Analyst Report Update: 3 Top Buys That Can Net You $9,720 in Just an Average-Sized TFSA

Description

Hello again, Fools. I'm back to highlight three stocks that have recently received bullish mentions on Bay Street. While we should always take professional opinions with a grain of salt, they can often be a solid source of profitable ideas.

In fact, the average implied upside of today's stocks — when factoring in analyst price targets — is 36%. So, in an average $27K TFSA account, that translates into a healthy $9,720 in pure tax-free profits.

Let's get to it.

Quality bud

Leading off our list is pot producer **Aurora Cannabis** (TSX:ACB)(NYSE:ACB), which Desjardins analyst John Chu reiterated with a "buy" rating on Thursday. Chu also maintained his price target of $16.50 per share, representing about 38% worth of upside from current levels.

Chu's call comes on the heels of Aurora's Q3 results, in which recreational sales improved an impressive 37% year over year. According to Chu, the numbers suggest significant market share improvement and even promoted him to increase his sales expectations for 2019 to 2021.

"We are encouraged by the continued progress operationally and on the sales front," said Chu. "As production ramps up, we see a mix shift evolving on the product side (e.g., oils), by geography (Europe) and by segment (domestic medical), all of which should also drive margins higher."

Aurora shares are up a whopping 76% in 2019.

Smoothing skies

Next up on our list is embattled aircraft manufacturer **Bombardier** (TSX:BBD.B), which Citi analyst Stephen Trent maintained with a "buy" rating. Trent also kept his price target of $3.40 per share, representing about 58% worth of upside from where the stock sits now.

While volatility has returned to Bombardier's share price, Trent thinks that the company's turnaround story is still very much intact. Trent did lower his earnings estimates slightly to factor in higher interest expenses but believes that Bombardier's risk/reward tradeoff is too attractive to ignore.

"As the market also seems to be ignoring the global transport segment's consolidation potential, investors should be taking a second look at the shares, especially as they remain relatively underappreciated," wrote Trent in a research note.

Bombardier shares are down 20% over the past month.

Powerful upgrade

Rounding out our list is power producer **Capital Power** (TSX:CPX), which Raymond James analyst David Quezada upgraded to "outperform" from "market perform" on Tuesday. Quezada also raised his price target to $33.50 (from $31), representing about 12% worth of upside from current prices.

The bullish call comes after Capital Power's $977 million purchase of the 857 MW Goreway Power Station, which Quezada says will nicely improve the company's growth outlook. In fact, Capital Power raised its adjusted FFO outlook to $485-535 million from $460-510 million in response to the deal.

"Our upgrade of CPX is a function of several attractive attributes including a discounted valuation, attractive dividend yield, solid growth runway, and potential Alberta power market tailwinds," wrote Quezada.

Capital Power shares are up 12% in 2019 and offer a juicy yield of 5.9%.

The bottom line

There you have it, Fools: three bullish opinions on Bay Street that you might want to look into further.

As always, they aren't meant to be formal recommendations. View them, instead, as a starting point for more research. The long-term track record of professional analysts is mixed, so plenty of due diligence is still required.

Fool on.

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1. Investing

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1. NASDAQ:ACB (Aurora Cannabis)
2. TSX:ACB (Aurora Cannabis)

3. TSX:BBD.B (Bombardier)
4. TSX:CPX (Capital Power Corporation)

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