3 Overlooked Stocks for Canadian Energy and Financial Investors

**Description**

From non-Bay Street financials to potentially overlooked energy stocks, there's a lot to entice a defensive investor on the TSX index at the moment. The following three stocks may not be on your radar just yet, but all three of them offer some backbone to a portfolio in need of energy and banking exposure, while providing passive income and displaying decent track records and sound balance sheets.



## goeasy (TSX:GSY)

If non-Big Six financials with a lot of upside potential are your thing, you could do worse than snap up shares in Canadian loans and financial services provider, goeasy. goeasy has a solid track record, evinced by data such as a year-on-year earnings growth of 47% matched with a half-decade growth of 22.4%.

A dividend yield of 2.84% is on offer, and while it's below the 3% mark, it presents the possibility for passive income in a niche financial market. goeasy's 26% future three-year ROE and 24.7% expected annual growth in earnings makes for a strong projected long-term play, in the meantime.

## NuVista Energy (TSX:NVA)

An oil and natural gas ticker that may have eluded the casual investor, NuVista Energy is involved with exploring and developing reserves in the Western Canadian Sedimentary Basin. Its 90-day returns of 31.5% signify an outperforming stock bringing in double the industry average and more than double the TSX index standard for the same period.

Considerable inside buying over the past year makes this capital gains play a fairly confident play,while debt of 33.7% of net worth may put it in the long-range investor's low-risk zone. A solid trackrecord is shown by year-on-year earnings growth of 44.4%, and a five-year growth of 51.1%. A PEG of0.8 times growth and signifies undervaluation, though whether NuVista Energy is in the free fall zone ornot remains to be seen.

## Tourmaline Oil (TSX:TOU)

A dividend yield of 1.87% meets an 11.8% expected annual growth in earnings to form a potentially overlooked semi-precious gem in Tourmaline Oil. Its track record is positive, if not outstanding, with a one-year growth rate of 15.8% and five-year growth of 4.9%. Its debt level is within the safety zone at 19.5% of net worth, and there have been considerable volumes of recent inside buying, including some over the last three months.

A pairing of a P/E like 14.5 times earnings with a P/B of 0.8 times book suggests good value while not being too far from market level. Compare this with the previous stock's P/E of 6.8 times earnings and identical P/B ratio, and NuVista Energy almost looks like it's in falling knife territory. While prospective buyers might want to watch that stock carefully, Tourmaline looks pretty similar, though its yield and outlook are more diluted.



## The bottom line

goeasy's level of debt compared to net worth has gone up over the last five years, while insiders have only sold shares in the last three months and in significant volumes; it's also potentially overvalued with a P/B of 2.1 times book, though not by a wide margin. NuVista Energy's 8.2% expected annual growth in earnings may be on the low side, but remains positive in a competitive market.

**CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

**TICKERS GLOBAL**

1. TSX:GSY (goeasy Ltd.)
2. TSX:NVA (NuVista Energy Ltd.)
3. TSX:TOU (Tourmaline Oil Corp.)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

**Category**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

**Date**
2025/08/15
**Date Created**
2019/03/23
**Author**
vhetherington