



## TFSA Investors: 3 TSX Index Stocks That Could Rally Through the End of 2018

### Description

October was a rough month for the TSX Index, and investors are now looking at the carnage and wondering which names might be setting up for a big recovery heading into 2019.

Let's take a look at three market leaders that have taken a hit recently, but might be interesting picks for your [TFSA portfolio](#) today.

#### **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#))

Oil prices are moving in the opposite direction than most people probably expected right now, given the turmoil in the market. The WTI price is down to US\$63 per barrel from a high of US\$76 just a few weeks ago, despite ongoing supply issues in Venezuela and the upcoming implementation of new U.S. sanctions against Iran.

Traders might be too optimistic in their expectations that Saudi Arabia will produce more to keep the market balanced. As a result, things could reverse quickly, and a surge back above the recent highs would likely put a nice tailwind behind Suncor's stock.

On the operational side, Suncor just reported solid Q3 2018 results. Funds from operations hit a record \$3.14 billion in the quarter compared to \$2.5 billion in the same period last year. The company generated net earnings of \$1.12 per share compared to \$0.78 per share in Q3 2017.

Suncor's refining and marketing operations, combined with its ability to get a significant amount of its production to international markets, means the company is less impacted by low Western Canadian Select prices.

At current oil prices, the company is generating strong cash flow that should support a nice dividend increase in 2019. The stock currently trades at \$44 compared to \$55 in July.

#### **Barrick Gold** ([TSX:ABX](#))(NYSE:ABX)

Barrick Gold recently announced a deal to buy Randgold. The acquisition creates a global mining giant

that will own five of the planet's top 10 mines and give Barrick much needed expertise in Africa, where Randgold has managed to find success and Barrick has struggled.

Gold stocks have been out of favour for a number of years, but the recent uptick in the price of the yellow metal is bringing investor interest back to the sector. If gold can muster a meaningful rally through the end of the year and into 2019, Barrick stands to generate significant margins and the stock could take off.

### **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#))

TD's stock is down from \$80 in September to about \$73 per share. That's not a major sell-off, but it gives investors a chance to pick up the banking giant at a reasonable price before sentiment shifts again.

TD's large U.S. presence bodes well for growth in 2019 and beyond. Rising interest rates should boost net interest margins in Canada and the United States, and TD could exceed its earnings-per-share guidance of 7-10% per year over the medium term.

The company raised the dividend by more than 11% in 2018 and a generous increase should be on the way next year.

At the time of writing, investors can pick up a 3.7% [yield](#).

### **The bottom line**

Suncor, Barrick Gold, and TD are all leaders in their respective markets and currently appear oversold. If you have some cash lined up for your 2019 TFSA investments, this might be a good time to start a new position in these stocks.

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1. NYSE:B (Barrick Mining)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:ABX (Barrick Mining)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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### Date

2025/08/04

### Date Created

2018/11/02

### Author

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