5 Stocks Blowing Out Ross' Stock Surge Indicator

Ross Givens

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This is an exciting time to be an investor.

Indexes regularly making new highs… record GDP growth… a hoard of consumer savings finding its way into stocks…

Those who miss out on today's huge opportunities for profit in the stock market will regret it for years to come.

So if you have investment dollars sitting on the sidelines…

Or just looking for a few good stocks to park some money in…

I'm going to share with you my current top 5.

These 5 stocks are blowing out my proprietary Stock Surge Indicator.

They are right in the middle of powerful moves higher, and they check every box on my checklist. Let's dive right in…

Surging Stock #1
Digital Turbine (APPS)

Surge score: 99/100

Quarterly Sales growth: 146%

12-month stock performance: +1276%

Digital Turbine (APPS) provides media platforms for mobile operators, app developers, and original equipment manufacturers of handsets. The Austin,

Texas-based company focuses on providing turn-key systems primarily for mobile games as well as for mobile chat and other services. It also provides payment systems for billing. It has developed a global reach throughout Europe, North and South America and impressively Asian markets.

In the US, it has developed good ties with the primary mobile operators including Verizon (VZ) and T-Mobile (TMUS) that provides a lot of credibility with its clients providing third party applications and services.

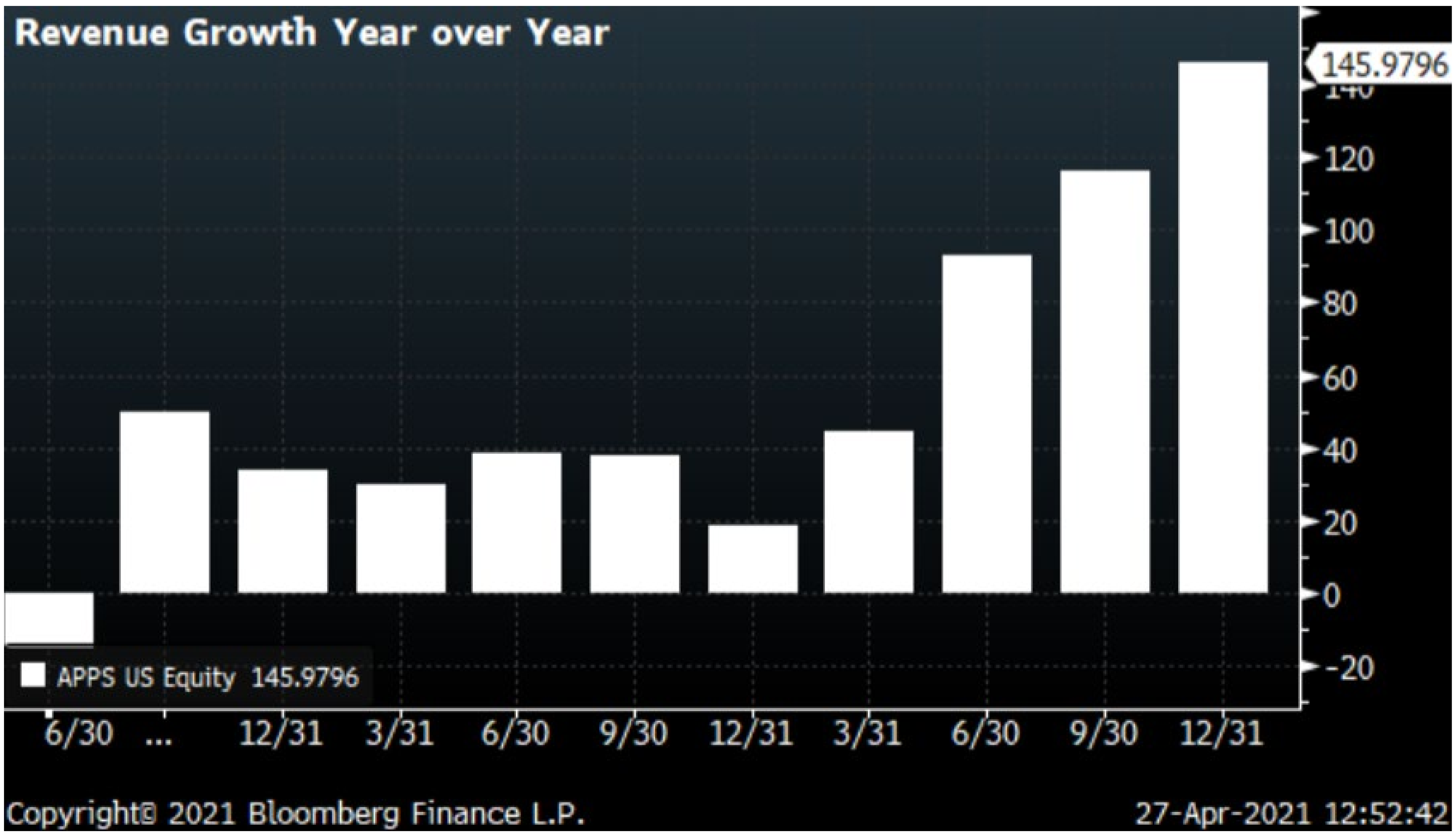
Digital Turbine (APPS) Total Return Source Bloomberg

