



2 Stocks With Tremendous Returns in 2021

Description

The TSX's 16.03% year-to-date gain is incredible, considering the coronavirus variants. Canada's primary stock index closed at 20,233.10 on July 12, 2021, or 80.19% higher than its COVID-low of 11,228.50 on March 23, 2020.

However, what is truly amazing is that some [obscure stocks](#) have tremendous returns that dwarf the broader market. **Nuvista Energy** ([TSX:NVA](#)) and **Freehold Royalties** ([TSX:FRU](#)) should catch the eye of investors. You can [start investing](#) in both high flyers that could potentially deliver higher returns than the more popular stocks.

Far better returns than industry giants

The top-performing sector thus far this year is energy (+48.04). Last year's leader, the tech sector, is in fifth place after real estate, financials, and telecommunications. **Enbridge**, **Pembina Pipeline**, **TC Energy**, and oil sands king **Suncor Energy** remains the [top draws](#) and industry favourites.

Nuvista Energy flies under the radar, but this \$880.79 million oil and gas company outperforms the names mentioned above. The year-to-date gain of this little-known energy stock is 314.89%. At \$3.90 per share, the trailing one-year price return is 413.16%.

Had you invested \$5,000 on December 31, 2020, the value of your investment today would be \$18,330. Meanwhile, market analysts forecast a potential upside of 92.31% to \$7.50 in the next 12 months.

Nuvista's central focus and majority investments are in Wapiti Montney. Because the Wapiti Montney play has natural gas production with significant condensate, it's a key economic driver. The company derives more than 60% of its revenue from condensate sales.

The most recent quarterly results indicate the mighty comeback of Nuvista. In Q1 2021 (quarter ended March 31, 2021), petroleum and natural gas sales grew by 19% versus Q1 2020. Management also reported a 20% increase in total revenues and positive net earnings. The net loss in the same period

last year was \$788.7 million.

NuVista is confident that its solid business plan for the rest of 2021 will help maximize free adjusted flows and return of capital to shareholders. Management expects its adjusted funds flow in 2022 at current strip prices to be 60% higher than 2021.

High-yield royalty stock

Freehold Royalties an oil and gas royalty company with a market capitalization of \$1.25 billion. Like NuVista, the royalty stock outperforms the industry giants with its 87.93% year-to-date gain. Also, at only \$9.57 per share, the company pays a 4.96% dividend. The trailing one-year price return is 162.91%, which is surprising for a royalty stock amid the pandemic.

This royalty-interest owner manages one of the largest non-government portfolios of oil and natural gas royalties in the country. In the U.S., its land base is expanding. Freehold's interests are in over 11,000 producing wells, while royalty income comes from more than 300 industry operators. Besides the diversity that mitigates industry risks, the company benefits primarily from drilling activities on its royalty lands.

In Q1 2021 (quarter ended March 31, 2021), royalty and other revenue increased by 40% versus Q1 2020. From a \$9.2 million net loss, Freehold posted \$5.63 million in net income. One notable highlight during the quarter was the completion of four royalty acquisitions in the United States. The assets should increase average production on the royalty lands.

Confidence in TSX stocks

The TSX's bull run in 2021 heightened investors' confidence in Canadian stocks. NuVista Energy and Freehold Royalties became high flyers because of the red-hot energy sector.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NVA (NuVista Energy Ltd.)

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