



3 Stocks to Watch This Week

Description

The **Toronto Stock Exchange 300 Composite Index** (^GSPTSE) gained a solid 0.9% last week despite ending the week slightly on the back foot.

Air Canada was the outstanding performer, adding 42% during the week after management announced that the first quarter operational performance was better than expected. At the bottom of the weekly pile was the highly volatile **BlackBerry**, with a 5.8% decline after investors had time to digest the most recent results.

Of the 245 companies currently included in the broader Toronto market index, 76% managed to post a positive performance during the week. This is much better than the year-to-date average, confirming the positive trend in the Canadian stock market so far this year.

Watch the performance of these three companies this week

Dollarama ([TSX: DOL](#)) is expected to report results for the fourth quarter (end of January) of the 2014 financial year on Wednesday. The market consensus expectation is a profit of \$1.11 per share for the quarter compared to \$1.06 a year ago. Poor weather conditions hampered sales in December and the early part of January leading to results below expectations for a number of the other Canadian retailers.

If the consensus forecast is correct, this will be the slowest growth in many quarters for the company. Given the rich valuation (2014 price/earnings ratio of 25 times), the share price may come under pressure should the actual results not achieve the modest growth expectations.

Cogeco Cable ([TSX: CCA](#)) is expected to report results for the second quarter of the 2014 financial year on Wednesday. A profit of \$1.14 per share compared to \$1.19 a year earlier is expected. The company reports its business activities in two distinct units, namely cable services (television, internet, and telephony) and the enterprise division (data centre, managed IT and connectivity services).

Key focus points will be on the subscriber growth in the cable division, where all categories except internet experienced net subscriber losses in the previous quarter, as well as progress from the integration and performance of recent acquisitions Atlantic Broadband and Peer 1.

Shaw Communications ([TSX: SJR.B](#))([NYSE: SJR](#)) will report quarter two results on Thursday; consensus expectation is for a profit of \$0.41 compared to \$0.38 a year ago. The year-over-year comparisons will be somewhat difficult as Shaw benefitted from a one-time broadcasting license fee adjustment in the previous year and would have received a net smaller contribution from the sale of Mountain Cable versus the acquisition of ENMAX Envision.

The main focus will therefore be on the net growth in subscribers to the various services, price adjustments, capital expenditure, and free cash flow. The company pays a juicy monthly dividend which currently yields 4.7%, trades at a discount to U.S. cable companies and could be a takeover target at some point. This is a result to look forward to.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SJR (Shaw Communications Inc.)
2. TSX:CCA (COGECO CABLE INC)
3. TSX:DOL (Dollarama Inc.)
4. TSX:SJR.B (Shaw Communications)

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