Shares are up 1,275.95% over the last twelve months.

The stock has been consolidating recently, but with a Surge Score of 99/100, it is showing no signs of losing momentum.

Sales were up 146% last quarter versus a year earlier. And this revenue growth has not just been strong for the last quarter – but expanding rapidly over the past nearly three years.

Digital Turbine (APPS) Quarterly Revenue Growth Source Bloomberg



And it is not just about sales growth – but margin where the company has shown its performance. Operating margin, meaning sales less direct costs are running at 9.50%. And in turn, the company is delivering a whopping 46.20% return on shareholders' equity in the company.

The company shows ample regular cash flows that allows it to use the cash for further investment and keeps less on hand. And it also allows the company to avoid debts for now with the debt to assets running at a very low level of 10.70%.

This buys a lot of credibility with both the credit markets as well as with institutional and investment advisor investors. This shows up in institutional share ownership that is currently running at 70.52% of outstanding shares. And the number of institutional funds owning the stock has doubled from 280 to 450..

Strong company, strongly rising sales and underlying credible fundamentals all show why the stock is surging.

Surging Stock #3
Infusystem Holdings (INFU)

Surge score: 93/100

Quarterly Sales growth: 122%

12-month stock performance: +223%

Power REIT (PW) is a real estate investment trust (REIT) that owns and leases land and other real estate properties for very at the moment businesses. Name some of the major themes that garner investor and business interest, and green energy and marijuana (cannabis) will be on that list.

Power REIT has its origins in the famed Pittsburgh & West Virginia Railroad that owned many, many miles of land for main track operations as well as side lines and branch lines as well as yards and other affiliated properties. It is from this land origin story that the company has transformed itself into a more modern REIT.

It still owns the rail lines and land that it leases to Norfolk Southern (NSC) but it has expanded its holdings to include greenhouses for cannabis production as well as land that's leased to power producers for solar panel operations.

Cannabis is a grabber of a commodity even with plenty of regulatory and financial issues. And of course, US states as well as Canadian jurisdictions that have allowed levels of legality have seen non-commercial growers taking market share from licensed producers and vendors. But that hasn't stopped plenty of commercial interest in growers as well as investment interest.

Power REIT is more of a picks and shovel company for marijuana providing the access to greenhouses and needed land for leased operations. So, this provides more of a cushion from the industry challenges. Rent collections though is the risk – and the company appears to be in pretty good shape.

The solar panel land lease is the other side of the REIT operations. And with ESG (Environmental, Social & Governance) commanding more commercial and investment interest – green solar power continues to be a prime beneficiary and benefits the REIT.

As a REIT, the company takes advantage of tax law and code to largely avoid corporate income taxes that in turn leaves more cash for operations and of course dividend income. And thanks to the Tax Cuts & Jobs Act of 2017 (TCJA) any dividend distributions come with a 20% deduction for individual investors' income tax liability.

However, Power REIT has not been making dividend distributions to common shareholders. So, for now, this company is purely for stock price appreciation. And appreciate - it has done.

