



These 3 Canadian Stocks Are up Over 10% This Month: Should You Buy?

Description

Amid improving corporate earnings, the global equity markets have continued to rise. The Canadian benchmark index, the **S&P/TSX Composite Index**, touched a new high of 21585.55 yesterday before closing at 21,556.54, representing a rise of over 23.5% for this year. Meanwhile, the following three stocks have outperformed the border equity markets this month by increasing by over 10%. Let's assess whether any buying opportunities still exist in any of these three stocks.

Air Canada

First on my list would be **Air Canada** ([TSX:AC](#)), a stock that's trading over 18% higher for this month on the back of [solid third-quarter earnings](#). Its revenue grew 177.8% during the quarter, while its adjusted EBITDA losses contracted by over 85% to \$67 million. The recovery in passenger demand, solid performance from its cargo segment, and effective cost-cutting measures boosted its financials. The company's net cash flows of \$153 million were significantly higher than the management guidance of a cash burn between \$280- \$460 million.

Meanwhile, the uptrend in Air Canada's financials could continue amid economic expansion, improving passenger demand, and widespread vaccination. Also, the company has resumed its service to various destinations worldwide while planning to increase its available seat miles capacity by 135% during the fourth quarter. With its liquidity standing at \$14.4 billion, the company is well-equipped to fund its growth initiatives.

Despite the recent surge, Air Canada is still trading at over 45% lower than its pre-pandemic levels, while its forward price-to-sales multiple stands at an attractive 0.6. So, given its healthy growth prospects and attractive valuation, [I am bullish on Air Canada](#).

Cineplex

Second on my list would be **Cineplex** ([TSX:CGX](#)), with its stock price rising by 14.8% for this month. Investors' optimism over the reopening of the entertainment avenues appears to have driven the

company's stock price. Meanwhile, the outcome of its ongoing feud with **Cineworld** and its third-quarter earnings could be significant growth drivers.

Cineplex will be reporting its third-quarter earnings before the market opens on November 11. For the quarter, analysts expect the company to report revenue of \$235.98 million, representing a 286% year-over-year growth. Amid the easing of restrictions, it has reopened all its scenes from July 17. The widespread vaccination, enhanced safety measures, subscription programs, and new movie releases could drive its financials.

Also, its adjusted EBITDA could increase from a loss of \$28.9 million to \$43.47 million on the back of sales growth and cost-reduction measures. So, amid the improving business environment, healthy growth prospects, and attractive valuation, I expect the uptrend in Cineplex's stock price to continue.

Aurora Cannabis

Aurora Cannabis ([TSX:ACB](#))(NYSE:ACB) is trading over 11% higher this month. Yesterday, the company announced to have signed an agreement to acquire a significant stake in the Netherlands-based cannabis company, Growery, which owns a license to participate in the Controlled Cannabis Supply Chain Experiment. Under the agreement, Aurora Cannabis will fund Growery's facility construction and early operations while also providing technical and operational support.

With the Netherlands expected to become the largest federally regulated recreational market outside Canada, the investment in Growery could be a significant growth driver for Aurora Cannabis. The expansion of its product offering, strengthening its supply chain, geographical expansion, and cost-cutting measures could boost its financials in the coming quarters.

Finally, the expansion of the cannabis market due to increased legalization and rising medical usage could support its growth, and Aurora Cannabis's growth prospects therefore appear healthy.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. TSX:AC (Air Canada)
3. TSX:ACB (Aurora Cannabis)
4. TSX:CGX (Cineplex Inc.)

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