

## **Top 3 Stocks with Strong Insider Buying**

One of the best ways to spot potential opportunity is by tracking insiders.

After all, who knows the company better than an insider – the CEO, CFO, COO, officers, employees, and directors? If they're buying a sizable number of shares, it's often a good idea to start looking into why and perhaps follow them into the stock.

While it's not always wise to base your own buying decisions solely on the actions of insiders, it can help guide your next investment decision.

### **Starbucks Corp. (SBUX)**

Interim CEO, Howard Schultz just bought 137,500 shares of SBUX for just under \$10 million. All after the stock was crushed to less than \$70 a share from \$115. Helping, Evercore ISI analyst David Palmer upgraded the SBUX stock to Outperform from In Line, with a \$95 price target.

The analyst "admits that over the next two quarters, investors will likely have to deal with messy results from ongoing softness in China and Starbucks' increased reinvestment in its business. But 'by the September investor day and the Fall appointment of a new CEO, Starbucks will likely be able to share some stabilization in China trends, ongoing improvement in US same-store sales and a plan to improve' its efficiency and capacity," as noted by Barron's.

### **CSX Corp. (CSX)**

Company Director James Wainscott just bought 10,000 shares of CSX, which now increases his stake by 95%. This is the first insider buy since mid-2020. The stock has been crushed along with the broader market. CSX trades at \$31.58 after falling from about \$38 in April. It's now also sitting at double bottom support dating back to October 2021.

The company also beat earnings, with EPS of 39 cents on sales of \$3.41 billion, as compared to expectations for 37 cents on \$3.31 billion in sales. The company also approved a 10-cent quarterly dividend, payable June 15, 2022 for shareholders of record as of May 31, 2022.

### **Cleveland-Cliffs (CLF)**

CFO Celso Goncalves bought 4,000 shares for just over \$105,000. The buy comes days after an EVP bought 4,500 shares for more than \$122,000. Also, the steel stock could see higher highs after announcing it would "seriously consider reinstating a dividend."

In fact, according to Street Insider, CEO Lourenco Goncalves said on the company's Q1 earnings call: "We will continue to pay down debt. So, this number will continue to be reduced towards the end of the year. And at a certain point, we are going to seriously consider reinstating a dividend. At this point, a dividend is not being instituted right now because we feel like we are getting more bang for the buck by paying down debt."

All after posting Q1 earnings. For the quarter, the company said revenue came in at \$5.94 billion, as compared to \$4 billion year over year. Analysts were looking for \$5.4 billion. EPS came in at \$1.50, as compared to seven cents year over year. Analysts were looking for \$1.40.