



Why These 3 TSX Stocks Rallied on Thursday

Description

On Thursday, the Canadian stock market reversed initial losses to turn positive for the day — after losing 1.7% on Wednesday. Yesterday's losses were primarily driven by the rising number of coronavirus cases in many U.S. states.

Nonetheless, after opening on a slightly negative note, the **S&P/TSX Composite Index** was up by 0.5% this afternoon despite worse-than-expected U.S. unemployment data.

Amid the ongoing pandemic-related worries, the stock market still seems to be full of opportunities.

Let's take a closer look at three of the top **TSX** movers from Thursday and find out why they rose sharply.

Parex Resources

On June 25, shares of **Parex Resources** ([TSX:PXT](#)) rose by 3.3% after the company revealed its plan to increase production and restart capital expenditure programs in a [press release](#) yesterday. In the statement, the Canadian oil exploration firm also shared its second-quarter outlook with investors.

Overall, it expects its second-quarter average production to be 41,200 barrels of oil equivalent per day and its capital expenditures to be in the range of US\$10 to US\$12 million.

By the fourth quarter, the company plans to expand its oil production to around 44,000-48,000 barrels of oil equivalent per day.

After the announcements, analysts at Cormark Securities raised their target price on Parex Resources from \$22.75 to \$24 earlier today. Such factors boosted investors' confidence and drove its stock higher on Thursday.

First Quantum Minerals

First Quantum Minerals' ([TSX:FM](#)) stock also rose by over 3% Thursday morning after the research firm BMO revised its target price upward on the stock to \$12.25 from \$10 earlier. Last week, **Jefferies** upped its target on the company from \$16 to \$18. Currently, 17 out of 22 Wall Street analysts are recommending a “buy” on First Quantum — while the remaining five analysts are giving it a “hold” rating.

First Quantum Minerals is a Vancouver-based metal producer. While its stock is trading with 3.2% year-to-date losses, it has risen by more than 6% in the last five days. In the first quarter, the company's revenue increased by 37.9% to US\$1.2 billion — its highest quarterly revenue growth rate in years.

Cenovus Energy

In my [yesterday's market update](#), I highlighted how energy stocks are continuing to rally despite worries related to the pandemic. Similarly, shares of **Cenovus Energy** ([TSX: CVE](#))([NYSE: CVE](#)) — the Canadian oil and natural gas company — were up by 3.3% this morning.

This optimism came after Citigroup and the **National Bank of Canada** raised their price target on Cenovus Energy. **Citigroup** now has a target price of \$9, while the National Bank of Canada gives a target price of \$11.

In the first quarter, Cenovus Energy reported an adjusted net loss of \$0.97 per share and saw its revenue fell by over 20% year over year as the oil demand across the globe slumped due to the pandemic.

As the world economy gradually reopens, the rising oil demand could help energy companies — including Cenovus Energy — regain investors' confidence.

CATEGORY

1. Coronavirus
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:CVE (Cenovus Energy Inc.)
2. TSX:CVE (Cenovus Energy Inc.)
3. TSX:FM (First Quantum Minerals Ltd.)
4. TSX:PXT (PAREX RESOURCES INC)

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