



## 3 Canadian Stocks Expected to Report Wide Earnings' Swings This Week

### Description

Huge earnings growth rates are built into stock valuations for most of Canada's oil sands operators during this earnings season. However, not all energy stocks are expected to report triple-digit earnings growth in their second quarter (Q2 2021) financial results.

One such popular giant is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The other two have very interesting prospects this year.

### What to watch as Enbridge reports earnings on Friday

Investors in pipelines giant Enbridge's stock are eager to review the company's upcoming earnings report later this week. The company is scheduled to release its second-quarter results before markets open on Friday, July 30.

The market expects Enbridge to report \$9 billion in revenue, indicating a 13.1% year-over-year increase. However, GAAP earnings per share (EPS) could fall by 29% on a year-over-year basis to just 57 cents per share compared to 81 cents reported for the same period last year.

That said, earnings should remain flat at 56 cents per share on a normalized basis, so I am not that concerned about one-time earnings drags.

Higher pipeline product volumes as economies re-open illustrated solid demand in the company's markets during the first quarter. The business remains strong.

However, free cash flow could take a massive hit as management rolls out a heavy \$17 billion capital investment program. The growth plan targets to deploy \$10 billion into the ground this year. An update on progress on this front could be what the market is eagerly waiting for.

Successful execution of the capital program should support stable dividend growth rates over the next three to five years. Income investors will love that.

Enbridge has beaten analyst earnings estimates in three of the most recent four earnings releases. The consensus analyst price target on the stock indicates a potential 14% upside over the next 12 months. However, current analyst price targets have too wide a range.

The most bullish estimate targets \$69.10 a share and the lowest estimate stands at 49.00. I think Enbridge stock's current [6.84% dividend yield and strong cash flow](#) position should be the key focus for [income-oriented](#) investors. Capital appreciation will be a welcome bonus.

## Crescent Point Energy stock to launch earnings growth fireworks

Crude oil producer **Crescent Point Energy** (TSX:CPG)(NYSE:CPG) will release its second-quarter results prior to the market opening on Wednesday, July 29.

The market expects second-quarter GAAP EPS of 25 cents to compare favourably with a 27 cents net loss per share reported last year. Quarterly revenue could surge by 203% year over year to \$783.5 million, while cash from operations could jump over 250 percent to \$381 million.

Such great expectations are mainly powered by the surge in oil prices this year.

The year 2021 could be one of the best financial periods for Canadian oil and gas producers in recent history. The Western Texas Intermediate (WTI) oil benchmark was printing a market price of US\$72 per barrel at the time of writing on Monday. The benchmark was at only US\$40 per barrel by this time last year.

This is the year for Crescent Point Energy stock to recover, and the analyst consensus price target on CPG stock at \$7.67 tips investors for a potential 75% upside within the next 12 months.

## ARC Resources stock EPS to surge 275% in this week's earnings

**ARC Resources** ([TSX:ARX](#)) virtually opened the market on July 12, 2021, to celebrate its 25th anniversary of trading on the **TSX**. Investors could be celebrating the company's great achievements during the second quarter later this week if results come in as expected.

The company is expected to release second-quarter earnings results before markets open on Thursday. Market players expect ARC Resources to report a strong second-quarter GAAP EPS of about 21 cents. This should compare well against a net loss of 12 cents during the same period last year. A strong EPS growth of 275% year-over-year will be wonderful news to ARC Resources stock investors.

The company's recent merger with Seven Generations during the second quarter could be accretive to both revenues and cash flows. Quarterly revenue estimates hover around \$352 million, up 59.6% year over year.

ARC Resources has beaten analyst earnings projections by wide margins in the two most recent

consecutive earnings reports released in 2021 thus far. The stock usually responds significantly to earnings beats and misses. Analyst consensus estimates give ARX stock a potential 49% over the next 12 months.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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