

## 3 Big Stocks That Could Soar on Earnings This Week

### Description

It's earnings season again. It's also the time of the year when emotions fly high, as stocks rise and fall in reaction to the numbers. Several companies are set to report their quarterly numbers this week, but three big stocks that you should keep an eye on are **Canadian Pacific Railway Limited** ([TSX:CP](#))([NYSE:CP](#)), **Altagas Ltd.** ([TSX:ALA](#)), and **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)).

#### Strong projections for Canadian Pacific

Canadian Pacific will announce its third-quarter earnings on October 17 after market close.

The railroad giant reported strong numbers last quarter, handily beating analysts' estimates as its revenue and net income hit record quarterly highs.

Expectations are running high for Canadian Pacific, with analysts projecting its third-quarter adjusted earnings to be around \$2.88 per share, representing roughly 6% growth year over year.

Canadian Pacific gets the bulk of its freight revenue from grain, and the third quarter is traditionally an important one as crop harvest gets underway. News from the farms has been positive so far, as they expect a bumper crop year. Meanwhile, a recovery in crude and metal prices will likely reflect positively on Canadian Pacific's freight revenues on a year-over-year basis.

Investors must keep an eye on Canadian Pacific's operating ratio, which measures operating expenses *vis-à-vis* net sales. An operating ratio below 57.7% would mean a record for the company and should send the stock higher. Also, if management upgrades or even reiterates its last guided outlook of high single-digit adjusted EPS for FY 2017, the stock should react positively.

#### Altagas is on the right track

Altagas will report its third-quarter numbers on October 19 before market open.

Expectations from the energy infrastructure company have soared lately, with consensus EPS estimates more than doubling in the past quarter. Analysts foresee Altagas's EPS rising 9% to roughly \$0.25 in Q3. Investors should remember that Q3 2016 was a particularly strong quarter for Altagas thanks to an acquisition.

Altagas delivered exceptionally strong numbers last quarter and even raised its full-year outlook to low double-digit percentage growth in normalized [EBITDA](#) (which excludes expenses like those related to acquisitions and stock-based compensation).

Altagas's pending acquisition of **WGL Holdings Inc.** has run into some regulatory hurdles lately. As the [acquisition is a high-potential one](#) and holds the key to Altagas's growth, any update that the company might provide this week could affect its share price.

## Remain bullish on Rogers

Rogers is set to report its third-quarter earnings on October 19, 2017, before market open.

Rogers is riding the wireless wave, as was evidenced during its second quarter when its net income surged 35% and revenue increased 4%, driven by 8% jump in revenue from wireless service. The telecom giant also reported its lowest customer churn rate since 2009, evidencing strong brand loyalty and momentum in sales in a highly competitive industry.

Rogers looks on track to deliver another strong earnings report this week, with analysts projecting its earnings to jump 20% year over year to \$1 per share. Continued reduction in churn, stable revenue from its cable division, and new product announcements, like the **Comcast** X1 all-IP video platform that it announced last quarter, could send Rogers stock higher this week.

## CATEGORY

1. Bank Stocks
2. Energy Stocks
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## TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:RCI.B (Rogers Communications Inc.)

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