



3 Stocks to Watch Next Week

Description

Earnings season is coming up, and there are some big names that are starting to report on their quarterly results. Below are three companies to keep an eye out for next week when they go to report.

On April 23, **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) is scheduled to release its first-quarter results of 2019. In its most recent quarter, the company saw sales hit the \$2 billion mark, which was a year-over-year increase of more than 17%. Looking at CP Rail's results can help offer some insights into how the overall economy is doing. Transporting goods via railway is still very popular. If volumes are high, then that's a good sign that businesses are still busy and doing well.

In 2018, the economy was doing well, and it's no surprise that CP Rail saw its top line increase by 12% as well. During the past year, CP Rail's stock price has also climbed by 25% and currently, it's not far from its 52-week high. With the stock trading at 20 times its earnings and around six times book value, it's getting a bit expensive. Without a strong quarter, it might be difficult for the share price to rise further.

The following day, **Cenovus Energy** ([TSX:CVE](#))([NYSE:CVE](#)) is expected to release its Q1 results. It's going to be big for Cenovus, as the company has been in the red for four straight quarters, and it will need a positive result to help get the stock going. It'll also help offer insight into how the industry has been doing and how much of a boost the company may have benefited from production cuts that have helped boost the price of [Western Canada Select](#).

In three years, Cenovus stock has declined by 24% and has seen a lot of volatility during that time. Although the stock is trading at a discount to its book value, investors have still been hesitant to buy it. However, that could change if we see some strong results convince investors that things have been improving and that the company has found a way to turn a profit. Cenovus could have significant upside once conditions become more favourable in the industry.

On Thursday, **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)) has its first-quarter earnings call scheduled. The waste and recycling services company has been doing well over the past 12 months, with its share price rising around 30% and recently hitting a 52-week high. In its most recent quarter,

sales were up a solid 9% year over year, although full-year results showed revenue growth of 6%.

Generally, Waste Connections hasn't had an issue posting a profit, as only once in the past five quarters has it finished in the red, and that was a result of non-operating costs weighing down its results. However, it may have to do a little better than that for the stock price to continue rising, given that it is trading at 3.6 times its book value and it's a bit of a premium given the single-digit growth the company has been generating lately. And with a minimal dividend, there's not much besides [growth](#) that will likely get the stock moving upward.

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2. NYSE:CVE (Cenovus Energy Inc.)
3. NYSE:WCN (Waste Connections)
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