Three of the Hottest Momentum Stocks to Own Now

Imagine buying Amazon.com (AMZN) at $10 a share before it ran to $1,700.

Or, imagine buying Alphabet Inc. (GOOG) when it traded at just $100 before it ran to $1,155.

Or, imagine if you could buy Microsoft (MSFT) at just $15 a share before it ran to $100.

You'd be filthy rich by now, right?

What if I told you, there are plenty of stocks just like those three that are trading at a fraction of those prices that you can own right now?

Including the three in this special report.

Hot Stock No. 1 – Roku Inc. (ROKU)

Roku operates a TV streaming platform. The company operates in two segments, Player and Platform. Its platform allows users to search, discover, and access approximately 500,000 movies and TV episodes, as well as live sports, music, news, and others.

And it's quickly beginning to pivot off its lows.

KeyBanc Capital Markets analysts also noted that recent checks indicate "accelerating growth in customers on the Roku platform," based on a look at a database of credit and debit cards, as quoted by MarketWatch. They also see "growth acceleration in virtual multichannel video programming distributors (vMVPDs)… When vMVPDs and other content publishers sign agreements to be on the Roku platform, they typically share economics. We expect that accelerating vMVPD growth would accelerate platform growth for Roku, and bolster ad-supported video adoption on The Roku Channel."

Even short sellers at Citron Research just reversed their negative view on the stock. "The move to cutting the cord and [over-the-top] advertising is real and it is a megatrend that Citron not only does not want to be short, but at this valuation I want to be long," noted the short seller, as quoted by CNBC. Citron also said its reassessment of Disney's acquisition of DTC streaming service BAMTech "implies that ROKU could be worth about 3x its current value."

In recent weeks, Roku announced that revenue soared 36% to $136.6 million, beating estimates by $9.5

million. Platform revenue was up 106% to $75.1 million. Platform gross profits were up 90% to $53.4 million. Active accounts jumped 47% to 20.8 million, its total streaming hours climbed 56% to 5.1 billion, and its average revenue per account soared 50% to $15.07. Also, its net loss narrowed from $8.7 million to $6.6 million, or $0.07 per share, which beat expectations by eight cents. Adjusted EBITDA loss narrowed from $4.4 million to $0.8 million thanks to a reduction in operating expenses…

Better still, guidance for the second quarter calls for 36% to 46% sales growth and an EBITDA loss of between $7-$12 million, which matched analyst estimates. Its full year guidance for 34% to 37% sales growth and EBITDA between -$10 million and $5 million beat expectations. Other catalysts for the stock have been partnerships with Disney and the introduction of the Roku channel on some Samsug Smart TVs.

There's also new speculation that Netflix could buy the company, as a way to generate new revenue. Analysts noted that ROKU is trading at a significant discount to its peers despite being the only over the top (OTT) pure play that generates revenue. However, we must consider that it's still not profitable with risks from Amazon.com's Fire TVs, which are installed.

Hot Stock No. 2 – Square Inc. (SQ)

SQ develops and provides payment processing, point-of-sale, financial, and marketing services worldwide. It provides Square Point of Sale, a POS application software that offers managed payments solutions and advanced software products, including Square Dashboard, a cloud-based reporting and analytics tool that provides sellers with real-time data and insights about sales, items, customers, and employees; Square Payroll, which empowers sellers to hire, onboard, and pay employees and the associated taxes; and customer engagement tools that help sellers to enhance their business through digital customer feedback, marketing, and loyalty programs.

What makes Square such an exciting trade is its disruptive technology.

It's disrupting every thing we know about credit card processing, which still uses old, expensive machines to process transactions. Frustration with such archaic processing is what created Square's product that allows merchants to accept mobile credit card payments using a credit card reader attached to the port of a phone. Square then takes a percentage of the transaction cost.

Such a solution has caught the attention of millions of people. And there's still plenty of growth ahead that could fuel hefty revenue streams and profit growth for years to come. In fact, the company believes it can grow revenue by 20% to 25% a year with margins of 35% to 40%. That's strong growth. Plus, consider this. There are millions of small- and mid-sized businesses just in the U.S., which generate a total of $6 trillion in revenue.

Even better, the company believes it can capture a good deal of the international market, too, which is five times bigger than the U.S. markets. The company also just unveiled its newest hardware offering, Square Register, a versatile, fully integrated point-of-sale, built in-house to work seamlessly with any business. Square Register gives sellers a powerful combination of dedicated hardware, embedded point-of-sale software, and Square's fast and secure payments technology, all built to work together perfectly, according to its latest press release.

