



## 3 Top Canadian Stocks to Buy Ahead of Earnings

### Description

Despite rising volatility, the **S&P/TSX Composite Index** is trading over 15% higher for this year. The expansive monetary and fiscal policies, the gradual reopening of economies, and improvement in corporate earnings have boosted the index higher. Amid investors' optimism, here are three Canadian stocks that you can buy right now ahead of their earnings.

### Suncor Energy

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), an integrated energy company, will [post](#) its second-quarter earnings after the market closes on July 28. It had delivered a solid performance in the first quarter. Its net profits came in at \$821 million against a net loss of \$3.5 billion in the corresponding quarter of the previous year.

Meanwhile, I expect the uptrend to continue as oil prices have remained at elevated levels. Besides, increased production and cost-cutting initiatives could also boost its financials. Further, the reopening of the economy has led to an increased demand for refined petroleum products. With its integrated business model, the company is well-equipped to benefit from demand growth.

Further, Suncor Energy has planned to invest \$5 billion over the next five years to grow its base business and optimize its integrated value chain. These investments could increase its adjusted EBITDA by \$2 billion.

Despite its healthy growth prospects, the company trades at a significant discount from its January 2020 levels. So, I believe Suncor Energy would be an excellent buy ahead of its earnings.

### TC Energy

After a tough 2020, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) has witnessed a strong buying this year, with its stock price rising by 18.5%. Meanwhile, the company's solid second-quarter performance could further boost its stock price. The company will report its quarterly performance before the market opens

on July 29.

TC Energy had put Phase I of its Grand Chenier XPress project into service in April and the remainder of its BXP project in January. Besides, the company is continuing with its \$20 billion secured capital program, investing \$1.9 billion on various projects during its first quarter. Notably, the company's asset utilization rate could also improve amid increased energy demand.

However, despite its healthy growth prospects, the company trades at an attractive valuation. Its forward price-to-sales and forward price-to-earnings stand at 2.4 and 18.1, respectively. Besides, the company's forward dividend yield stands at a juicy 5.68%. So, [I am bullish on Enbridge](#).

## Telus

Amid rising demand for faster and reliable internet services, I have picked **TELUS** ([TSX:T](#))([NYSE:TU](#)) as my third pick, which would report its second-quarter earnings before the market opens on July 30. Meanwhile, the company has expedited its capital spending to expand its 5G and broadband coverage. The company's management expects to expand its 5G service to cover 70% of the Canadian population by the end of this year.

Meanwhile, the company is also investing in expanding its high-growth verticals, such as TELUS International, TELUS Health, and TELUS Agriculture. Along with these investments, the expansion of subscriber base and recovery in roaming revenue due to the reopening of the economy could boost Telus's second-quarter numbers.

Meanwhile, the company's valuation looks attractive, with its forward price-to-earnings multiple standing at 24.1. Besides, the company also pays quarterly dividends, with its forward yield standing at 4.58%. So, I believe Telus to deliver superior returns over the next two years.

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2. NYSE:TRP (Tc Energy)
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