



2 TSX Stocks That Seem to Have Just Started to Rally

Description

Top **TSX** stocks have surged more than 25% since their multi-year lows last month. Investors turned optimistic on the US's plans to re-open its economy, which has mainly driven stocks higher. However, whether these stocks hold on to the gains through the earnings season remains to be seen.

Despite some strength in broader markets, aviation, hospitality, and energy stocks might continue to trade notably weaker in the short term. At the same time, there have been some TSX stocks that appeared immune to the pandemic weakness and have shown firm performance recently.

Interestingly, some of these stocks could continue their upward climb based on strong fundamentals and attractive valuation going forward.

TSX stocks: Constellation Software

The tech titan **Constellation Software** ([TSX:CSU](#)) has soared almost 20% since its 52-week low last month. This top TSX stock might keep trading strong because of its pandemic-immune operations and its upcoming quarterly earnings early next month.

The company has exhibited solid revenue and earnings growth in the last several quarters. Analysts expect its strong financial performance to continue in this quarter as well. Importantly, better-than-expected earnings could push Constellation Software stock to new highs.

According to analyst estimates, the company will report revenues of \$959 million, which indicates an 18% growth year over year (YoY). Its Q1 net income is forecast to increase to \$162 million, a growth of 27% YoY.

Also, the pandemic-driven lockdowns will have a minimal impact on its earnings in the next few quarters. [Constellation Software](#) operates vertical market software companies that create customized applications or programs designed to cater to a particular client. Notably, it generates more than 60% of its total revenues from the government and government-related customers.

Top TSX stock Constellation is trading at \$1,346 at writing, almost 15% below its 52-week high in February. Strong first-quarter earnings and upbeat management commentary could push the stock back to those levels again.

B2Gold

Canadian gold miner **B2Gold** ([TSX:BTO](#)) stock has rallied more than 55% so far this year. While that's already a staggering gain and in a short span of time, the stock still has room for more growth ahead.

At the time of writing, B2Gold stock is trading at \$7, which represents a more than 85% surge in the last 12 months. Investors should note that even after such a steep rally, the stock is trading at a discounted valuation.

It is trading at 16 times its trailing 12-month earnings, which is notably inexpensive compared to its five-year historical average. In comparison, fellow gold-miner TSX stocks **Kinross Gold** and **Kirkland Lake Gold** are trading at 17 times and 37 times respectively at the moment.

Higher gold prices could continue to push gold-miner stocks to even higher levels largely due to their positive correlation. On top of that, higher gold prices directly improve gold miners' earnings. The same has been pushing B2Gold stock soaring in the last few quarters.

This \$7 billion gold miner has substantially increased investors' wealth through [production growth](#), exploration success, and accretive acquisitions in the last few years. Interestingly, the bullish outlook for gold prices further improves B2Gold's growth prospects for the medium to long term.

CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Tech Stocks

TICKERS GLOBAL

1. TSX:BTO (B2Gold Corp.)
2. TSX:CSU (Constellation Software Inc.)

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