These TSX Stocks Are Hitting 52-Week Highs!

Description

Sifting through the outperforming stocks over the weekend yielded two strong themes. Gold and tech are popular with investors right now. It seems that not everybody got last week's "buy anything" rally memo, which is perhaps just as well; while it's reassuring to see stubborn bullishness in equities, it's also alarming. Undue bullishness now almost certainly means another market crash later.

The trouble with this is that stocks will fall off a cliff at the first whiff of bad news. And with the pandemic poised on a knife edge, bad news is never more than an overnight news cycle away. So, it's reassuring to see that two sectors have been dominating the 52-week highs list over the weekend. One of them is the classic safe haven of gold. The other is the heroic Canadian tech space.

Canadian tech: A sector whose time has come

Constellation Software is following the latest trend in outperforming Canadian tech names. Names like **Kinaxis** are hitting year-long highs, as the market sniffs out pandemic-proof profits. Indeed, stocks like Constellation Software, Kinaxis, and **Shopify** aren't just resistant to the pandemic but rallying during the middle of it. The all-digital model increasingly favoured by lockdown-hit industries suits these names to a tee.

Look at Shopify's pronouncement that it would remain a remote-working business after the pandemic. It's a case of saying what everyone was thinking. The low-overhead model favours e-commerce businesses by reducing rent, transport, and energy usage. The commute could become a thing of the past for some sectors. This sea-change in transport could disrupt other sectors, such as auto manufacturing.

There's the possibility for a knock-on effect for the petroleum industry. Demand for oil is already dangerously low. But the headwinds are mounting, exacerbated by the double-whammy of the pandemic and the underlying oil price war. Oil investors have a tough decision to make. On the one hand, Big Oil could go green while leaning into the materials markets. On the other, the thesis for oil upside is rapidly diminishing.

Look beyond the charts

It makes sense to anchor a tech pick with a gold investment. This helps to balance the risk in a stock portfolio while also diversifying. But look beyond the outperforming charts for value options. While the current market is pushing a raft of gold names higher, investors should consider shopping for value right now. **Barrick Gold** is a no-fuss option in this space and still decently valued. It's a company on a mission to the top, which could mean growth for investors.

In the meantime, Barrick shareholders gain the security of the world's go-to safe commodity, paired with a 1% dividend yield ripe for growth. On offer are total potential returns of 160% over the next five years. Canadians looking for gold exposure mixed with passive income might alternatively consider buying shares in **Kirkland Lake Gold**. A higher yield (1.3%) is on offer here, with a similar low payout ratio signifying dividend-growth potential.

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