The stock has returned 274.92% over the trailing year. And it may well continue to surge higher.

Power REIT (PW) Total Return Source Bloomberg

The company continues to seek further expansion of its assets and has successfully acquired additional land and other assets that have been in turn leased on a triple-net basis. This means that the company leasing the facilities pays for the rent as well as the taxes, insurance and general upkeep. This means that Power REIT has little operational liability in many of its properties and leases.

Shares are still largely held by individuals including 32.79% by management and related individuals. But investment advisors and hedge funds have been amassing a total of over 34% of the outstanding shares.

Power REIT is a surging stock that is capitalizing on both ESG and cannabis and the market continues to see it remaining on track for further gains.

Surging Stock #3
InfuSystems Holdings (INFU)

Surge Score: 84/100

Quarterly Sales growth: 13.82%

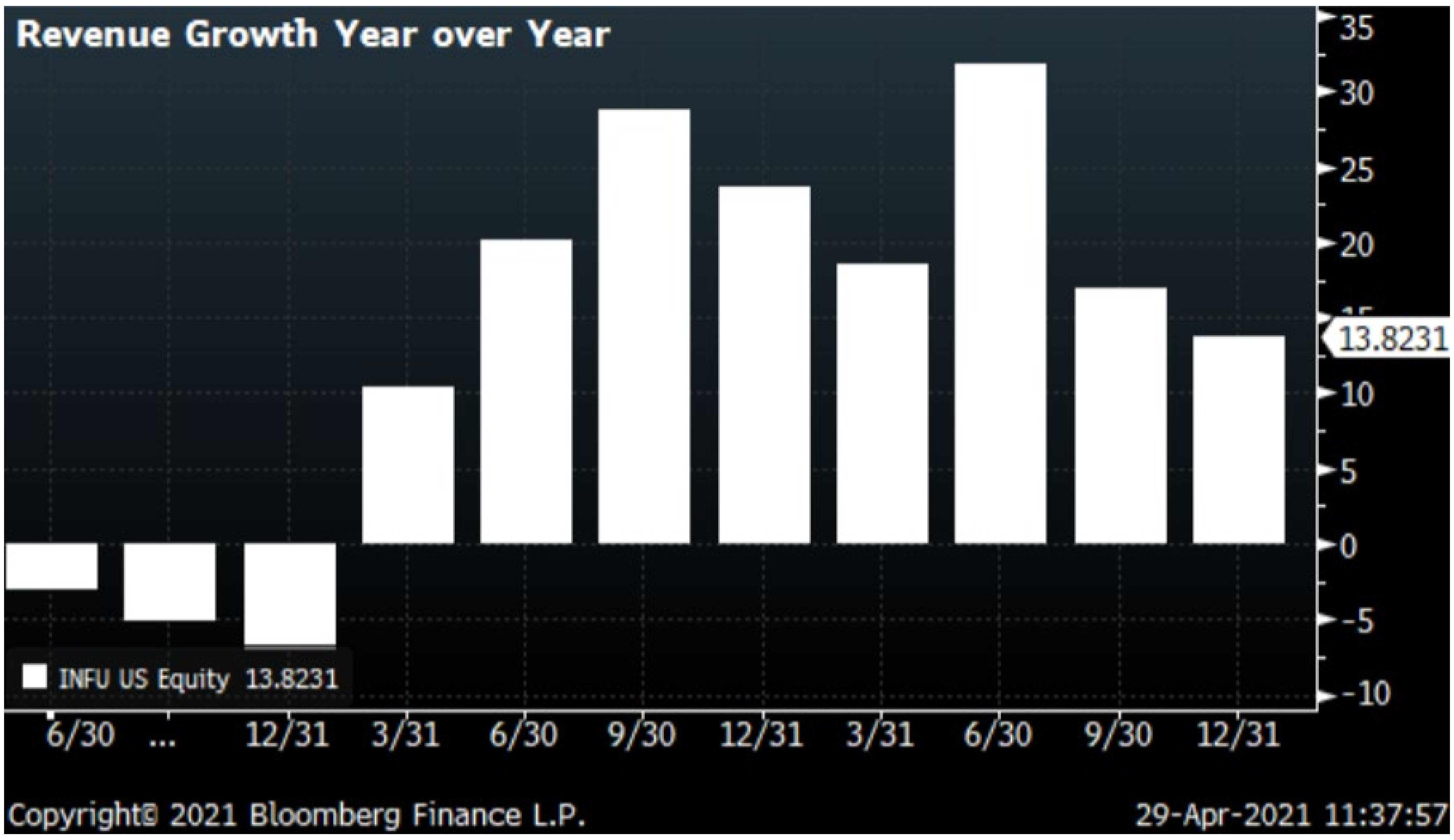
12-month stock performance: +87.83%

