



3 TSX Stocks That Could Climb +40% Soon

Description

The average long-term market rate of return is about 7%. So, it's extraordinary that these three **TSX** stocks have at least 40% upside potential over the next 12 months!

Like gold or silver?

All the money printing around the world is making fiat currencies like Canadian dollars and U.S. dollars worth less. This, in turn, should make gold and silver worth more.

Investing in **Wheaton Precious Metals** ([TSX:WPM](#))([NYSE:WPM](#)) has consistently outperformed holding gold or silver over the one-, three-, five-, and 10-year periods. Higher precious metal prices should make WPM worth so much more.

Last year, the gold price reached close to US\$2,100 per ounce. So, it's not farfetched when a subset of [analysts](#) think the gold price could rise to north of US\$2,200 per ounce this year. The gold price sits at about US1,789 at writing.

Precious metal stocks tend to move differently from the market. Therefore, Wheaton Precious Metals could be an excellent addition for diversification purposes.

Wheaton Precious Metals is one of the biggest precious metals streaming companies on Earth. Partnering with companies like **Vale**, **Pan American**, and **Hudbay**, it has about 30 assets across its portfolio. WPM increased its dividend in the last two quarters, leading to a trailing 12-month dividend increase of 21.6% year over year. Currently, WPM's dividend yields 1.2%.

Because Wheaton Precious Metals does not participate in mine operations, development, or exploration, it enjoys low costs of operation and high margins.

At writing, the analyst consensus 12-month price target represents 40% near-term upside potential in WPM stock from US\$43.10 per share.

A mid-tier miner

Another basic materials stock that could see strong upside soon due to higher gold prices is **Aura Minerals** ([TSX:ORA](#)).

Aura Minerals is a mid-tier gold and copper production company that operates in the Americas. Its revenue diversification is roughly 75% in gold and 25% in copper. The company has increased production levels every year since 2018. Moreover, management expects to roughly double production levels by 2024.

Last year, Aura Minerals increased revenues by almost 33% to \$300 million and more than doubled its EBITDA to \$118 million by expanding its EBITDA margin to 39.5%.

The stock is under the radar with a market cap of less than \$1 billion. Only one analyst covers it with a 12-month price target of \$20.31, representing near-term upside potential of 45% from under \$14 per share at writing.

AcuityAds Holdings

[AcuityAds Holdings](#) (TSX:AT) could represent an even bigger bargain as a value stock. At roughly \$14 per share, it has an extraordinary near-term upside potential of 93%.

It is a small-cap stock with a market cap of about \$748 million that can come with high volatility, because its earnings can be unpredictable. Nonetheless, its business has a good chance of growing at a high pace over the next few years.

It is a one-stop shop for omnichannel digital advertising, providing some of the best returns on advertising spend. Its solution allows for planning, buying, and real-time intelligence in one place with proprietary AI that brings programmatic capabilities.

The Foolish takeaway

By allocating capital across Wheaton Precious Metals, Aura Minerals, and AcuityAds, investors have a decent chance of outperforming the all-time high market over the next 12 months and beyond.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:WPM (Wheaton Precious Metals Corp.)
2. TSX:ILLM (AcuityAds)
3. TSX:WPM (Wheaton Precious Metals Corp.)

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