



## 2 Bargain Stocks to Pile Into Before They Go up

### Description

The Toronto Stock Exchange (TSX) continues to trend positively in June 2021. According to Philip Petursson, **Manulife** Investment Management's chief investment analyst, historically, the TSX performs well when oil markets do well. His observation is on point, because the energy sector is the top-performing sector thus far in 2021.

Besides energy, the healthcare, financial, real estate, consumer discretionary, and telecommunications sectors are outperforming the TSX. The broader market is outperforming only five sectors, although all of them are in positive territory. Despite the index's [remarkable advance](#), investors can still find bargain deals and pile into them.

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) appear undervalued and are bargain deals today, if you carefully review their business outlooks. Their breakouts could be coming soon.

### Look to the future

The past is past for Suncor Energy. The energy stock performs better than expected with its 44.4% year-to-date gain. Because of fresh optimism, market analysts forecast the price to soar by as much as 31.7% to \$40. Suncor also pays a 2.77% dividend.

The \$45.75 billion integrated energy company seems ready to regain lost glory now that the rebound of oil prices is on. Also, don't mistake Suncor for an old-school oil major, because it pioneers high-tech solutions in the industry. It uses technology to find, pump, store, and deliver resources.

Suncor invests heavily in renewable energy innovations too. It has a \$300 million stake in a wind farm in Alberta. Soon, the company will capitalize on lithium — one of the country's valuable resource reserves. The oil sands in Alberta are rich in lithium, so it could be a hotspot if production starts.

Last, Canada's five largest pension funds increased their investments in major oil sands companies, including Suncor Energy, Q1 2021. Some industry observers believe the investments by these fund

managers in fossil fuel producers will pave the way for the transition towards cleaner energy.

## Consistent profitability

Kinross Gold flies under the radar, although it might upstage the bigger **Barrick Gold** in 2021. The [potential upside should be stunning](#) if it continues to report consistent profitability and improved cash flows. The \$12 billion senior gold mining company boasts a diverse portfolio of mines and projects.

Management banks on the company's operational excellence, balance sheet strength, disciplined growth, and responsible mining to deliver value. The mines in Fort Knox and Nevada in the U.S., plus the one in Peru, account for half of Kinross's total production. Its exploration strategy focuses on high-quality brownfield projects, where it expects to discover new resources within the existing footprint or mines.

In Q1 2021 (quarter ended March 31, 2021), revenue and adjusted net earnings increased by 12% and 51% versus Q1 2020. Notably, attributable margin per gold equivalent ounce sold increased by 25%. The result outpaced the 13% year-over-year increase in average realized gold price.

Industry experts list Kinross as one of the best-valued gold stocks today. The current share is \$9.52, while the dividend yield is 1.53%. Market analysts see a potential climb to between \$13.73 (+44%) and \$18 (+89%) in the next 12 months.

## Capital gain plus recurring income

Suncor Energy and Kinross Gold are stalwarts in their respective sectors. Besides the potential capital gains, prospective investors will derive recurring income streams from these dividend payers. Initiate a position now before the stocks break out.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:K (Kinross Gold Corporation)
4. TSX:SU (Suncor Energy Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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