



Got \$3,000? 3 TSX Stocks to Buy Amid Their Higher Earnings Outlook

Description

Very few sectors managed to report earnings growth this year, except tech and gold miners. For the third quarter, most of the broad market constituents are expected to report lower earnings on the back of the COVID-19 pandemic. However, some of the top TSX names will report record profits, which will drive their stocks even higher.

Shopify

The tech titan **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) plans to report its third-quarter earnings on October 29. Shopify is among the very few gainers of the pandemic. While corporations saw a record fall in business activities, the tech giant has seen some of the strongest months amid the shutdowns.

In the second quarter, Shopify reported 97% revenue growth as small- and medium-scale businesses rushed to it to grow their digital presence. It reported net earnings of \$36 million versus a \$28.67 million loss in the second quarter of 2019.

Notably, Shopify is expected to report higher earnings, which will likely push its stock even higher. The stock has already started upward momentum amid investors' expectations of another strong quarter. It is up a handsome 180% so far this year. Shopify's higher earnings might force the stock to break the crucial resistance level of \$1,500.

Barrick Gold

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD), the world's second-biggest gold miner, plans to report its third-quarter earnings early next month. Almost all the Canadian miners have reported higher earnings this year, driven by higher precious metal prices.

Barrick Gold's earnings have more than doubled so far in 2020. The trend is expected to continue in the third quarter as well, considering its higher production and relatively stronger gold prices.

The company has been working on improving its balance sheet for the last few years. It has repaid a large chunk of its debt by selling less-efficient assets. Barrick Gold's debt position at the end of the third quarter will also be an important indicator for investors.

Barrick Gold stock has lost almost 10% since last month amid the yellow metal's subdued movement. However, the stock might race beyond \$40 amid the expectations of higher Q3 earnings.

Top TSX stock Barrick Gold is expensive from its average historical valuation. However, [the stock might continue to rally](#), given the superior earnings growth prospects.

Goodfood Market

A \$620 million meal-kit company, **Goodfood Market** ([TSX:FOOD](#)) has seen substantial growth amid the pandemic. The stock has more than quintupled since its record lows in March and is currently trading at all-time highs.

Goodfood delivers fresh meal ingredients to its subscribers and offers online grocery. Notably, its subscriber base has remarkably grown amid the recent pandemic-driven lockdowns. The meal-kit company will report its quarterly earnings later next month.

Goodfood Market has consistently managed to earn gross profit margins of around 30%, higher than the industry average. A [higher subscriber base](#) and automation could expand its margins even higher.

From the valuation perspective, Goodfood stock is attractive, despite the recent rally. Cautious investors might remain on the sidelines, given the volatile nature of the stock and smaller size.

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TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:FOOD (Goodfood Market)
5. TSX:SHOP (Shopify Inc.)

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