

These Stocks Could Be Your Next Two-Bagger

By Adam J. Wiederman August 14, 2008 Comment (0) Recommend (4)

You could have made a lot of money if you'd invested in **Brigham Exploration** (Nasdaq: BEXP) this time last year. It's more than doubled because of the rising price of oil and natural gas.

But you didn't have to dabble in commodities to double your money.

In fact, the companies below were ranked as five-star stocks by our Motley Fool CAPS community last August. And since then, all have also been two-baggers or better, without the risk of gambling on commodity prices.

Company	Industry	52-Week Price Change
Axsys Technologies (Nasdaq: AXYS)	Electronics	202.3%
Peerless Manufacturing	Industrial	166.5%
Ebix (Nasdaq: EBIX)	Computer Software & Services	155.8%
ICON (Nasdaq: ICLR)	Diversified Services	102.6%

Data from CAPS and Capital IQ, a division of Standard & Poor's.

As you can see, the CAPS community was -- and is -- on to something. In fact, in our first 20 months of collecting data, five-star stocks collectively outperformed the market by about 12 points, while one-star stocks actually *underperformed* the market by a little more than 11 points.

With this in mind, I went looking for stocks that could be two-baggers next year. Using our CAPS screener, I looked for stocks that:

- Had market capitalizations of less than \$5 billion.
- Had a current CAPS rating of five stars.
- Were trading more than 50% below their 12-month highs.

Here are some of the stocks I came across:

Company	Current Market Capitalization	% Below 52-Week High
ReneSola (NYSE: SOL)	\$1.8 billion	53.2%
Melco Crown Entertainment (Nasdaq: MPEL)	\$3.0 billion	64.6%
Sigma Designs (Nasdaq: SIGM)	\$484 million	74.8%

Data from CAPS and Yahoo! Finance. Screen run Aug. 13.

Of course, these results are merely a starting point for further research. But by browsing through the opinions of our community's top investors, the chance of finding your next two-bagger significantly increases.

So I encourage you to join our free CAPS service today. Not only can you try out our screener, but you can add your own Foolishness to strengthen our community of the world's best investors.