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# **Tomorrow's Monster Stocks?**

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Rich Duprey September 15, 2008

Stocks that climb to 10 times their original price are a rare breed -- but they're not impossible to find. Especially when you have Fools for friends.

<u>The market's best stocks</u> include companies that have risen dozens of times in value over the past decade. These aren't penny stocks; they're viable companies with sound business prospects, achieving phenomenal returns every year. Finding just one or two of these monstrously successful firms can help you establish a winning portfolio.

#### Stalking the monster

To find tomorrow's winners, we'll enlist the more than 115,000 monster trackers at <u>Motley Fool</u> <u>CAPS</u>. We've compiled a list of the most successful CAPS members, dubbed All-Stars, whose picks have doubled, tripled, or even quadrupled in price. Then we've singled out some recent picks for stocks they find equally promising.

Player	<u>CAPS</u> <u>Member</u> <u>Rating</u>	Monster Stock	CAPS Score	Recent Stock Pick	CAPS Rating (out of 5 max)
<u>bbmaven</u>	99.90	Walter Industries	425.46	Vertex Pharmaceuticals (Nasdaq: <u>VRTX</u> )	****
<u>muirmm</u>	99.87	Canadian Solar	422.73	United Microelectronics (NYSE: <u>UMC</u> )	****
<u>knudfool</u>	99.60	Terra Nitrogen (NYSE: <u>TNH</u> )	453.55	JPMorgan Chase (NYSE: <u>JPM</u> )	**
<u>Uberchota</u>	99.59	<b>Ebix</b> (Nasdaq: <u>EBIX</u> )	196.49	Claymore/Delta Global Shipping Index ETF	****

Of course, this is not a list of stocks to buy -- or, for those monster stocks that our CAPS All-Stars have already found, sell. Just consider them starting points for your own further research of <u>extreme</u> <u>buying opportunities</u>.

### In search of Bigfoot

The financial crisis spreading throughout Wall Street will undoubtedly be exacerbated by the collapse of **Lehman Brothers** (NYSE: <u>LEH</u>), which filed this morning for bankruptcy protection. <u>JPMorgan</u> <u>Chase</u>, which got the benefit of the Treasury Department's largesse earlier this year when it acquired Bear Stearns, has created some divisions on CAPS. While <u>brightsideLP</u> wonders whether it's "maybe the most leveraged <u>company</u> on the planet," CAPS member <u>TheSmartMoney</u> found it attractively priced for growth near the end of last month:

[JPMorgan] is probably the best of the big financial companies. The curent dividend is 4%. The P/E of 11.83 reflects the markets worry with this group. Growth for next year is estimated at 39%. Business will improve for [JPMorgan] and holding [JPMorgan] will

be rewarding.

The treatment of hepatitis C has been driving a competitive battle between <u>Motley Fool Rule</u> <u>Breakers</u> recommendation <u>Vertex Pharmaceuticals</u> and **Schering-Plough** (NYSE: <u>SGP</u>). Both companies have therapies in clinical trials, though Vertex's telaprevir is further along. One analyst expects sales of telaprevir, once approved, to peak at \$1.4 billion in 2013.

CAPS member <u>nipsmcgee</u> thinks the knocks against Vertex will subside when further data on telaprevir comes out, possibly setting the company up as an acquisition <u>target</u>: "Recent price drop and downgrade was based on poor evidence of occurance of pancreatic cancer in trials. Look for this to rebound as new data emerges, and Big Pharma closes in for a buyout."

<u>United Microelectronics</u> is garnering a lot of investor support as it positions itself to profit from China's growing telecommunications industry, but it sells its products worldwide. CAPS member <u>Hushuobadao</u> feels that United Microelectronics is a good long-term buy:

I'm sold from previous pitches, I like United Microelectronics because 53.7% of its net wafer sales derived from products used in communication devices. I also like that some of [its] products are used in communication devices, networking, telecommunications, and Internet.

#### A chance for scary growth

It pays to start your research on these stocks on <u>Motley Fool CAPS</u>. Read a company's financial reports, scrutinize key data and charts, and examine the comments your fellow investors have made, all from a stock's CAPS page. Then weigh in with your own thoughts. Let's hear whether you think CAPS investors have uncovered tomorrow's monster stocks today.

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