



5 Canadian Large Caps That Have Analysts Scratching Their Heads

Description

Sell-side analysts are currently sharpening their pencils in preparation for another round of quarterly earnings. Even though Fools know that quarterly earnings are a bit of a game and mean very little when it comes to long-term valuations, they can result in some wild stock moves. Typically, the wild moves are reserved for those companies that report earnings that are markedly different from what the analyst community expects.

To get a handle on some large caps that could generate the wildest swings when they report, I had a look at the current range of analyst EPS estimates for each stock in the TSX 60. The logic being, the bigger the range, the more uncertainty there is about that company's quarterly EPS and therefore, the greater the likelihood for either an earnings beat or an earnings miss.

Allow me to introduce....

Tabled below are the 5 companies that have the widest range of quarterly EPS estimates for Q1 2013:

Company Name	EPS Consensus	EPS High	EPS Low	Combined % Range
Encana Corp. (TSX:ECA,NYSE:ECA)	\$0.058	\$0.105	\$0.01	163.8%
Cameco (TSX:CCO,NYSE:CCJ)	\$0.092	\$0.16	\$0.029	142.4%
IAMGOLD (TSX:IMG)	\$0.158	\$0.244	\$0.071	109.5%
Crescent Point Energy (TSX:CPG)	\$0.227	\$0.35	\$0.11	105.7%

Bombardier (TSX:BBD.B)	\$0.081	\$0.122	\$0.041	100.0%
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Source: Capital IQ

(To be clear, Encana, for instance, is expected to earn \$0.058. The high is \$0.105, an 81% difference, and the low is \$0.01, an 83% difference. These combined differences equal 164%).

Foolish Takeaway

You won't find this type of analysis written up in any "how to invest" text book and we certainly don't suggest you go out and bet wildly on any of these names with high hopes for making a quick buck. This was mostly put together out of curiosity. When the smoke clears and the dust settles on another earnings season, we'll come back and have a look at all 5 to see how the stocks reacted to their respective releases.

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Fool contributor Iain Butler is short \$18 April puts on Encana. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:CCO (Cameco Corporation)
3. TSX:IMG (IAMGOLD Corporation)
4. TSX:VRN (Veren Inc.)

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