Hot Stock No. 3 – Telus Corporation (TU)

One of the biggest buzzwords you'll hear this year is 5G.

As smartphones and other digital devices get smarter and more numerous – and as the applications they run generate ever more data – the wireless network that connects them must change to keep pace. That's why telecommunications giants like Verizon, AT&T, and Sprint are racing to roll out the fifth generation of wireless network technology, says NBC News.

It'll help provide faster speed.

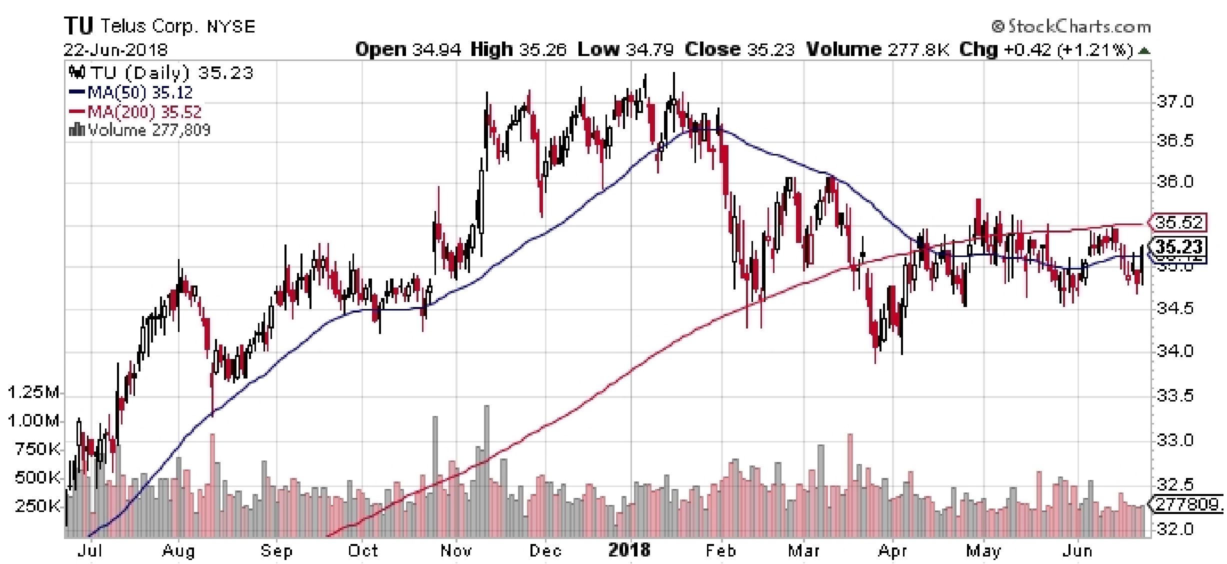
In many cases, data transfer speeds could be up to 10x faster than 4G. That means faster transmission of images and videos.

We'll see shorter delays, and increased connectivity, too.

Of the many things that will demand 5G-deployment is the Internet of Things (IoT), which is expected to connect up to 50 billion connected devices by 2020. Without 5G, though, IoT won't be able to function they way it should.

It'll be used with self-driving cars, and is expected to help fuel the virtual and augmented reality booms, too. As this is rolled out, we want to have established positions in related stocks.

One way to trade the potential boom is with Telus Corporation.



The company provides a range of telecommunications products and services in Canada. It operates through Wireless and Wireline segments. The company's telecommunications products and services comprise wireless and wireline voice and data services; data services, including Internet protocol; television services; hosting, managed information technology, and security and cloud-based services; healthcare solutions; business process outsourcing; and security solutions. It has 13 million subscriber connections, including 8.9 million wireless subscribers, 1.7 million high-speed Internet subscribers, 1.3 million wireline residential network access lines, and 1.1 million TELUS TV subscribers.

Later this year, the major carriers will start rolling out their 5G networks – and we want to be well positioned to profit from it. That's because 5G based opportunities could generate as much as $13 trillion annual revenue for carriers by 2026, according to Ericsson. 5G is the next generation of mobile network technology, the successor to the 4G/LTE technology that most mobile phones use now. It's quite a big leap forward. Data delivery over 5G is 100 times faster than 4G and 10 times faster than even top-tier home broadband services.

Interesting to note, "Telus management had the foresight to embark on its generational fiber and small cell investment even before 2015," Scotia Capital analyst Jeff Fan wrote in a research report earlier this year. Better yet, Telus just reported a gain of 121,000 new subscribers, its biggest quarterly net gain since 2011.