3 Earnings Reports Analysts Are Eyeing

Description

It's here. Earnings report season is among us, but I can't say investors and analysts are all that excited. Unfortunately, even with a market rally, this is the time that companies will be letting investors know just how bad things have been. While next quarter might see an improvement, investors have been told not to hold their breath for too long.

With that in mind, there are a few earnings reports coming in this week that analysts are watching. These three stocks in particular should let us know just how bad it'll be for the respective industries.

Canadian Tire REIT

Canadian Tire Real Estate Investment Trust (TSX:CRT.UN) will be announcing its earnings report on May 5, 2020. The company is basically the landlord of all 300 Canadian Tire stores, with 92% of its rent coming from these locations. Its occupancy rate is at a fantastic 99.1%, with the average lease lasting 10 years.

But here's what analysts are looking for. If you didn't visit a Canadian Tire store during this pandemic, you'll be unaware of how things have been working. Instead of browsing the store, everyone sits in their vehicles and receives their products. Canadian Tire then announced it would be closing its storefronts due to the pandemic.

That means there should be a significant decrease in earnings for the company — and likely for the REIT as well. If you can't pay rent, you can't renew your lease. It could end up that there might be fewer and fewer Canadian Tire locations.

If any were already considering closing up shop, this pandemic will have done the trick. Other companies that own both an REIT and chain store will likely fall into the same trap as Canadian Tire.

Newmont Gold

We’ve been told time and again that now is the time to buy up gold stocks, and so now is the time to prove it. **Newmont Goldcorp Corp.** (TSX:NGT)(NYSE:NEM) is definitely the company to look at when it comes to proving the worth of gold in today’s economic climate. This will be seen in the company’s earnings report due on May 5.

Analysts expect the company to deliver year-over-year increases in revenue, but by just how much is the big question. This should seriously impact the company’s stock price — whether for the better or worse remains to be seen. But what is certain is that whatever happens to Newmont, other gold stocks will likely follow.

The company is the largest gold mining company in the world. So if it’s struggling – or at least not doing as well as hoped – you can practically guarantee other gold miners will be in the same boat.

Thomson Reuters

The reason I have **Thomson Reuters** (TSX:TRI)(NYSE:TRI) as my final choice for analysts to watch is because of its overall performance. This is an ideal defensive stock, as Thomson Reuters historically has done well even during an economic downturn.

Its earnings report is expected to show just that. After a brief bump in the road, Thomson Reuters is now trading at almost pre-crash prices due to a number of factors.

The company is big, and about to get bigger. By the end of the year, will be selling its analytics platform Refinitiv. This alone should have investors bullish about the stock, as by the end of the year it will have a 15% stake in the **London Stock Exchange** after the sale.

The company can then use the cash to reinvest in its company even further. The company has a $2 billion investment fund, made four acquisitions, and yet still has $800 million for further acquisitions even before the final Refinitive deal.

After its earnings report, if things are steady as usual, the stock could soar up as investors looking for a defensive choice buy it up in bulk.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:NEM (Newmont Mining Corporation)
3. TSX:CRT.UN (CT Real Estate Investment Trust)
4. TSX:NGT (Newmont Mining Corporation)
5. TSX:TRI (Thomson Reuters)

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Date
2025/07/02
Date Created
2020/05/02
Author
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