



## 3 Canadian Stocks Making a Comeback

### Description

Everybody loves a comeback. Just ask Tiger Woods. So in the spirit of what might be Tiger Woods' return to the winner's circle at a major championship in this week's British Open, let's have a look at a few Canadian listed stocks that have made the most dramatic comebacks thus far in 2013.

We'll start in the energy patch. One of the worst performers in the entire Canadian market in 2012 was **Pengrowth Energy** (TSX:PGF) as the stock fell 54%. 2012 however was just the culmination of a decline that had begun several years earlier as Pengrowth simply hadn't been performing. There was a dividend cut part way through last year and that proved to be the straw that broke the stock's back, so to speak.

This year however it's been a different story. The market clearly believes in the current dividend and with a yield that currently sits at 8%, surely this has been a draw. The company is also benefitting from a rising oil price as well as asset sales where the proceeds are set to be plowed back into the company's Lindbergh oil sands project. A big yield and potential for growth on the horizon has Pengrowth out of the dog house for now.

Another energy concern that had a rough 2012 was **Enerplus** ([TSX:ERF](#)). The stock was down 50.1% after it too was forced to chop its dividend part way through the year. Similar to Pengrowth, the story has turned. Again, the market seemingly believes in the current payout, which still represents a 6%+ yield even though the stock has climbed by 32% thus far in 2013. And the company's portfolio of assets appears to offer reasonable growth. Non-core assets are being pruned and the focus is squarely on the company's acreage in the Bakken and Marcellus plays.

### One more

Stepping out of the energy patch and into this country's financial services space, we find another big dividend payer is on the comeback trail. After sinking by 37% in 2012, **AGF Financial** ([TSX:AGF.B](#)) has climbed by 20% thus far in 2013. At its lows towards the end of 2012 AGF's stock was yielding close to 13%, a level that investors clearly couldn't pass up. There has been no cut to the payout and AGF has seemingly turned a corner when it comes to free cash generation. If the company is able to

continue cranking out the free cash, the stock's current yield of close to 9% is likely to continue to attract attention.

### Who's next?

So what's the formula here? We've got high yields that appear sustainable and a potential turn in the company's fundamentals underway.

Perusing the list of this year's losers we find a whole pile of mining stocks, none of which really fit this criteria.

The one name that stands out however is **Atlantic Power** (TSX:ATP,NYSE:AT). Atlantic currently sports a big yield of nearly 9% even after cutting its dividend payout significantly earlier this year. However, the potential turn around in the company's fundamentals has yet to appear, and this is made even worse by a balance sheet that has several sizeable debt maturities coming down the pipe. If the company is able to get its financial house in order though, in a year's time we could very easily be talking about Atlantic Power as the comeback kid of 2014.

For those who can't stomach the thought of putting their hard earned money into a potential comeback story, have we got the report for you. [Click here now](#) to download "**3 U.S. Stocks That Every Canadian Should Own**". It's **FREE!** You'll find that when you're one of the world's greatest business, comebacks aren't typically required.

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1. Investing

### TICKERS GLOBAL

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