Top Canadian Stocks With Triple-Digit Upside

Description

The market is beginning to rally. Over the past month, the **S&P/TSX Composite Index** is up by approximately 5%. However, as we are still sitting at double-digit losses for the year, there's plenty of value remaining. In fact, the price of several top Canadian stocks remained significantly depressed.

In several cases, investors could potentially double their money. Analysts have one-year price targets, which imply triple-digit upside. The market has yet to catch on, and current prices present investors with a unique buying opportunity.

A top Canadian airline stock

Don't be quick to judge, however. True, commercial airlines are bound to struggle for some time. A return to pre-pandemic flight levels is likely to take years. However, not all companies in the aerospace industry are created equal. Case in point, **Exchange Income Corp** (TSX:EIF).

Exchange Income operates in two segments: Aviation & Aerospace and Manufacturing. According to its most recent quarterly results, the Manufacturing segment is an essential service. Outside of reduced efficiency due to precautionary measures, the segment is performing in line with expectations.

In the Aviation & Aerospace segment, the Regional One unit is suffering the most impact as demand for aircraft and engines has softened. However, cargo volumes remain strong and as Northern communities begin to open, this top Canadian stock will be one of the first to benefit.

Analysts have a one-year price target of $44.61 per share, which implies 100% upside from today's price of $22.16 **per share.**

A cheap real estate stock

The real estate industry has been decimated by COVID-19. **Morguard REIT** (TSX:MRU.UN) is a commercial property REIT which generates most of its income from retail. As we know, retail has been hit hard and shopping habits are changing in a big way.

Year to date, Morguard REIT is down by 56.4% and is now trading at only $4.51 per share at writing. Analysts have a one-year price target of $12.67. This implies 180% upside! Even if analysts are off by 50%, investors are still looking at significant gains.

As the company navigates the crisis, it has taken the prudent approach of reducing the company's distribution. It also provided one of its largest tenants, Obsidian Energy, with rent relief. This has impacted rent collection, which sits at 65% across all asset classes for April.

Notably, this top Canadian stock has a net asset value (NAV) of $23.38 per share, which means it is trading at an 80% discount to the value of the company if it was to liquidate its assets and pay off all liabilities. A company this cheap is hard to ignore.

A green manufacturing company

NFI Group (TSX:NFI) is North America's leading manufacturer of buses and motor coaches. At the height of the pandemic, operations and manufacturing was all but at a standstill. Accordingly, the share price of this top Canadian stock cratered and is still down 40% in 2020.

Apart from idling facilities, the company is also seeing a drop in demand for its private motor coaches. This will negatively impact revenue. On the bright side, it is still booking orders in the public sector, which accounts for the majority of its business.

It is also well positioned to take advantage of government stimulus. Municipalities are looking to upgrade their fleets and energy efficient buses is at the top of everyone's wish list. A shift to green technology is likely to accelerate as we move towards a new normal, and NFI will benefit.

Despite the challenges, analysts have a unanimous 'buy' rating and an average price target of $31.00 per share on this top Canadian stock. The company is currently trading at $14.92 per share, and even the lowest price on the street ($21.00) implies 41% upside.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)
2. TSX:MRT.UN (Morguard Real Estate Investment Trust)
3. TSX:NFI (NFI Group)

PARTNER-FEEDS

1. Business Insider

2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Coronavirus
2. Investing

Date
2025/09/27
Date Created
2020/05/22
Author
mlitalien