



TSX Stocks: 3 Canadian Gems That Offer Solid Growth Prospects

Description

Some stocks play well irrespective of broader markets. Here are three such TSX stocks that offer handsome growth potential for the long term. They will be driven more by macroeconomic factors and their solid earnings growth prospects.

Nutrien

Crop nutrient stock **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is seeing an encouraging recovery these days. Driven by strong second-quarter (Q2) 2022 earnings, NTR has soared 30% this month.

The war in Europe has created a massive demand-supply imbalance in fertilizers and crop chemicals. As a result, prices of crop nutrients have gone through the roof this year, notably benefitting companies like Nutrien. As a result, it reported 225% earnings growth YoY in the recently reported quarter.

Moreover, Nutrien is among the few companies with a spare capacity to increase production in the next few years. So, if the U.S. and Europe lower their fertilizer trade with Russia, it will likely bring much more business opportunities to Nutrien.

Plus, vital crops like wheat and soybean have also seen a substantial rise this year. Thus, farmers will have an incentive to increase their production, generating higher demand for crop nutritional products.

NTR stock is trading 13% lower than its record levels of \$149 apiece in April this year. So, a strong price environment, robust earnings growth prospects, and lingering geopolitical tensions could drive NTR stock higher.

Dollarama

Canadian value retailer **Dollarama** ([TSX:DOL](#)) stock is comfortably making new highs, as markets continue to find a direction. DOL stock has rallied 30% this year, notably beating the **TSX Composite Index**.

Dollarama is expected to report its quarterly earnings next month. It will likely see superior top-line growth, as consumers turn to discount stores amid inflationary environments. At the same time, we might see some pressure on margins because of the rising costs.

However, Dollarama is [an attractive long-term bet](#). It operates 1,431 stores in Canada, far higher than peers, which acts as an economic moat. It has seen superior financial growth and margin profile for the last several years. As a result, DOL stock has returned 90% in the previous five years.

DOL stock will likely continue to reward shareholders in the long term. Its geographical expansion and stable earnings profile should unlock considerable shareholder value.

Tourmaline Oil

Canada's biggest natural gas producer **Tourmaline Oil** ([TSX:TOU](#)) offers handsome growth prospects for long-term investors. The stock has soared 170% in the last 12 months and still seems attractively valued.

Thanks to rallying [natural gas prices](#), Tourmaline Oil has seen significant earnings growth in the last few quarters. The company is sitting on a cash pile, even when it has aggressively repaid debt and rewarded shareholders with hefty dividends.

And interestingly, high gas prices are showing a similar momentum in Q3 this year as well. So, investors can expect its steep free cash flow growth and special dividends to continue.

TOU stock is currently trading at its all-time high and still looks appealing. Its strong balance sheet, earnings and dividend-growth prospects, and higher gas prices will likely keep the rally going.

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2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:DOL (Dollarama Inc.)
3. TSX:NTR (Nutrien)
4. TSX:TOU (Tourmaline Oil Corp.)

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