2 Canadian Stocks to Buy and 2 to Avoid This Week

Description

Earnings season is just about over, so it’s important to look back on what companies did well, and others… not so much. So here I’ll take a quick look at two Canadian stocks to buy after some strong earnings and future outlooks. Then, I’ll shift gears and look at two companies that Motley Fool investors should perhaps avoid for now.

Buy: WELL Health stock

The world needs healthcare, and we’ve learned during this pandemic that the planet needs healthcare *everywhere*. **WELL Health Technologies** (TSX:WELL) came along at the exact right moment. The pandemic hit and Well was already set up to provide telehealth services, which exploded in the last few years.

Shares are up 57% in the last year and continue to grow after strong earnings. WELL health stock reported record revenue during the last quarter at a whopping 484% increase year over year and an equally stunning 615% year-over-year growth in gross profit! Those numbers are astounding and demonstrate that the acquisition growth targeted by WELL Health stock is working. The stock is down from all-time highs, with analysts predicting another 55% in growth for the year. So this is one of the Canadian stocks to buy in bulk today.

Avoid: Canada Goose stock

Before the pandemic, **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS) came on the market and soared to around $100 per share. Then the pandemic and trade wars with China hit. Fast forward to the current environment and the company is hitting less than half of its all-time highs. Unfortunately, that may not improve much in the future.

While its recent earnings came in ahead of expectations, the company’s full-year future outlook was unchanged. Its future outlook comes from the spread of the Delta variant leading not only to further restrictions at home but also in China. Shares of the stock dropped by 20% at the news and have remained down since. And at 78.82, its P/E ratio is no reason to buy either at 78.82. So this is not one of the Canadian stocks to buy right now.

Avoid: Northland Power stock

Yes, renewable energy is the future. But Motley Fool investors need to find companies that actually *have* a future. Unfortunately, that may not be the case for **Northland Power** (TSX:NPI). The company's shares fell drastically after earnings that came in below estimates. This was the result of its European offshore facilities providing weak wind power.

From sales to adjusted EBITDA and free cash flow, everything decreased across the board year over year. The company even adjusted its full-year outlook to lower than before. So it's not looking good for Northland right now. Shares are down about 9% since the end of July and dropping. So this isn't one of the Canadian stocks to buy right now either.

Buy: Nutrien stock

However, if there's one thing that will never change it's that humans need to eat. That's a fact. And **Nutrien** (TSX:NTR)(NYSE:NTR) has latched on to that fact. The company continues to acquire crop nutrient companies, creating a massive market share for itself. And that's created yet another quarter of record results, as well as a strong future outlook.

High crop prices and strong global demand had Nutrien stock hitting all-time highs. The company increased its full year-adjusted EBITDA by over $1.5 billion for 2021. The company generated a record-setting $3 billion in adjusted EBITDA for this quarter, raising the full-year guidance to between $6 and $6.4 billion! Its ongoing acquisitions and product innovations have fuelled this growth along with demand.

Shares are up 57% this year, jumping 5% from the report. Plus you can get a dividend yield of 2.96%! That makes this one of the top Canadian stocks to buy for Motley Fool investors.

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1. NYSE:GOOS (Canada Goose)
2. NYSE:NTR (Nutrien)
3. TSX:GOOS (Canada Goose)
4. TSX:NPI (Northland Power Inc.)
5. TSX:NTR (Nutrien)
6. TSX:WELL (WELL Health Technologies Corp.)

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Date
2025/07/04
Date Created
2021/08/18
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