



## 3 Top TSX Stocks to Watch This Week

### Description

The fourth-quarter 2020 earnings season is upon us. Several Canadian firms will release financial results for the last quarter of a difficult 2020 this week. However, it's not the earnings results alone that will matter with the following three top TSX stocks. One of them will release two material operating updates this week.

Here are three top TSX stocks to watch during this final week of January 2021.

### Canadian National Railway

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), the TSX's biggest railroad stock, will report its fourth-quarter and full-year 2020 earnings results on Tuesday, January 26, After markets close.

CN rail reported record grain movement volumes for the 10th consecutive month for December. The record grain deliveries in 2020 were aided by the recent purchase of 1,500 new high-capacity grain hopper cars, as the company continues to invest in growth projects. Oil shipment volumes suffered during the COVID-19 pandemic, but a surge in consumer cargo and grain shipments filled the gap.

CNR's fourth-quarter revenue could grow by 1.7% year over year to \$3.644 billion. Analysts expect an earnings per share reading of \$1.43, or a 17% earnings growth up from \$1.22 per share during a comparable quarter in 2019.

Earnings could surprise to the upside. CN has beaten analyst earnings forecasts in five of the last eight quarterly reports. However, the company missed analyst expectations during the past two consecutive recent reports.

Income investors in the [top TSX stock](#) would expect the company to carry on with tradition and announce a dividend increase for 2021. Although the current quarterly payout yields 1.7% annually, CN has increased its dividend at a compound annual growth rate (CAGR) of nearly 13% over the past five years. It just doesn't stop rising!

## Canadian Pacific Railway

Another top TSX railroad stock, **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) will also release fourth-quarter and full-year 2020 results this week. CP will report earnings on Wednesday after the market close.

Like its larger peer, the company will report on the best-ever quarter and year in grain shipments this week. The addition of 3,700 new grain hopper cars to its fleet enabled record business levels during the pandemic-stricken year.

Analysts expect a fourth-quarter revenue reading of \$2,066 billion, which should be flat year over year. However, earnings per share should grow by 4.1% year over year to \$5.02 per share.

CP rail beat analyst estimates in five of the last eight recent earnings releases, including the most recent two consecutive reports. Cost-management efforts could help deliver another earnings beat.

Unlike CN, Canadian Pacific may increase its quarterly dividend for the second quarter. The company increased dividends at a CAGR of 19% over the past five years. After a good 25-year record of dividend increases, Canadian Pacific Railway stock is being added to the **S&P/TSX Canadian Dividend Aristocrats Index** on February 1.

## Yamana Gold

**Yamana Gold** ([TSX:YRI](#))([NYSE:AUY](#)) is a top TSX precious metals mining stock that benefited from a surge in gold prices last year. However, the company was also exceptionally good at executing on the production front last year.

Yamana will release its 2020 fourth-quarter and full-year preliminary production results on Monday, January 25, after the market closes. Management will also offer three-year production guidance and a 10-year production overview in the same press release.

A corporate update follows on Tuesday morning. The company will reveal strategic priorities, provide an operating update, as well as discuss its long-term production outlook.

The company has vast precious metals interests, including gold and silver claims in Canada, Brazil, Chile, and Argentina. In October 2020, Yamana Gold reported that overall production and production at most of its mines was tracking ahead of plan “and in some cases well ahead of plan.” Management increased the company’s 2020 production guidance from 890,000 gold equivalent production to 915,000.

Any variances from the given guidance in Monday’s report will be material. And so shall be the future production and strategy outlook. Positive reposts this week and good results next month could help the gold stock to rebound and reclaim the previous \$9 highs seen in 2020. Shares could easily make a near 50% recovery gain this year.

Yamana Gold will report 2020 financial results on February 11, after the market closes. Analysts expect fourth-quarter revenue to hit new records.

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1. Dividend Stocks
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1. Editor's Choice

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1. NYSE:AUY (Yamana Gold)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:CP (Canadian Pacific Railway)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:CP (Canadian Pacific Railway)
6. TSX:YRI (Yamana Gold)

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