

## Five Top Stocks for Hurricane Season 2020

The 2020 hurricane season has been very active.

And it's far from over.

In fact, with two months left in the season, 2020 could set the record for the most named storms. To date, we've seen 25 and more may be on the way.

As of Saturday, according to CNN, "the National Hurricane Center (NHC) was tracking three other potential systems in the Atlantic. Two are located in the central Atlantic Ocean, and look the least promising with only a 10-20% chance of intensifying over the next five days."

One of the storms is expected to threaten the northern Gulf Coast as a hurricane.

As these storms approach land, there are four key stocks to buy and hold.

Some companies see a jump in costs as they repair businesses. Other companies generate more business as they supply the products and services needed in the rebuilding effort.

### Generac Holdings (GNCR)

GNRC is a \$12.4 billion leader in power generation equipment and other light-motor equipment for residential and industrial customers. The company is the market leader in home standby generators and the leading global manufacturer of mobile generators for industrial use. Beyond the physical damage to homes and businesses, one of the biggest inconveniences of a powerful storm is electrical outages.

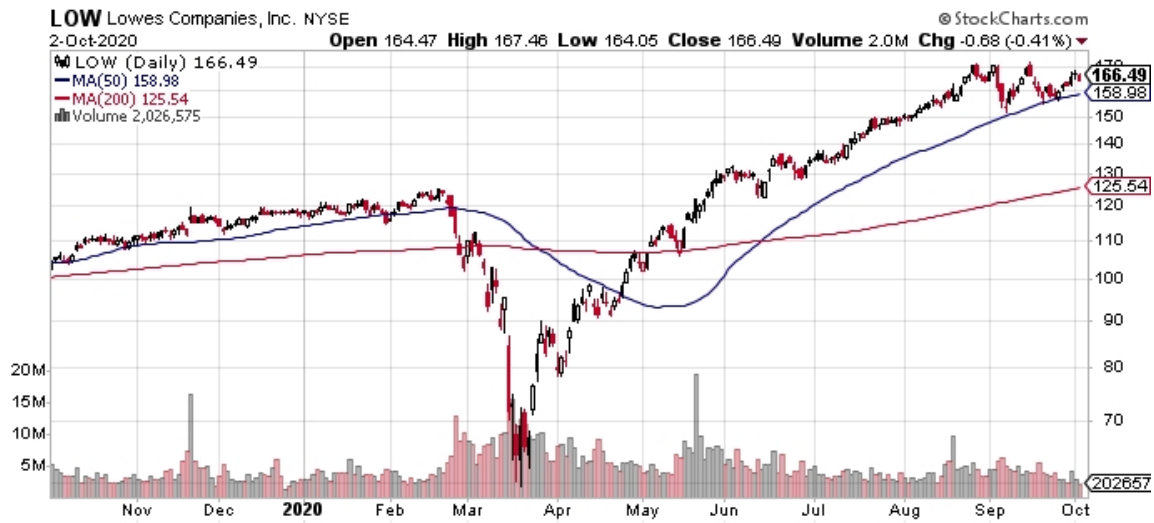


While the stock is already up to \$197, it could see even more upside. Even the Bank of America just upgraded the stock from Neutral to Buy with a price target of \$200.

### Home Improvement Stocks

Investors are bidding up **Home Depot (HD)**, **Lowe's (LOW)** and **Lumber Liquidators (LL)** since they historically stand to benefit from increased sales of plywood and other home improvement goods. All three stocks exploded on the intensity of the 2017 season.

This segment is "naturally positively exposed to preparation and recovery efforts," says Morgan Stanley. These "typically see a boost in sales post-storm as damaged property is repaired."



### Xylem Inc. (XYL)

XYL is another one to consider. It's a global leader in water services, including testing, treating and transportation. When a massive storm hits, floodwaters can overwhelm public drinking water, and that means large government contracts for making the water safe again.