



TSX Stock Picks With Huge Potential

Description

Canadian investors can still find some excellent stocks on the **TSX** today. There are several strong options to consider, but today, I'm going to focus on three. These three have recently been upgraded by analysts and have strong growth behind them.

Vermilion Energy

Vermilion Energy ([TSX:VET](#)) ([NYSE:VET](#)) has been put in a strong position due to the recent exposure to Europe as well as the increase in gas prices there and around the world. Its recent acquisitions put it in a strong position for strong cash flow through 2023, and it should now outperform the strong oil and gas sector.

Vermilion stock fell back during recent years to a point where now the TSX stock offers strong value at its current share price. That's even after 60% growth year to date. It now expects cash flow to increase from \$2.2 billion in 2022 to \$2.4 billion in 2023, reaching a net debt target of \$1.2 billion this year.

The stock remains valuable trading at 4.53 times earnings and has a potential upside of 57% to reach the consensus price target of \$36.

Chemtrade

If there is to be a recession, **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) has proven it can outperform — even within its own sector. There has already been an increased demand for acid services, with sulphuric acid up across North America.

As for Chemtrade itself, the company has also made several initiatives to create cash flow, including the sale of its non-core specialty chemical business. This injected \$10 million into the company. Now, the company is at a decent valuation on the basis of this growth in cash and strong balance sheet.

Shares of Chemtrade are up 10% year to date, with a potential upside of 21% to reach its consensus

target price of \$9.89.

Alimentation-Couche Tard

Alimentation-Couche Tard ([TSX:ATD](#)) reports its fourth-quarter results this week, and analysts expect the company to show great strength. The TSX stock has seen sustained growth thanks to increasing oil and gas prices, combined with the reduction or elimination of pandemic restrictions.

This includes in Europe, where oil and gas prices have been growing as well, along with increasing merchandise sales. So, what investors should focus in on is the outlook for the next year or so. But full-year earnings are expected to reach up to \$2.57 in 2022. Analysts therefore expect long-term growth potential, though there may be some short-term volatility.

Shares are up 6% year to date and trade at a valuable 16.73 times earnings. It also offers a potential upside of 12% to reach the consensus target price.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:VET (Vermilion Energy)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:CHE.UN (Chemtrade Logistics Income Fund)
4. TSX:VET (Vermilion Energy Inc.)

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Date

2025/08/17

Date Created

2022/06/27

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