3 Top Canadian Stocks to Buy for the New Year

Description

The TSX has sound investment choices as 2021 winds down. Investors can rebalance their portfolios or initiate new positions for the new year. Among the must-buys right now are **Canadian Western Bank** (TSX:CWB), **Cineplex** (TSX:CGX), and **Stingray Group** (TSX:RAY.A). Buy them now while the share prices are good entry points.

default watermark

Momentum of growth opportunities

Although outside the Big Six circle, Canadian Western Bank is a super-regional bank. The $3.31 billion bank's brand of proactive, personalized service differentiates it from the larger lenders. At the close of fiscal 2021 (year ended October 31, 2021), CWB surpassed the $1 billion annual revenue mark for the first time.

Its president and CEO Chris Fowler said, "In 2021, we again demonstrated the quality of our differentiated business model." Management reported 32% and 30% growth in annual net and adjusted earnings per common share versus fiscal 2020. CWB announced a dividend increase (3%), like the big banks.

Fowler added that it's an exciting time at CWB, and he expects the momentum to continue in fiscal 2022. The bank should deliver double-digit growth in loan and branch-raised deposits.

As of December 10, 2021, the bank stock trades at $37.18 per share and pays a decent 3.13% dividend. Also, it outperforms the TSX year to date, +33.14% versus +19.83%. Based on market analysts' forecasts, the price could climb to as high as 23.7% to $46 in 12 months.

Turning the corner

Cineplex, Canada's iconic entertainment and media company, suffered serious business disruptions due to government-mandated lockdowns. However, the $712.31 million operator of movie theatres and location-based entertainment (LBE) venues is turning the corner.

In Q3 2021, total revenue and theatre attendance soared 310.3% and 429.2% versus Q3 2020. Notably, the net loss decreased 72.3% to $33.6 million from $121.2 million a year ago. For a year-to-date comparison (after three quarters), net loss diminished 43.1% year over year.

Cineplex's entire theatre circuit and LBE venues are now open nationwide. Its president and CEO Ellis Jacob welcomes the $10.8 million positive EBITDA during the quarter. It was the first time it reached the level since the onset of COVID-19.

The company is confident its solid financial position and disciplined cash-management processes will support the continuing business recovery. At $12.8 per share, CGX outperforms with its 30.31% year-to-date gain.

Steadily recovering

default watermark

Stingray Group continues to navigate the pandemic environment, although the business is steadily recovering this year. While revenue declined 20.6% in the nine months ended September 30, 2021, versus the same period in 2020, net income grew 47.1% to $33 million.

An encouraging development was the 31.4% year-over-year increase in streaming subscribers, which now exceed 500,000. Stingray's president, co-founder and CEO Eric Boyko, expects volume to hit one million in the near term. The immediate plan is to pursue new partnerships and gain access to new geographic markets to grow existing reach exponentially.

Overall, Boyko said the leading music distributor to audio and video channels has considerable enthusiasm heading into the future. Given the expansion opportunities, Stingray is absurdly cheap at $6.95 per share

Top recovery plays

Canadian Western Bank, Cineplex, and Stingray are the top recovery plays. The businesses should thrive and propel the individual stocks in the medium term.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)

2. TSX:CWB (Canadian Western Bank)
3. TSX:RAY.A (Stingray Group Inc.)

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. cliew
2. kduncombe

Category

1. Investing

Tags

1. Editor's Choice

default watermark

Date
2025/07/21
Date Created
2021/12/13
Author
cliew

default watermark