InfuSystems Holdings (INFU) makes infusion pumps. Infusion pumps are used in hospitals and other medical facilities to deliver all sorts of liquids into patients including nutrients, chemotherapy drugs, insulin and many other necessary items prescribed by doctors.

Even before COVID19, the market was already strong for these devices both in the US and worldwide. But with the dire impacts of the virus – the need for infusions and the required infusion pumps has been all the stronger.

InfuSystems Revenue shows impressive quarterly growth for its necessary products. For the most recent quarter, revenue gains were 13.82% - and while not quite as exciting as some technology companies – its quarterly gains over the last two years shows stronger double-digit gains quarter after quarter. And over the trailing five years, revenue has been advancing at an average of 22.44% on a compound annual growth rate (CAGR) basis.

InfuSystems Quarterly Revenue Growth Source Bloomberg



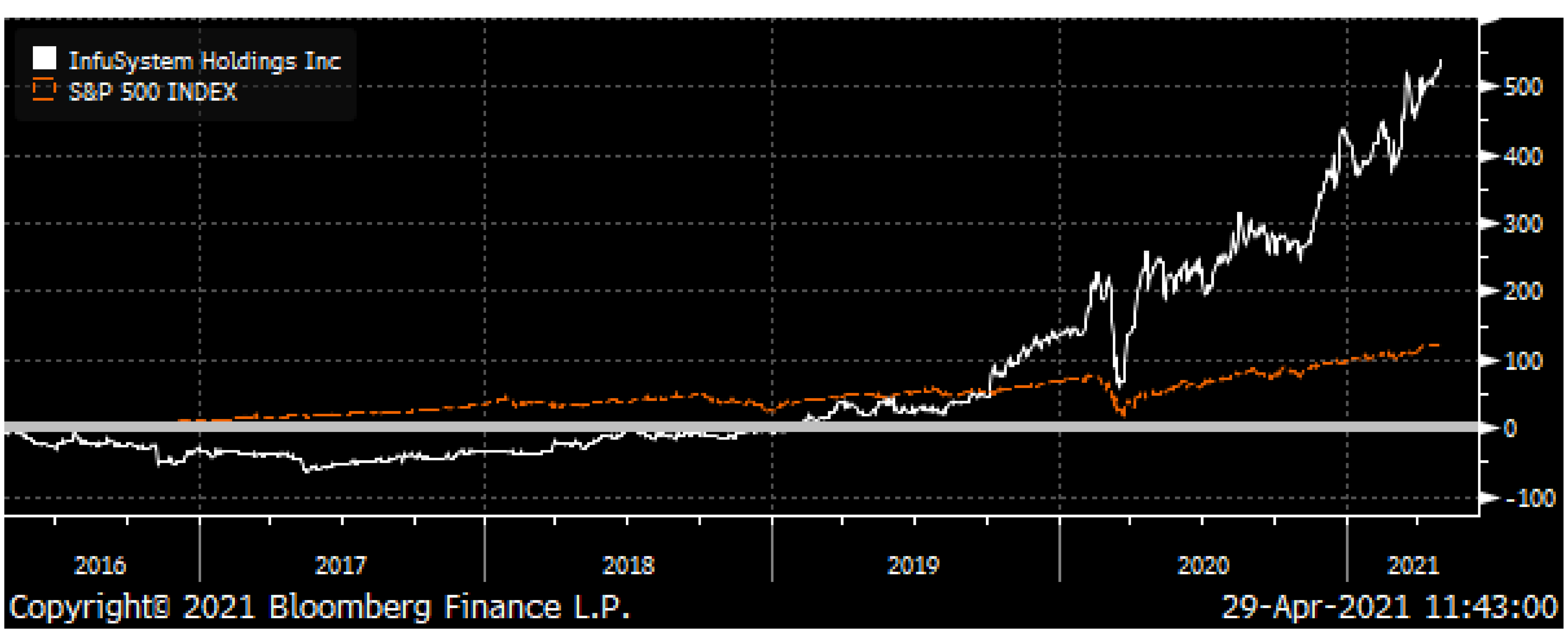
Operating margin is good for manufactured products at 9.10%. But what is really impressive, is that the company's management is delivering a return on shareholders' equity of a very big number at 54.90%.

