These Stocks Run Higher Every Hurricane Season

It's hurricane season again.

That means that it's time to buy stocks like Generac (GNRC), Home Depot (HD), Lowe's (LOW), and Xylem (XYL), as we've recommended for that last few years.

The last time we recommended these stocks was around June 2020. At the time, GNRC traded around $110 and ran to $172 not long after. Home Depot traded around $230 and is now up to $287. Lowe's ran from around $122 to $164. Xylem ran from about $62 to $85.

Now, with hurricane season heating up again, those stocks could run again.

After all, NOAA is predicting another above-normal season.

“For 2021, a likely range of 13 to 20 named storms (winds of 39 mph or higher), of which 6 to 10 could become hurricanes (winds of 74 mph or higher), including 3 to 5 major hurricanes (category 3, 4 or 5; with winds of 111 mph or higher) is expected. NOAA provides these ranges with a 70% confidence,” says NOAA.

Some of the top stocks to keep an eye on include:

**Generac Holdings (GNCR)**

GNRC is a $20.6 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. GNRC has a history of running higher around the beginning of the hurricane season with folks rushing to get power generators.

**Home Improvement Stocks**

Typically, investors bid up Home Depot (HD) and Lowe’s (LOW) since they historically stand to benefit from increased sales of plywood and other home improvement goods. 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) is another one to watch.

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 mean large government contracts for making the water safe again.