



Beginner Investors: 3 TSX 60 Stocks to Watch Next Week!

Description

First-quarter earnings will heat up in the coming weeks for some of the largest stocks on the **Toronto Stock Exchange** (TSX). Already, there have been some major surprises in the United States. **Netflix's** 35% plummet after its earnings is certainly among the most noteworthy. Fortunately, there is good reason to believe [TSX](#) stocks could fare much better.

TSX 60 stocks should have a decent first quarter

Canada has a commodity-heavy economy. Many commodity businesses are doing incredibly well (especially energy). Likewise, the **TSX 60** (the index of Canada's largest stocks) is composed of many high-quality value and dividend stocks. Many of these are typically very resilient through the various economic cycles. As a result, these are great stocks for new investors to buy and hold.

If you are interested in the coming earnings cycle, here are three top TSX stocks I would monitor over the coming weeks.

A top Canadian railroad

Canadian Pacific Railway ([TSX:CP](#))([NYSE:CP](#)) is expected to release first-quarter earnings after the market close on Wednesday, April 27. While CP is the smallest tier-one railroad in North America, it is in the regulatory process of fully acquiring and integrating [Kansas City Southern](#). This is a complex regulatory process with several conditions. Investors will want to listen closely to management's commentary on how this process is proceeding.

Likewise, investors can probably expect weaker earnings in the quarter. Shipment volumes have been lacklustre over the past few months. This was made worse by a short strike with the Teamsters union. Inflationary costs such as fuel and staffing may also pressure margins and push up its operating ratio.

This is a great TSX stock for the long term, but it could be volatile in the short term if results are lower than Bay Street's estimates.

A top TSX telecom stock

Another TSX 60 stock stalwart to monitor is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). With a market capitalization of \$67 billion, BCE is Canada's largest telecom and media stock. It will report first-quarter earnings on Thursday, May 5 (just under two weeks from now).

Right now, analysts are expecting revenues to hit \$5.8 billion and earnings to be \$0.81 per share. That would project revenues and earnings per share to rise year over year by 1.7% and 14%, respectively.

BCE's operations were hindered by the pandemic. As those headwinds decline, this TSX stock should enjoy a nice recovery, especially in its media and advertising revenues.

Those incremental revenues could provide some attractive earnings upside in 2022. Overall, investors can expect BCE to continue a consistent stream of growing [dividends](#) and modest capital upside this year.

A Canadian tech leader

One TSX technology stock that will report on Wednesday, May 4 is **Constellation Software** ([TSX:CSU](#)). While this stock has not done much in 2021 (down around 7%), investors can expect good things. Constellation invested over \$1.5 billion into vertical market software businesses. This was its largest capital deployment in its history.

At some point, these businesses are going to contribute significant levels of cash flow to Constellation's bottom line. Investors will want to watch how "free cash flow available to shareholders" grows, as it is one of Constellation's primary measures for success.

The last quarter was mired by some one-time items related to the **Topicus.com** spin-out, so first-quarter results should be more transparent. Constellation has made some big deals in 2022 already, so further discussions at their May 5th annual general meeting should be interesting.

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2. NYSE:CP (Canadian Pacific Railway)
3. TSX:BCE (BCE Inc.)
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