Good cash coverage of liabilities and limited debts with debt to assets running at 44.00% makes for a credit capable company that can fund expansion as needed.

The company, its products, business and financials continue to attract institutional investors. Investment managers and hedge funds show 76.62% of outstanding share ownership. That's good for a discerning crowd of professional investors.

And the stock reflects their enthusiasm.

InfuSystems Holdings & S&P 500 Index Total Return Source Bloomberg



The shares have returned 538.89% over the trailing five years. This is 4.35 times the return of the S&P 500 Index.

Strong sales gains, strong institutional buyers and strong share performance makes for a good surging investment.

Surging Stock #4
Zedge (ZDGE)

Surge score: 99/100

Quarterly Sales growth: 100.98%

12-month stock performance: +1134.21%

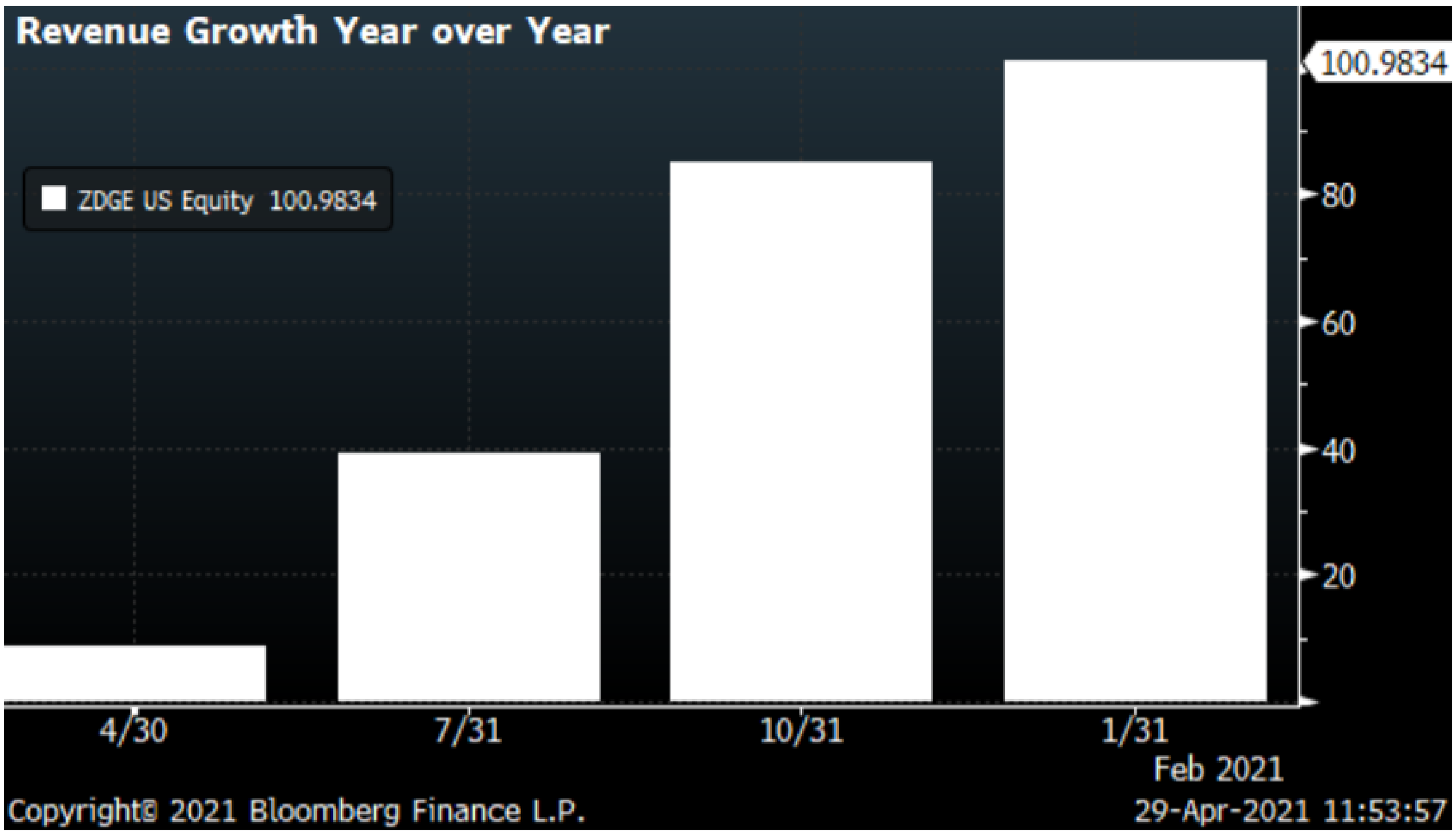
Zedge (ZDGE) is a content distribution platform. Now, that really means is that it sells programming and applications tha allows mobile device owners to personalize their phones, tablets and other items with ringtones, wallpapers, home screen icons and tailored individual sound notifications.

