



## Earnings Season: 2 Stocks to Watch This Week

### Description

As the latest earnings season approaches, many investors wonder if positive corporate earnings across the board can keep this bull market going, despite the ongoing concerns in global markets.

There's no better way to relax fears and worries than by solid earnings, highlighting the fact that the economy is still improving, and many companies are still generating growth.

Similar to GDP numbers being the best lagging indicator to track the economy, earnings are the best indicator to track how the market should perform over the next few months.

Two Canadian companies to watch that are reporting earnings this week are **Aphria Inc** (TSX:APHA)(NYSE:APHA) and **Corus Entertainment Inc** ([TSX:CJR.B](#)).

### Aphria

Aphria is reporting earnings before the market opens on Tuesday October 15. Investors will be watching carefully to see what kind of numbers it can report.

The cannabis industry in Canada still has a lot to prove, so investors will be watching for any signs of improvement or trouble in the industry.

In addition to the sales numbers, which are the main ones to watch to get an idea of demand, investors are going to want to see better margins and profitability to see if the cannabis companies can finally make consistent profits.

It will also be interesting to see how much the recreational side of the business has grown and how many medical patients have been added on. This will have been the third quarter that cannabis companies are reporting earnings since it was legalized last October, so there should be quite a few developments going forward.

In addition to the important numbers investors are going to look for, it will also be nice to get an update

on its plans for the edible and extraction market, and what the company thinks it can achieve in the first quarter they are legal.

There will be a lot to look at, and Aphria is one of the first pot companies to report earnings this season, so the company is sure to send some volatility through the rest of the sector.

## Corus Entertainment

Corus is reporting earnings on Friday, October 18 before the market opens.

The T.V. advertising industry has been picking up the last few quarters, so investors will want to see how the company has fared in respect to that and which industries specifically have been increasing their T.V advertising.

Each time a media company reports earnings, it paints a clearer picture about whether the advertising dollars are really coming back to T.V from digital or if the trend isn't as strong as previously thought.

Corus has also been planning to own and control more of its own content, so it will be interesting to see how it has improved on that and how its new deals with its corporate partners are helping to improve its business.

In June 2019, it launched on **Amazon** Prime Video in Canada, so this will be the first glimpse into the exposure to new audiences has turned out so far.

Financially, it will be important to see continued reduction in Corus' leverage ratios as well as stronger free cash flow conversion from its low capex segments.

## Bottom line

As the earnings season kicks off, it will be interesting to see which companies have been able to continue with their [growth](#) and see if any trends are developing in specific industries.

Earnings can tell us a lot about the state of the economy, and with so much uncertainty in the financial markets, this earnings season is sure to be watched closely.

### CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)

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