The 4 Best Performing Stocks on the S&P 500 Year-to-Date

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The COVID-19 global pandemic has wrought the biggest economic crisis since the Great Depression of 1929. With its onset in March, global economies were forced to shut down and shut in and stock markets quickly collapsed, falling to multi-year lows. The S&P 500 index entered bear territory early in the year, erasing last year's gains. The broader market index plunged from a high of 3,393 in February to a low of 2,191 on March 23, registering a 35.4% loss in just 33 days.

Since plumbing those lows in March, the index has had an impressive rally and recovered the bulk of the losses. The S&P 500 is up nearly 64% since then. Stocks rose to fresh all-time highs last week as Pfizer (PFE) started to roll out its coronavirus vaccine in the UK, lifting hopes of a quick economic recovery worldwide. The S&P 500 closed above 3,700 for the first-time last week, gaining 13.5% year-to-date. Yet, there's wide variance in the performance of its member industries and stocks. Sectors like travel and financial have recovered slightly, while technology and alternative energy are hitting new highs.

Here are some winners from the index that have been able to capitalize on the pandemic to become the best-performing stocks: NVIDIA Corporation (**NVDA** – *Get Rating*), Advanced Micro Devices (**AMD** – *Get Rating*), Etsy, Inc. (**ETSY** – *Get Rating*) and Albemarle Corporation (**ALB** – *Get Rating*). Let's take a look at them.

NVIDIA Corporation (NVDA – *Get Rating*)

As one of the key suppliers of the steadily expanding global gaming industry, NVDA operates as a visual computing company worldwide. It deals in graphics processing units (GPU), PC gaming, tegra processors and artificial intelligence (AI), and primarily serves four markets – Gaming, Enterprise, High Performance Computing & Cloud, and Automotive.

NVDA has been acquiring companies to advance its AI capabilities. In September, the company announced a definitive agreement to acquire Arm Limited from SoftBank Capital Limited and SVF Holdco (UK) Limited to combine with Arm's vast ecosystem. The company then launched GPU and DPU acceleration to the Arm ecosystem of HPC, cloud, edge, and PC platforms in October. It also completed the acquisition of Mellanox Technologies earlier this year.

NVDA has a strong history of sales and earnings growth. In its fiscal third quarter ended October 2020, the company reported a record top-line of $4.73 billion, growing 57% year-over-year. It also delivered record Gaming revenue and Data Center business revenue, increasing 37% and 162%, respectively, from the comparable quarter last year. Non-GAAP EPS came in at $2.91, rising 63% from the year-ago value.

NVDA is well positioned to grow because gaming, AI, cloud computing and autonomous machines will drive the next industrial revolution around the world. The expansion of NVIDIA GeForce NOW is expected to expand NVDA's user base. In its third-quarter letter to shareholders, NVDA noted, "Our A100 compute platform is ramping fast, with the top cloud companies deploying it globally." Moreover, analysts expect current-year revenue and EPS to rise 51% and 67.9%, respectively.

NVDA closed Friday at $520.53, gaining 121.6% year-to-date. The stock is up 45.7% in the past six months compared to the broader market's 20.5% return in the same period. Additionally, it is presently trading just 11.6% below its 52-week high of $589.07.

How does NVDA stack up for the POWR Ratings?

A for Trade Grade

B for Buy & Hold Grade

A for Industry Rank

B for Overall POWR Rating

The stock is also ranked #40of 86 stocks in the Semiconductor & Wireless Chip industry.

Advanced Micro Devices (AMD – *Get Rating*)

AMD designs and produces microprocessors for the computer and consumer electronics industries. The company has benefited from the strong adoption of the 7nm chip-based Ryzen and Radeon, and second-generation Epyc server processors, and 5nm chips. This is due to a rapid increase in the usage of artificial intelligence and machine learning in both cloud gaming and supercomputing. The company operates in two segments – Computing & Graphics (C&G), and Enterprise, Embedded & Semi-Custom (EESC).

In October, AMD announced its plan to acquire Xilinx (XLNX), a leader in the field programmable gate arrays. The combination has created the industry's leading high-performance computing company, significantly expanding the breadth of AMD's product portfolio. Moreover, the company recently announced its new AMD Instinct MI100 accelerator – the world's fastest HPC

GPU and the first x86 server GPU to surpass the 10 teraflops (FP64) performance barrier.

AMD has gained significant market share in the CPU data center market and its next-generation EPYC processor this year. In the third quarter ended September 2020, the company reported record revenue of $2.8 billion, surging 56% year-over-year. The growth was driven by higher revenue in both the operating segments through the sale of EPYC processor and its Ryzen processor. Moreover, its EPS nearly tripled to $0.32 compared to the year-ago value of $0.11.

