



## 3 Top Canadian Stocks to Buy Ahead of Their Earnings

### Description

Amid the expectation of improvement in corporate earnings and signs of strong economic recovery, with February retail sales rising 4.8%, the Canadian equity markets are showing resilience, with the **S&P/TSX Composite Index** up 10.5% for this year. Meanwhile, here are three top Canadian stocks that you can buy ahead of their earnings for superior returns.

### Cargojet

**Cargojet** ([TSX:CJT](#)) was one of the beneficiaries of pandemic-infused lockdown last year. Amid the pandemic-infused restriction, people shifted to online shopping. The e-commerce growth and grounding of passenger airlines increased the demand for Cargojet's services, driving its financials. Its top line had grown by 37.4% in 2020, while its adjusted EBITDA expanded by 86.8%.

Meanwhile, the company will [report](#) its first-quarter earnings before the market opens on May 3. I am optimistic about the company's performance amid the continued restriction on air travel and expanding e-commerce business. Also, Cargojet has signed long-term agreements with its customers, which deliver stability to its financials. Meanwhile, analysts expect the company's top line to grow 24.3% to \$152.9 million during the quarter, while its adjusted EBITDA could increase 43.5%.

Further, its long-term growth potential also looks healthy, given its fleet and route expansion plans. It had also raised around \$365 million for this purpose. Given the favourable industry trend and its growth initiatives, [Cargojet would be a good buy ahead of its earnings](#). Also, analysts are bullish on the stock, with 10 of the 11 analysts covering Cargojet have given a "buy" rating, while the remaining analyst has issued a "hold" rating. The consensus price target stands at \$260.04, representing an upside potential of 43.5%.

### Suncor Energy

Last year, the pandemic-infused lockdown had taken a toll on oil-producing companies, such as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). The company's top line fell by 37.6% while reporting a net loss

of \$4.3 billion against net earnings of \$2.9 billion in 2019. The weak numbers had weighed on the company's stock price, which is trading over 37% lower from its January 2020 levels.

However, oil prices have bounced back strongly amid the expectation of recovery in oil demand due to the improvement in economic activities. Further, the management is expecting its production levels and refinery utilization rate to move up this year. The company has also taken some cost-cutting initiatives, which could drag its operating expenses down. So, amid higher oil prices and improved operating metrics, I am bullish on Suncor Energy's first-quarter earnings. The company will post its earnings after the market closes on May 3.

Meanwhile, analysts are also bullish on Suncor Energy. Of the 21 analysts covering the stocks, 15 have issued a "buy" rating, while the remaining six have given a "hold" rating. Analysts' consensus price target stands at \$32.82, representing a return potential of 26.7%.

## Telus

Despite the pandemic, **Telus** ([TSX:T](#))([NYSE:TU](#)) had delivered substantial numbers last year, with its top line and adjusted EBITDA increasing by 5.5% and 0.2%, respectively. The addition of over 900,000 new connections contributed to the company's growth. Meanwhile, the company will be reporting its first-quarter performance before the market opens on May 7.

For the quarter, analysts expect the company's top line to grow 6.5% to \$3.93 billion, while its adjusted EBITDA could increase by 1.4%. The company's continued investment in expanding its TELUS PureFibre and 5G infrastructure and improving economic activities could drive its financials. The company is also broadening its telehealthcare reach by adding new clinics, which is encouraging.

Analysts are bullish on Telus. Of the 17 analysts covering the stocks, 15 have issued a "buy" rating, while the remaining two have given a "hold" rating. Analysts' consensus price target stands at \$28.84, representing an upside potential of 12.7%.

## CATEGORY

1. Energy Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TU (TELUS)
3. TSX:CJT (Cargojet Inc.)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:T (TELUS)

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**Author**

rnanjapla

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