



What to Watch for in the TSX Today

Description

Wednesday will be a brand-new trading day for Canadian stocks after a sad Tuesday. The **S&P/TSX Composite Index** lost 111.39 points, or 0.5% to close at 21,173.45 level to end a two-week winning streak on Tuesday, and the junior **S&P/TSX Venture Composite Index** closed lower by a similar margin to print 958.76 level at market close.

Investors should expect some earnings fireworks from selected names today.

3 TSX stocks to reporting strong earnings growth today

Teck Resources stock to fly higher

Teck Resources ([TSX:TECK.B](#))([NYSE:TECK](#)) stock investors know the company's operations were negatively impacted by wildfires in British Columbia during the third quarter. Teck Resources cut its refined zinc output forecast in September as a result. However, the company still reported a strong 73% year-over-year growth in third-quarter revenue to \$3.97 billion to beat analyst expectations for \$3.63 billion.

Teck Resources stock should naturally surge on Wednesday as the market prices in the company's record-breaking adjusted EBITDA of \$2.1 billion reported before markets opened today. Compared to the \$638 million in adjusted EBITDA reported during the same period last year, Teck Resources had a blowout quarter.

The company is reaping the benefits of its [exposure to the commodities cycle](#). Rapid increases in copper, zinc, and steel-making coal prices to record levels rocked the mining house's earnings and cash flows during the third quarter. Third-quarter diluted earnings per share (EPS) of \$1.51 showed an awesome 1,270% growth year over year.

However, Teck Resources's issued guidance for the full year of 2021 remains unchanged.

Lundin Mining stock investors could smile after hours today

Lundin Mining ([TSX:LUN](#)) is another primary resource giant that could report a triple-digit earnings growth in a third-quarter report that is due after markets close today. Lundin mines for base metals, including copper, zinc, gold, and nickel. Except for gold, the other metals in Lundin's portfolio have enjoyed price rallies this year.

Analysts covering Lundin Mining stock expect third-quarter revenue of US\$790 million — a growth of 32% from last year's comparable quarter. Normalized net income could grow by 84% to US\$0.26 per share, up from US\$0.14 per share during the same period last year. These are wonderful times to be invested in base metal miners, regardless of LUN's stock's correction over the past three months.

Suncor's profits rising "to the sun"

Patient investors who held onto **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock during the meltdowns of 2020 are getting rewarded during an epic energy rally of 2021. Analysts expect the integrated energy firm to report a 60% year-over-year growth in third-quarter revenue to a record \$10.3 billion. Normalized earnings per share could grow by 450% to \$0.70 while GAAP-based EPS could print a staggering 6,877% to \$0.68 per share.

Thanks to rising crude oil, gas, and gasoline prices, Suncor's business is in a strong recovery mode so far in 2021.

What's left for SU stock now? Perhaps [Suncor's dividend should start rising again.](#)

Other notable earnings releases on Wednesday

North American Construction Group's GAAP EPS are expected to rise by 94% from \$0.22 last year to \$0.43 per diluted share for the third quarter of 2021 on revenue of \$161.6 million (up 72% year over year).

West Connections could report a 13% annual growth in third-quarter revenue to US\$1.57 billion. The company's GAAP EPS could rise by 10% year over year to US\$0.66 from \$0.66 during the same quarter last year.

Acadian Timber stock investors should expect the company to report a slow 3.8% annual growth in third-quarter sales to \$24.1 million. However, normalized earnings per share could shrink by 55% to \$0.28 per diluted share, as the company battles weaker demand and a surge in shipping and logistical expenses during the ongoing supply-chain nightmare.

Economic reports due today

The Bank of Canada's (BOC) interest rate decision is due today. The market expects BOC to maintain benchmark interest rates at 0.25% for now. However, the accompanying monetary policy report could show wider appreciation of a potential inflation rate problem.

Rising inflation generally negatively impacts on real returns from the stock markets, and a more active approach to portfolio management could be necessary as inflation bites.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. NYSE:TECK (Teck Resources Limited)
3. TSX:LUN (Lundin Mining Corporation)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TECK.B (Teck Resources Limited)

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Date

2025/06/29

Date Created

2021/10/27

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