



TFSA Investors: Get Rich in April with These 3 Hot Buys from Bay Street

Description

Hi there, Fools. I'm back to highlight three stocks that recently received "buy" ratings from Bay Street. While it's a good idea to take professional opinions with a grain of salt, they can often be a good source of profitable ideas — particularly for [TFSA investors](#) looking for quick tax-free profits.

As I always like to remind readers: it's the [investment case behind the rating](#) — not the rating itself — that is most important.

Without further ado, let's get to it.

Renewed opportunity

Leading off our list is **TransAlta Corp** ([TSX:TA](#))([NYSE:TAC](#)), which was upgraded by Industrial Alliance Securities to "speculative buy" from "hold" early last week. Along with the downgrade, Industrial analyst Jeremy Rosenfield raised his price target on the stock to \$12 (from \$9), representing about 60% worth of upside from today's prices.

Rosenfield's upgrade comes in the wake of **Brookfield Renewable Partners'** \$750 million investment in TransAlta, which gives the power utility plenty of cash to support debt repayment, growth, and continued share buybacks. Moreover, the investment reinforces the attractiveness of TransAlta's hydro assets.

"TA offers investors (1) a balanced mix of contracted and merchant power exposure, (2) improving balance sheet and cash flow fundamentals, and (3) long-term upside to rising Alberta power prices," Rosenfield said.

TransAlta shares are up a whopping 74% so far in 2019.

Rising stars

Next up we have **Stars Group** (TSX:TSGI)(Nasdaq:TSG), which Desjardins Securities upgraded to “buy” from “hold” on Thursday. Along with the upgrade, Desjardins analyst Maher Yaghi maintained his price target on the stock of \$37.50, representing about 60% worth of upside from it sits today.

Yaghi’s bullish call comes after Stars’ analyst day event, in which the company nicely outlined its long-term plan for product deployment. In Yaghi’s opinion, Stars management is focusing on the “right priorities” at this time.

“In our view, TSGI management did a good job detailing how the company will leverage its capabilities to launch new services in existing and new geographies in the future,” said Yaghi. “This game plan is the result of the company’s historical investment in R&D as well as software acquired over the last few years.”

Shares of Stars Group are still down about 28% over the past six months.

Gaining energy

Rounding out our list is exploration and production company **Tourmaline Oil** ([TSX:TOU](#)), which Industrial Alliance initiated coverage on with a “buy” rating. Along with the bullish call, Industrial analyst Michael Charlton set a price target on the stock of \$29, about 40% higher than today’s prices.

While Charlton says that several E&P’s are currently trading at historical discounts, he believes that Tourmaline is particularly attractive for several reasons. They include a bargain valuation (trading at its IPO price of \$21 per share), robust free cash flow generation, a proven track-record and “massive” upside potential.

“We believe the current trading price may represent a huge bargain considering all the growth, infrastructure builds, and de-risking of its land base that has occurred in the past decade,” wrote Charlton.

Tourmaline shares are up more than 20% in 2019.

The bottom line

There you have it, Fools: three new “buy stocks” from Bay Street worth checking out.

As always, don’t view them as formal recommendations. The long-term track record of professional analysts is mixed, so plenty of due diligence on your part is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TAC (TransAlta Corporation)

2. TSX:TA (TransAlta Corporation)
3. TSX:TOU (Tourmaline Oil Corp.)

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