



Leading Brokers Name 3 Top Stocks to Buy Today

Description

One thing that can turn a nice investment into a superstar performer is getting the top minds on Bay Street to see things your way.

This helps to create a huge amount of positive momentum. First, analysts get bullish on a particular stock. This causes institutional investors to take another look at the company. Retail investors then copy what their favourite fund manager does, further strengthening the move. The next thing you know, a stock has shot upwards with no end in sight.

The key to catching these moves is to get in immediately after analysts become bullish on the stock. You'd be too early if you got in anticipating the analyst reaction, and it's too late once the stock starts getting attention from everyone else.

With that in mind, let's check out three Canadian stocks Bay Street analysts think are due for a big run up.

Major Drilling

Major Drilling Group ([TSX:MDI](#)) came out with stellar earnings a few days ago, and investors were thrilled. Shares are up 20% since the earnings were released on September 9, peaking at more than \$6 each.

Highlights of the quarter included a year-over-year revenue increase of 20%, an increase in EBITDA of 78%, and a profit of \$0.08 per share compared to a loss of \$0.03 per share in the year-ago period. CEO Denis Larocque also told investors he was pleased with the company's specialized drilling approach, something that is helping the organization gain market share in a very competitive energy services market.

Two leaders on Bay Street noticed these results and upgraded Major Drilling shares. Both **Toronto Dominion** Securities and Beacon Securities upgraded the stock from a hold to a buy. TD upped its price target to \$6.50 per share, up significantly compared to the previous target of \$5.50.

AltaGas

Despite **AltaGas** ([TSX:ALA](#)) shares drifting lower lately — the stock is down approximately 5% over the last month — **Bank of Montreal** Capital Markets upgraded the stock. AltaGas now has an outperform rating with the price target raised from \$21 to \$22 per share.

Ben Pham, the analyst responsible for the upgrade, likes the [progress AltaGas has made](#) on its asset sale program, noting asset sales were planned to be in the \$1.5 billion range this year but should be closer to \$2 billion. This should further shore up the balance sheet.

Pham also thinks the company will see a nice pop in earnings, as interest expenses decrease and various growth projects planned in the U.S. come online. He also thinks AltaGas's valuation will more closely resemble its peers', which should also cause shares to go up.

Investors welcomed the news, sending AltaGas shares more than 2% higher on the day the upgrade hit the market.

Shawcor

Numerous analysts are bullish on industrial services company **Shawcor** (TSX:SCL).

Shawcor, which is heavily dependent on the energy and pipeline industries, is currently dealing with the general mistrust of the sector plaguing other participants. Shares are at \$16 each, just barely above a 52-week low, despite recent strong quarterly results buoyed by the company's acquisition of ZCL Composites.

A bevy of analysts have recently upgraded Shawcor shares and increased their price targets. TD Securities gave the stock a buy rating with a target price of \$27 per share. **Royal Bank** isn't quite as bullish, but its analyst still has a target price of \$20, which represents 25% upside from here. And **National Bank** has an outperform rating on the stock with a \$28 price target.

If you're bullish on the [energy sector](#), Shawcor could be one of the safer ways to invest in that trend.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:MATR (Shawcor)

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