# 3 Top Canadian Stocks to Buy Ahead of Earnings

## Description

Despite rising COVID-19 cases, the Canadian equity markets have remained resilient, with the **S&P/TSX Composite Index** rising 16.4% for this year. The optimism over the reopening of the economy, expansive fiscal and monetary policies, and improving corporate earnings have boosted the index. Amid increased investors' optimism, here are three top Canadian stocks that you could buy right now ahead of their earnings.



## goeasy

First on my list would be **goeasy** (TSX:GSY), a sub-prime consumer lender. The company had reported a spectacular first-quarter performance in May, with its total loan originations increasing by 13% amid solid credit and payment performance. Its adjusted EPS had risen by 66%.

Meanwhile, I expect the uptrend in its financials to continue in the second quarter amid an improving economic environment. The company will post its second-quarter performance after the market closes on August 5.

Analysts expect goeasy's second-quarter revenue to grow 32.1% to $199 million. The acquisition of LendCare in April, increasing penetration, and expanding its omnichannel model could boost its sales. The acquisition of LendCare has enhanced its product offerings and point-of-sale channels while also improving its risk profile through diversification.

Along with top-line growth, the company's adjusted EPS could also increase by 30.3% to $2.45. So, I am bullish on goeasy. Meanwhile, analysts are also optimistic on goeasy, with all the six analysts covering the stock have issued a "buy" rating.

## Waste Connections

**Waste Connections** (TSX:WCN)(NYSE:WCN) will be reporting its second-quarter performance after the market closes on August 4. The improvement in the economic activities following the easing of restrictions, higher revenue from E&P wastes due to the improvement in oil demand, and acquisitions over the last four quarters could boost its second-quarter revenue. Analysts expect the company's revenue to grow by 5.65% to $1.87 billion.

Along with its top line, analysts also expect its adjusted EBITDA and EPS could grow by 9.9% and 19.8%, respectively. The volumes growth and increased resource recovery values could boost its margins. Besides, the company operates in exclusive or secondary markets that are less competitive, thus maintaining its margins.

So, I expect Waste Connections to post second second-quarter performance on Wednesday. Meanwhile, 14 of the 16 analysts covering Waste Connections have issued a "buy" rating. The consensus price target stands at $160.61, representing a return potential of 1.6%.

## Canadian Natural Resources

After a tough last year, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) has witnessed a substantial buying this year, with its stock price rising by over 35%. The strengthening of oil prices amid increased demand and slower-than-expected increase in supply has driven oil prices to above $70 per barrel, benefiting oil-producing companies, such as Canadian Natural Resources.



Meanwhile, the company will be reporting its second-quarter earnings on August 5, before the market open.

Analysts are projecting the company to report an adjusted EPS of $0.95 per share, representing a significant improvement from a loss of $0.65 per share in the previous year's quarter. With the company not announcing any shutdown, I expect the company to deliver substantial production numbers. So, higher oil prices, increased production, and improvement in operating efficiencies could drive its earnings.

With oil prices expected to remain elevated for the rest of this year, I believe Canadian Natural Resources could be an excellent buy right now. Meanwhile, 18 of the 21 analysts covering the stock have issued a "buy" rating for Canadian Natural Resources.

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1. Bank Stocks
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**TICKERS GLOBAL**

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2. NYSE:WCN (Waste Connections)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:GSY (goeasy Ltd.)
5. TSX:WCN (Waste Connections)

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