# A Mixed Bag of Earnings on a Busy Wednesday

## Description

It's a busy day on the earnings front for a collection of Canada's most prominent companies. Let's jump right in to see who's made investors happy, and who hasn't:



**Encana** (TSX:ECA)

From the prospective of releasing better than expected results, Encana had a great quarter. Normalized earnings checked in at $0.34/share which compared very favourably to the $0.18/share expected. The company also announced that it's now 75% hedged through the balance of 2013. This is up from 52% at last report. More hedges were added during the quarter at $4.37/mcf.

Though the results look good, the stock is basically flat on the day – an indication that the market is looking for something else out of this company. More important than current results is what's going on with management as the company's Chairman announced he's leaving. A strategic review is expected at some point in the fall out of this company and until that occurs, expect Encana's stock to be more or less stalled.

**Rogers** (TSX:RCI.B)

Rogers reported an inline quarter, which was seemingly a welcomed sight as the stock has lifted by +2%. Similar to Encana however, this quarter is not overly important to Rogers' trajectory over the balance of 2013. Developments on the competitive front, specifically relating to **Verizon** will dictate whether today's move is the start of a more significant rally or merely a hiccup in the stock's decline.

**Cenovus** (TSX:CVE)

Out of the companies we're touching on here, Cenovus had by far the worst quarter. EPS checked in at $0.34 compared to the $0.45/share that Capital IQ indicated was the consensus expectation. An impairment charge of $109 million was taken during the quarter and the mid-point of the company's production guidance was reduced by 2%. In addition, operating cost guidance was increased by 12%. Cenovus is having issues with its Foster Creek and Pelican Lake projects, and the market doesn't like it. The stock is down by close to 4%, after having a nice little rally of late due to the run up in oil prices.

**CP Rail** (TSX:CP)

CP disappointed the market with lighter than expected earnings just like its rival **CN** did after Tuesday's close. Granted, these earnings are huge improvements over last year, but these improvements are now very much priced into the company's stock. During the quarter, CP faced a $25 million revenue headwind due to the flooding in Western Canada, as well as $35 million in train accident related costs. This was an increase over the normal level of $15 million. CP's operating ratio stands at 71.9%, which is a remarkable achievement compared to the low-80% range that is was in this time last year, however, again, it's all about expectations, and CP didn't meet them.

For serious long-term gains, cutting out the quarterly noise and parking your hard earned savings in the world's greatest businesses is a proven formula. In our special **FREE** report "**3 U.S. Stocks That Every Canadian Should Own**" we profile 3 such businesses. To download this report at no charge, simply **click here now**.



*The Motley Fool's purpose is to help the world invest, better.* ***Click here now*** *for your free subscription to* ***Take Stock****, The Motley Fool Canada's free investing newsletter. Packed with stock ideas and investing advice, it is essential reading for anyone looking to build and grow their wealth in the years ahead.*

*Follow us on Twitter and Facebook for the latest in Foolish investing.*

*Fool contributor Iain Butler owns shares of Cenovus Energy. David Gardner owns shares of CN Rail. The Motley Fool doesn't own shares in any of the companies mentioned.*

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. TSX:CP (Canadian Pacific Railway)
2. TSX:CVE (Cenovus Energy Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)

**Category**

1. Investing

**Date**
2025/08/02
**Date Created**
2013/07/24

**Author**
tmfohcanada