2 Top TSX Stocks I'm Buying in November 2021

Description

Canadian markets have had a great start to November, and, interestingly, the momentum will likely continue. At least for the next few weeks, superior quarterly corporate earnings growth will be a key driver for TSX stocks.

Here are two Canadian bigwigs that should be well placed due to their Q3 2021 earnings.

Air Canada

Canada's biggest passenger airline **Air Canada** (TSX:AC) reported its third-quarter earnings today. Unsurprisingly, it reported a net loss of $640 million for the quarter dominated by pandemic-related challenges. However, there are some vital aspects in its Q3 release for investors to cheer about.

First and foremost, the flag carrier's revenues almost tripled in the quarter, hinting at a slow but solid recovery for the long term. Air Canada also saw its cash burn decline to $153 million for the third quarter, which was substantially lower than $280-$460 million the management had once expected. In the same quarter last year, Air Canada's cash burn was $818 million.

As indicated by the solid revenue growth in Q3 2021, Air Canada could see even higher demand in the fourth quarter. That's why the management has plans to increase its operating capacity by 135% in Q4 2021 against Q4 2020.

Surging revenues and narrowing losses mark an encouraging financial recovery at Air Canada. However, AC stock has been trading quite subdued for the last six months. Investors have cheered the stock on its recent results today. At the time of writing, AC stock is trading at $23.8 — up almost 4%.

I think the markets are downplaying Air Canada's growth prospects. It offers immense growth potential for long-term investors with post-pandemic air travel demand recovery and its leading market share.

Canadian Natural Resources

Canada's biggest energy company by market cap, **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ) will report its Q3 earnings on November 4. Like the trend seen so far across the sector, CNQ will also likely report a stellar jump in its Q3 earnings.

Importantly, crude oil and natural gas have almost doubled in price this year relative to the last year. So, driven by solid demand, higher production, and rallying energy commodity prices, the energy company might report superior bottom line and free cash flow growth.

Canadian Natural Resources has reported a net income of $2.92 billion in the first half of 2021. In the same period in 2020, it posted a net loss of $1.5 billion. Importantly, even if the crude oil rally fades in the next few months, which is unlikely, CNQ is well placed for stable growth because of its relatively lower breakeven price.

CNQ stock has already been up more than 150% in the last 12 months. Moreover, the stock could rally even higher this week, driven by expected higher quarterly performance.

Apart from excellent capital gain prospects, CNQ stock offers a stable dividend yielding 3.6%. Its stable balance sheet and superior earnings make its payouts more reliable compared to relatively unstable upstream energy companies.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:AC (Air Canada)
3. TSX:CNQ (Canadian Natural Resources Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. vinitkularni20

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date
2025/07/21
Date Created
2021/11/02
Author
vinitkularni20