



My Take: 4 Strong TSX Stocks to Buy This Week

Description

The market changes day to day, week to week, and month to month. Discounts come and go, and valuations fluctuate, but that shouldn't be the only factor you consider when looking for strong TSX picks.

Even if you are looking to buy stocks that may perform well in the coming week (in the short term), it's a good practice to look for fundamentally strong companies that you may consider holding for years (if they remain consistent).

There are four such companies for this week (based on the performance of the last few weeks).

A gold mining company

New Gold ([TSX:NGD](#)) is currently one of the most attractively valued [metals and mining](#) companies in Canada; it's trading at a price-to-earnings ratio of just 6.7. The stock, even though it has started to recover and has grown over 45% in the last 30 days alone, is still quite heavily discounted — down 57% from its 2020 peak.

The valuation, coupled with its recovery and projected growth of gold prices, may allow it to keep going up for a while. It can double your investment capital just by reaching the peak it fell off from in 2020. And if it can ride the growth train to its 2016 peak when it was trading above \$7 per share, you may see over five-fold returns.

A copper company

While not as attractive and coveted as gold, copper is also a good metal to invest in. The value of copper has gone up proportional to our reliance on electricity since it's the most widely used conductor in the world.

This makes companies like **Ero Copper** ([TSX:ERO](#)) decent enough investments. There are much

larger copper companies in Canada, but right now, Ero Copper might be the most promising prospect.

The stock is both heavily discounted (45%) and undervalued. And it has only recently discovered a nickel system, which might allow it to diversify into one of the most coveted battery metals as well.

This may contribute to prolonging the growth phase that is already under. Also, the stock has gone through two major growth phases in the last five years, going up about 400% and 200%, respectively. The current growth phase might yield similar results.

A real estate stock

Wall Financial ([TSX:WFC](#)) is a real estate company based in and operates mostly in Vancouver. It's a community-oriented business dedicated to "Vancouverism," an architectural phenomenon specific to Vancouver. The company is contributing by creating a portfolio of mixed-use projects and commercial properties that improve regional real estate.

Wall Financial stock has mostly gone up since 2000, but now, it's going down hard. That's partly because of the fall that the real estate sector in Canada is experiencing as a whole and partly because it was due for a correction. It is trading at a 63% discount from its most recent peak, and it's also fairly valued. So, you may consider buying it for its current growth phase.

A tech stock

Computer Modelling Group ([TSX:CMG](#)) is a software development company that caters almost exclusively to the oil and gas industry. That's because its proprietary technology/software is about reservoir simulations. The company employs cutting-edge tools and techniques, including artificial intelligence, to make its simulations and models fast and accurate and generate action-worthy insights.

Even though the company has such fast ties to the energy sector that it has been falling down since 2014 (like most of the energy sector), it wasn't lucky enough to benefit from the incredible growth phase the sector went through between 2020 and 2022.

It has mostly traded around the \$5 per share baseline in that period. But if it's finally going up, and there is a slight chance that it may reach double digits, you should consider buying it.

Foolish takeaway

Despite the [bear market](#) their sectors and the TSX are experiencing, all four stocks are going up. It's difficult to say for sure that their current growth represents a long-term trend, but if there is a reasonable possibility that it does, buying now can be a wise decision.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:ERO (Ero Copper Corp.)
2. TSX:CMG (Computer Modelling Group Ltd.)
3. TSX:ERO (Ero Copper Corp.)
4. TSX:NGD (New Gold Inc.)
5. TSX:WFC (Wall Financial Corporation)

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