AMD is benefitting immensely from booming demand for high-end gaming graphics cards, home computing, and corporate data center spending. Consequently, the company has been steadily gaining market share from chip giant Intel (INTC). Analysts expect AMD’s current-year revenue and EPS to grow 51% and 67.9%, respectively.

AMD closed Friday’s trading session at $91.65, nearly doubling in price year-to-date. The stock is up 20% in the past three months, compared to the broader market’s 9.8% return in the same period. AMD is presently trading just 4.9% below its 52-week high of $96.37.

It is no surprise that AMD is rated “Strong Buy” in our POWR Ratings system. It also has an “A” for Trade Grade, Buy & Hold Grade and Industry Rank, and a “B” in Peer Grade. It is ranked #5 of 86 Semiconductor & Wireless Chip stocks.

Etsy, Inc. (**ETSY – *Get Rating***)

ETSY operates two-sided online marketplaces that connect millions of buyers and sellers around the world. Its primary marketplace, Etsy.com, is the global destination of over 66 million unique handcrafted and creative goods. It also provides various seller services, including Etsy Payments, Etsy Ads, and Etsy Shipping Labels.

Its growth in stay-at-home orders earlier this year offered an extra lift to an already strong company. At the end of third quarter, active buyers and sellers on ETSY's platform amounted to 69.7 million and 3.68 million, respectively. This implied 55.4% and 42% year-over-year growth, respectively. Moreover, apart from home goods sales, online sales of musical instruments at Reverb.com, which it acquired last August, jumped as brick-and-mortar stores closed their doors.

In the third quarter, the company demonstrated the scalability and value of its marketplace business model. Its revenue increased 128% year-over-year to $451.5 million on the back of strong growth in both marketplace and service revenue. Gross merchandise sales (GMS) of $2.63 billion was up 119.4% compared to the year-ago quarter. Mobile GMS stood 62% while international GMS was 35%. EPS came in at $0.70, significantly improving from the year-ago value of $0.12.

Consumer shopping habits have been greatly influenced by the pandemic and ETSY has successfully sustained this growth by driving the retention and frequency of its existing buyers. The company is focused on seller growth this holiday season and capitalizing on its large market opportunity and unique position in e-commerce. Hence, analysts expect ETSY's current year revenue and EPS to grow 97.1% and 176.3%, respectively.

ETSY closed Friday's trading session at $170.02, after hitting an all-time high of $171.66. The stock is up 283.8% so far this year. The stock has more than doubled in the past six months and is still exhibiting strong momentum.

ETSY's POWR Ratings also reflect a promising outlook. It has an overall rating of "Strong Buy" with an "A" for Trade Grade, Buy & Hold Grade, Peer Grade and Industry Rank. It is ranked #12 out of 59 stocks in the Internet industry.

Albemarle Corporation (ALB – *Get Rating*)

ALB is a global engineered specialty chemicals company that develops, manufactures, and markets technologically advanced and high value-added products worldwide. ALB is the world's largest lithium producer, accounting for 21% of global production. The company operates in three segments – Lithium, Bromine Specialties, and Catalysts. The Charlotte-based company has battery-grade lithium-producing plants in Europe, Australia, China, Chile, and the United States.

ALB recently announced that it will serve as a founding member of Zero Emission Transportation Association (ZETA), a first-of-its-kind U.S.-based coalition committed to achieving 100% electric vehicle (EV) sales by 2030. ALB was also selected by the United States Department of Energy (DOE) as a critical partner for two lithium research projects over three years.

ALB reported a top-line revenue of $747 million for the third quarter, a 15% decline year-over-year primarily due to 24.3% fall in catalysts sales. Its lithium segment generated $265.6 million, weakening $19.6 million year-over-year, due primarily to lower market and contract pricing. EPS for the last reported quarter came in $0.8, declining 45% year-over-year.

EV batteries are witnessing unprecedented demand due to the growing "go-electric" trend. Consequently, ALB is growing its lithium business through cost-cutting actions and improving operational efficiencies. Its lithium producing Kemerton and La Negra expansion projects are expected to be commissioned in 2021. Analysts expect ALB's revenue and EPS to grow 3.3% and 2.8%. respectively, next year.

ALB closed Friday's trading session at $138.65, gaining nearly 90% year-to-date. The stock is up 13.2% in the past month,

compared to S&P 500’s 2.3% return in the same period. Moreover, ALB is trading just 5.1% below its 52-week high of $146.11.

According to the POWR Ratings, ALB is a “Strong Buy.” It also has an “A” for Trade Grade, Buy & Hold Grade and Peer Grade, and a “B” in Industry Rank. In the 69-stock Chemicals Industry, ALB is ranked #5.

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NVDA shares were trading at $531.99 per share on Monday afternoon, up $11.46 (+2.20%). Year-to-date, NVDA has gained 126.46%, versus a 15.60% rise in the benchmark S&P 500 index during the same period.

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