



3 Undervalued TSX Stocks to Buy This Month

Description

Two stocks from the energy sector and one from the aviation industry are buying opportunities this month. **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)), **Trican Well Service** ([TSX:TCW](#)), and **Chorus Aviation** ([TSX:CHR](#)) are trading below their intrinsic values.

Market analysts see strong upside potential due to their favourable business outlooks in 2022 and beyond. Their share prices could surge considerably in 12 months. All three are momentum stocks, too, and outperform the broader market year to date.

Competitive position

Despite the lower revenue and wider net loss in 2021 versus 2020, Cameco increased its dividend for 2022 by 50%. The \$13.94 billion company is one of the largest providers of the uranium fuel globally. Also, it enjoys a competitive position in the uranium industry, because of its controlling ownership of the world's largest high-grade reserves and low-cost operations.

Tim Gitzel, Cameco's president and CEO, reveals that the company will proceed with to next phase of its supply discipline decisions. He said it aligns with the 70 million pounds of additional long-term contracts since the beginning of 2021. Market sentiment is likewise improving.

Cameco has a wide investor base, as its stock is cross-listed on the New York Stock Exchange. On the TSX, current investors are up 26.98% year to date. At \$35.02 per share, the dividend offer is a modest 0.34%. Analysts covering the stock forecast a gain between 6.7% (average) and 15.6% (high) in one year.

Vital role in production cycles

Trican plays a vital role in the [energy sector](#), especially in production cycles (drilling and completion). The \$916.51 million company supplies oil and natural gas well-servicing equipment and solutions to customers. In 2021, revenue increased 41.7% to \$562.5 million versus 2020.

The company is no longer in the red after posting a \$12.1 million profit for the year. Trican's net loss in 2020 was \$227.6 million. As of December 31, 2021, it had a positive working capital of \$103.8 million. In Q4 2021, the three operating divisions benefitted from modest price increases.

Management maintains a positive outlook for full year 2022 full due to high commodity prices. It also expects robust industry activity through Q1 2022 and the back half of 2022. The current share price of \$3.70 (+33.57% year to date) is a good entry, as the potential upsurge could be significant.

Resilient to overcome the crisis

Chorus Aviation outperforms with its 29.52% gain year to date. Market analysts recommend a buy rating for the industrial stock. Their 12-month high price target is \$7 — a 48.9% appreciation from \$4.70. The \$763.89 million company provides integrated regional aviation solutions globally.

Chorus Aviation Capital, Jazz Aviation, and Voyageur Aviation are the companies under one umbrella. Business is gradually return to normal, as evidenced by the 58.8% and 10.9% increases in operating revenues and net income in Q4 2021 versus Q4 2020.

According to Joe Randell, Chorus president and CEO, the industry remains challenged in 2022. However, the company has the expertise and is resilient to overcome the crisis. Besides specialized contracts and new aircraft leasing agreements, Chorus will seize new growth opportunities.

Value for money

Cameco, Trican, and Chorus Aviation are awesome picks for investors looking for undervalued TSX stocks with visible growth potential.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)
3. TSX:CHR (Chorus Aviation Inc.)
4. TSX:TCW (Trican Well Service Ltd.)

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Date

2025/08/14

Date Created

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