Its customers are worldwide and largely are on Alphabet's (GOOGL) Google Android operating system that dwarfs Apple's (AAPL) iOS operating system.

And more and more folks like to have their devices be their devices with custom operations and appearances.

With global economic lockdowns, work at home and stay at home folks want to make more of their devices and it shows in sales revenue growth that is really off of the chart over the past four quarters.

Zedge Quarterly Revenue Growth Source Bloomberg



As noted, the recent quarter saw revenue growth of 100.98%. And over the trailing four quarters showing equally stellar growth – the company's sales are now effectively showing an annual average growth in sales on a CAGR basis of 469.89%.

Now, that's a surge number.

The company takes this revenue and turns it into profits for shareholders with the return on shareholders' equity running at a current rate of 28.20%.

The company has lots of cash and equivalents on hand and debts that hardly show up on the balance sheet with debt to assets at only 4.30%. This buys a lot of capability for expansion and growth.

Institutional investors including advisors and hedge funds hold 61.33% of outstanding shares.

And they are profiting from their investment.

The shares came to the public market back in 2016 and were a bit sluggish until the company began to deliver its surging sales. And now they are off to the races with the trailing year's return of 1134.21%

Zedge Total Return Source Bloomberg

Surging sales, institutional buyers and owners and a stock that is getting noticed for the company's performance makes for another surge stock to buy.

Surging Stock #5
BlueLinx Holdings (BXC)

