



3 Canadian Stocks That Can Outperform This Year

Description

The **S&P/TSX Composite Index** touched a new high yesterday amid rising commodity prices and improving investor sentiment. European countries are exploring the option of lowering their dependence on Russian oil. That, combine with the attack on Saudi oil facilities during the weekend caused oil prices to rise over 6.7% in the last two days. So, with Canadian equity markets trading at their peak, I expect the following three Canadian stocks to outperform this year.

Canadian Natural Resources

Supported by its solid fourth-quarter performance and higher oil prices, **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) has returned over 46% this year. Meanwhile, I expect the uptrend to continue. Amid the sanctions and rising energy demand due to the economic expansion, I expect oil prices to remain elevated in the near to medium term.

Canadian Natural Resources expects to invest around \$3.6 billion this year. These investments could increase its production by 6.9%, to 1.32 million barrels/day. The increase in refinery utilization rate, lower debt levels, and share repurchases could boost its financials in the coming quarters.

Canadian Natural Resources has also raised its dividend for the second time this year to \$0.75, with its forward yield standing at 3.87%. Also, its NTM price-to-earnings multiple stands at an attractive 7.8. So, [I expect the company to outperform the broader equity markets this year.](#)

Nutrien

Second on my list wis **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)), the largest crop input and service provider. Its solid fourth-quarter performance and rising potash prices amid European Union sanctions against Belarus have driven the company's stock price higher. The company currently trades over 38% higher for this year. Despite the surge, Nutrien still trades an attractive NTM price-to-earnings multiple of 8.8.

Given the geopolitical tensions and Chinese export restrictions, fertilizer prices could remain elevated

in the near-to-medium term. Amid the global supply uncertainty, Nutrien's management plans to increase its potash production to 15 million tonnes this year, an increase of 1 million from its previous expectations. The new guidance represents a 20% rise from its 2020 levels. Higher production and increased prices could boost its financials in the coming quarters. Meanwhile, Nutrien has renewed its share repurchase program and expects to purchase 10% of its outstanding shares.

Given the favourable business environment, rising production, and attractive valuation, I am bullish on Nutrien.

B2Gold

Amid the rising volatility in the global equity markets, investors are shifting their focus to gold, a safe haven, driving up its prices. Higher gold prices could benefit gold-mining companies. So, I have selected **B2Gold** ([TSX:BTO](#))([NYSEMKT:BTG](#)), which operates three gold mines in Mali, Namibia, and the Philippines, as my final pick.

Analysts are projecting gold prices to rise above US\$2,000 and remain there in the near-to-medium term. The company's management expects to produce 990,000-1,050,000 ounces of gold this year, representing an increase of up to 6% from the previous year. Further, the company today [announced](#) a substantially increased mineral resource estimate for its Anaconda area. Given the increased production, higher gold prices, and an attractive NTM price-to-earnings multiple of 13.1, B2Gold could be an excellent buy right now. The company also pays quarterly dividends, with its forward yield at 2.86%.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:NTR (Nutrien)
3. NYSEMKT:BTG (B2Gold Corp.)
4. TSX:BTO (B2Gold Corp.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:NTR (Nutrien)

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