Three Stocks that Could Jump 50% this Year

One of my favorite things to do is buy stocks that have been battered to a 52-week low. In fact, it is how we've built such a solid track record.

Granted, there are always risks at the lows, but with solid catalysts we believe these stocks could double over the next few months.

Hot Stock No. 1 — Allscripts (NASDAQ:MDRX)

Allscripts, Inc. provides information technology solutions and services to healthcare organizations in the United States, Canada, and internationally. It offers electronic health records, connectivity, private cloud hosting, outsourcing, analytics, patient engagement, clinical decision support, and population health management solutions.

While the company did post a loss of $39.8 million in the first quarter, or 22 cents a share, missing estimates, analysts at Maxim Group believes the stock could recover nicely. In fact, they maintained their buy rating on the stock with a price target of $18. Despite the loss, Q1 2018 bookings of $304 million were in line with estimates for $305 million. Technically oversold after finding double bottom support, we'd like to see MDRX potentially refill its bearish gap around $14, near-term. Longer-term, we'd like to see a test of $20.

It's safest to just buy and hold the MDRX stock at the moment.

There is no open interest on the call options.

Hot Stock No. 2 – Skechers USA (NYSE:SKX)

Skechers USA, Inc. designs, develops, markets, and distributes footwear for men, women, and children; and performance footwear for men and women under the Skechers GO brand worldwide. It operates through three segments: Domestic Wholesale Sales, International Wholesale Sales, and Retail Sales.

We believe the stock can refill its bearish gap at $43 with patience with the stock still oversold with a PEG ratio of only 0.80. Even better, company fundamentals are showing signs of improvement. Sales for the quarter were up to $1.25 billion – a 16.5% jump year over year. EPS was up to 75 cents, an increase of 25% year over year, as well.

Margins increased to 46.7%. Operating margins were up to 11.9%. But one of the biggest reasons to get bullish on SKX is its overseas' success. International wholesale jumped 17.9% in the most recent quarter.

COO David Weinberg said all of Skechers' European subsidiaries achieved double-digit sales growth, with Germany, Italy, Spain, and the U.K. realizing the most dollar gains.

With all of these improvements, it's easy to see why we're bullish.

There are two ways to trade SKX here.

One is to buy the stock at market prices. The other is to buy to open the SKX July 20, 2018 31 calls at market prices, as well.

Hot Stock No. 3 – Avon Products (NYSE:AVP)

Avon Products manufactures and markets beauty and related products in Europe, the Middle East, Africa, south Latin America, north Latin America, and the Asia Pacific. The company offers beauty products, including skincare, fragrance, and color cosmetics; and fashion and home products, such as fashion jewelry, watches, apparel, footwear, accessories, gift and decorative products, house wares, entertainment and leisure products, children's products, and nutritional products. It sells its products through direct selling by representatives.

While this trade idea does carry risk, we are encouraged for upside.

For one, Director James A. Mitarotonda bought 456,908 shares of the stock at $1.91 a share for $873,892 around a 52-week low.

And while the company recently posted revenue that was better than forecasts, CEO Jan Zijderveld did note that results were still "unsatisfactory and do not represent the underlying potential of the business." That was even after first quarter revenue jumped 4.5% year over year to $1.39 billion, which was $40 million higher than the average estimate. Non-GAAP EPS came in at a loss of two cents, which was an improvement year over year from a loss of seven cents.

Still, the new CEO wasn't too pleased.

However, he has noted, the company is "moving with deliberate urgency to design our turnaround program." The stock trades with a PEG ratio of just 0.23, and with a P/S ratio of 0.14.

With higher risk, we're only recommending that you buy the stock.