



Follow the Smart Money: 4 Fresh Upgrades for Fast TFSA Profits

Description

Hello again, Fools. I'm back to call your attention to a few stocks that recently received ["buy" ratings from Bay Street](#). Although it makes sense to take professional opinions with a grain of salt, they can often be a good source of profitable ideas — especially for [TFSA investors](#) looking for quick tax-free profits.

Remember: it's the investment case behind the rating — not the rating itself — that's most important.

Without further ado, let's get to it.

Energy double-play

Leading off our list are energy infrastructure stocks **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **TransCanada** ([TSX:TRP](#))([NYSE:TRP](#)), which both received a "buy" rating from Industrial Alliance Securities on Monday. Along with the calls, Industrial analyst Jeremy Rosenfield planted a price target of \$60 for Enbridge shares and a target of \$70 for TransCanada shares.

Rosenfield thinks macro-economic trends and the pace of central bank tightening — in Canada as well as the U.S. — work in the favour of both companies. He also cites their large-scale and conservative profiles as reasons to jump in.

"As a result of their investment discipline, both ENB and TRP offer investors access to large-scale, diversified infrastructure investment platforms that generate relatively stable earnings and cash flows, with limited overall exposure to commodity prices, volumetric risk, and other market factors," said Rosenfield.

Enbridge and TransCanada are up 16% and 26%, respectively, in 2019.

Cheap eats

Next up we have food giant **George Weston** ([TSX:WN](#)), which CIBC World Markets upgraded to “outperform” from “neutral” early last week. Along with the upgrade, CIBC analyst Mark Petrie raised his price target on the stock to \$113 (from \$109), representing about 11% worth of upside from the current price.

The company has been plagued with declining revenue and severe margin pressure in recent years, but Petrie thinks the worst could be behind it. He cites management’s restructuring initiatives coupled with a “substantially discounted valuation” as reasons for his call.

“We have limited visibility to the precise timing of a recovery,” said Petrie, “but the company has changed its structure and approach to servicing customers and along with more modern and scaled facilities, margins should improve with time.”

The shares are up 13% so far in 2019.

Perfect recipe

Rounding out our list is restaurant operator **Recipe Unlimited** ([TSX:RECP](#)), which Canaccord Genuity upgraded to “buy” from “hold” early last week. Along with the rating, Canaccord analyst Andrew Lawlor lowered his price target a touch to \$30 (from \$31), representing about 14% worth of upside from where the stock sits now.

Lawlor thinks Recipe is a strong defensive play due to its robust free cash flow generation, low-price brands (Harvey’s, Swiss Chalet, etc.), and healthy balance sheet. Moreover, with the stock having pulled back recently, it’s a particularly timely choice, too.

“Despite the discretionary nature of the restaurant industry, we believe certain aspects of Recipe’s business model can provide resiliency during downturns,” said Lawlor. “The upgrade follows recent weakness in the share price leading Recipe to appear undervalued relative to peers.”

Recipe shares are flat so far in 2019.

The bottom line

There you have it, Fools: four new “buy stocks” from Bay Street that you might want to check out.

They aren’t formal recommendations, of course. View them, instead, as a starting point for more homework. 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:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RECP (Recipe Unlimited)
5. TSX:TRP (TC Energy Corporation)
6. TSX:WN (George Weston Limited)

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