The TSX's Top Gainers in 2022

Description

Not all TSX stocks were down in 2022. While the entire year was filled with dread, and we certainly didn't see the growth stocks we saw in the past, it wasn't all bad. Today, I'm going to cover the three top TSX stocks in 2022 — those that defied the odds and soared instead of slumping — and, of course, why they climbed in the first place.

Tourmaline Oil

The biggest winner in 2022 was **Tourmaline Oil** (TSX:TOU) among TSX stocks. It climbed 63% in just 2022, and that's even after a drop. Some of this can be attributed to the rise in oil and gas prices we saw during the mid part of the year, but not all of it.

Tourmaline stock climbed higher and higher with incredible estimate-beating earnings. Canada's biggest gas producer continued to produce more and more of the product, boasting free cash flow of $2.7 billion in the last year. It then used this cash to repay debt, which put it in an incredibly strong financial position for the present and future.

The problem here is that there was indeed a fall, and again totally related to outside forces of lower gas prices. Even so, the company went from shares climbing about 105%, to dropping back by 24% to where it sits today. Yet with production strong, a solid balance sheet, and trading at just 4.22 times earnings, it could be a good time to pick up Tourmaline stock.

Element Fleet

Not all TSX stocks that grew this year were in the oil and gas sector. **Element Fleet Management** (TSX:EFN) claimed the second spot for 2022. Shares of Element stock grew 58% in the last year alone. And here's the difference: shares remain up, without the massive drop we've seen in terms of oil and gas stocks.

Now, the company isn't trading in value territory, but it still may be worth a look. After earnings after earnings that came out higher than estimates, Element stock has proven to be a solid choice for future investment. The need to ship everything from oil to construction equipment means there will always be room to grow.

But here's the best part: the company matched its record earnings report recently with even more good news. Element stock increased its 2.19% dividend by 29%! And after increasing its 2023 guidance, it's certainly not a bad time to consider the stock for more growth in 2023.

Cenovus

Finally, **Cenovus** (TSX:CVE) rounds out the top three TSX stocks by climbing 56% in 2022 alone. The oil and gas giant continued to prove why its acquisition of Husky Energy was such a good idea, creating more savings through synergies and taking advantage of the rising oil and gas prices.

However, as with other oil and gas stocks, a drop came as well. In fact, while the company was beating out estimates, earnings recently came in far below estimates. Yet the company has been gaining speed again, as earnings near once more.

This could again be from outside influence, with the promise of higher oil and gas prices for 2023 influencing the stock — especially as it's become the third-largest oil and gas producer in Canada so recently, with perhaps even more room to grow.

Of the three TSX stocks, this one I would say is perhaps the riskiest. It seems that investors come and go, with the three-month moving average of share volume at 5.18 million as of writing. That's a lot of movement in an already shaky industry.

That being said, as Cenovus is trading at 9.8 times earnings and with a 1.86% dividend yield, it can't be denied that this company is still in value territory. But I'd follow analyst advice before diving in.

CATEGORY

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TICKERS GLOBAL

1. TSX:CVE (Cenovus Energy Inc.)
2. TSX:EFN (Element Fleet Management Corp.)
3. TSX:TOU (Tourmaline Oil Corp.)

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