Surge score: 99/100

Quarterly Sales growth: 41.07%

12-month stock performance: +690.70%

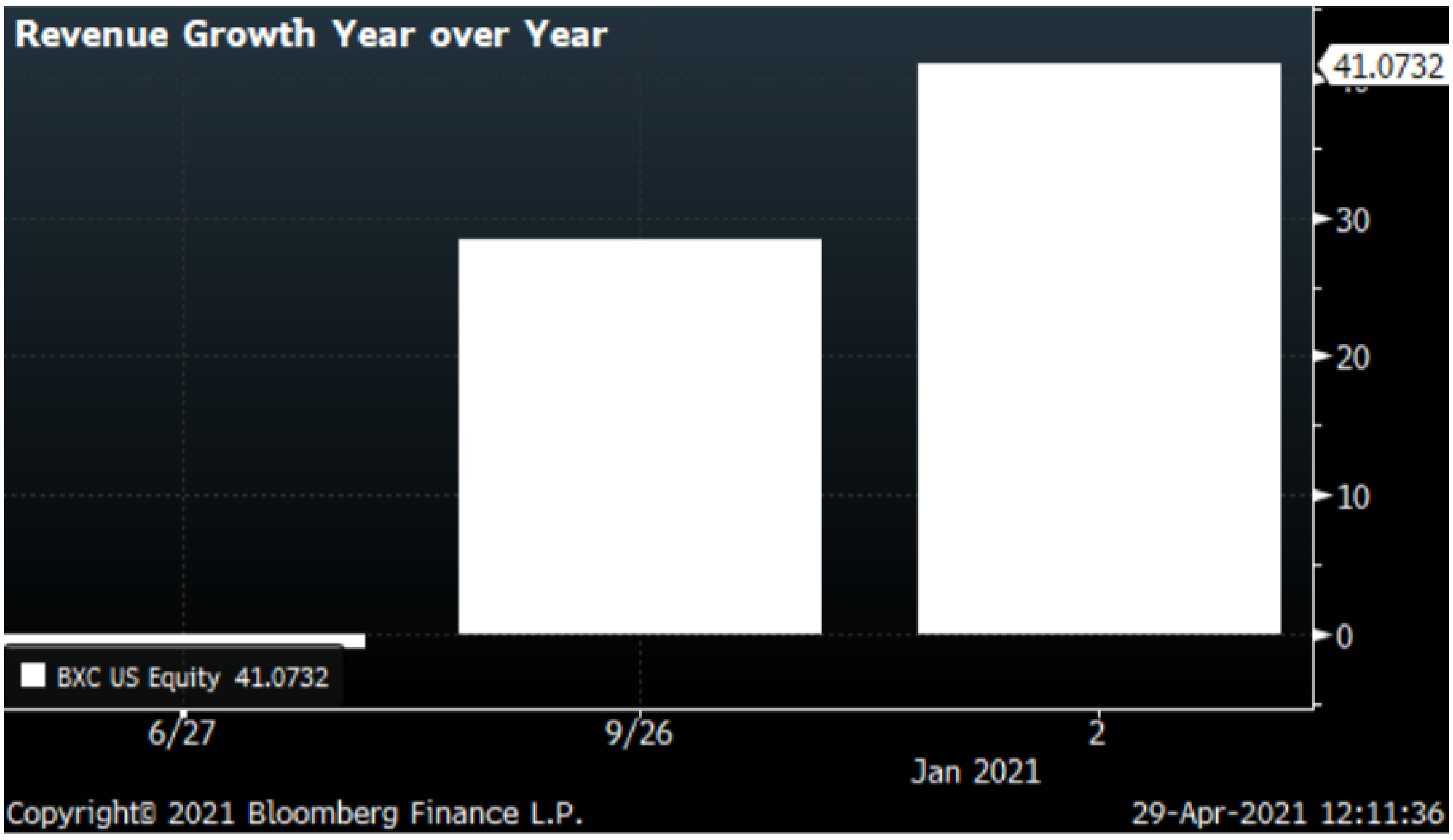
BlueLinx Holdings (BXC) is a wholesale distributor of building and industrial products for new homes and commercial buildings. Now, think about that market for a moment.

New home construction as well as expansion and restoration are off the charts in terms of activity around the US. Builders and contractors are screaming for products and supplies and are willing and able to pay whatever it takes to get them and get them right now.

BlueLinx is surging in its business right now.

Revenue is really flying in the door for the company. The recent quarter showed a gain of 41.07% and projections are for further surging numbers for the current and subsequent quarters.

BlueLinx Revenue Growth Source Bloomberg



Margins are always tighter in this market – but the company keeps coming through with operating margin at good and healthy level of 4.60%. And it delivers on the capital deployed by shareholders with a return on capital of 18.00%. Lots of cash on hand makes debt servicing easy to cover even at a higher level of 61.70% of assets.

And even with the stellar triple-digit gains in the return of the stock – it's a screaming bargain still. The shares value the company's trailing sales at only 20%.

That's an 80% discount to the amount that it sold in just the trailing year alone. Institutional investors have taken notice. Investment advisors and hedge funds own 92.17% of outstanding shares. That means that there are fewer shares out there to buy right now.

BlueLinx Total Return Source Bloomberg

Surging sales in a hyper-strong market with lots of institutional buyers and owners makes for another great surge stock to buy right now.

Thanks for reading,

Ross Givens
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