

In 2019, Jamieson reported revenue growth of 7.9% to $345 million. Adjusted EBITDA increased 12.2% to $75.9 million. Overall, the company achieved the high end of its 2019 guidance for revenue, adjusted EBITDA, and adjusted earnings per share.

The stock may not offer the value it did a year ago, but Jamieson is still worth a long-term hold in your portfolio. Jamieson last paid out a quarterly dividend of $0.11 per share. This represents a modest 1.4% yield. The stock is red hot in 2020, but it still has room to run in the years to come.

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CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:SIS (Savaria Corporation)

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