Stock Market Rally: 3 Stocks Looking Bullish Right Now!

Description

In May, the stock market is on the upswing. Believe it or not, the gains are arguably justified by fundamentals. Despite the chorus of people saying this rally is unsustainable, there's been no shortage of good earnings news. Of course, we've got airlines losing money and banks likely to when they report later this month. But there are still plenty of companies that are growing in the midst of all this. The following are just three of them.

Shopify

Shopify Inc (TSX:SHOP)(NYSE:SHOP) has been beating the stock market ever since it went public in 2015. An e-commerce company, it develops front-end website and payment processing services for vendors. Shopify makes money by taking subscription fees plus a cut of vendors' revenue. And as it powers some of the world's most valuable brands, that cut is substantial.

In its most recent quarter, Shopify surprised everyone by growing revenue by 47% and adjusted earnings by 210% year-over-year. This came after the company suspended its guidance for 2020. Normally when a company suspends guidance, that means it expects to under-perform.

Apparently not in SHOP's case. Maybe Tobias Lütke loves surprises, maybe the company just out-performed its own expectations. Whatever explains it, there's no doubt SHOP had a great first quarter.

CN Railway

The **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is another company that had a stellar first quarter. With adjusted earnings up 31%, the company grew significantly despite flat revenue. Additionally, the company's free cash flow roughly doubled, so the earnings jump appears to have been "high quality."

Sometimes when you see a company grow earnings on flat revenue, it turns out to have been due to accounting changes, non-cash gains, or income tax recovery. That doesn't appear to have been the case in CN's first quarter.

That's particularly impressive given that the company had to deal with blockades *and* COVID-19 one after the other! It's one of the best dividend plays on the TSX stock market today.

Cargojet

Cargojet Inc (TSX:CJT) is a small cargo airline that produced solid results in the first quarter. In Q1, CJT's revenue grew 12%, gross margin grew 51%, and EPS grew 24.5%. These are all healthy gains. What's even more impressive is that this was achieved by an airline.

Right now, passenger airlines are losing money like there's no tomorrow. With 90% of their flights cancelled, how could they not? But cargo airlines are not passenger airlines. And when you've got a cargo airline that specializes in e-commerce orders, you've got a recipe for stock market gains.

As it turns out, that's exactly what Cargojet is. Specializing in overnight shipping, it does a lot of deliveries that ultimately come from sites like **Amazon** and **eBay**. In addition, e-commerce orders are up right now, thanks to the closure of brick and mortar businesses.

And Cargojet benefits from the trend. If you're looking for an airline stock that's not a colossal risk right now, you could do much worse than CJT.

CATEGORY

1. Dividend Stocks
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:CJT (Cargojet Inc.)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Tech Stocks

Date
2025/08/05

Date Created
2020/05/09
Author
andrewbutton