3 Top Stocks Analysts Predict Will Rally By 20% Or More

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The current market volatility has spooked some investors, which is why David Cohne recommends stocks that analysts think will rally. Stocks such as Regeneron Pharmaceuticals (REGN), Arcelor Mittal (MT), and Boyd Gaming (BYD) have high upside potential based on their average price targets.

A strategy many investors practice is to follow the recommendations of Wall Street analysts. The easiest way to do this is by looking at analyst price targets. Wall Street analysts are typically responsible for coverage on a select group of stocks based on industry and market size.

Analysts meet with management and other stakeholders to help determine a company's current and future value based on its financials and growth potential. They use this information to generate earnings estimates and target prices that help them form their overall ratings. While we don't need to pay too much attention to analyst ratings, we should keep an eye on price targets. A price target is what analysts think the stock is worth per share.

When you take an average of analyst price targets, you can get a good idea of what price a stock could reach. If a stock is trading below its average target price, there is a solid chance it will increase its price. If a stock is trading more than 20% below its average price target, there is a *strong chance* it will rally, which is why investors should consider stocks such as Regeneron Pharmaceuticals, Inc. (REGN), ArcelorMittal (MT), and Boyd Gaming Corporation (BYD).

Regeneron Pharmaceuticals, Inc. (REGN)

REGN discovers, develops, and commercializes products that fight eye disease, cardiovascular disease, cancer, and inflammation. The company has several marketed products, including Eylea, approved for wet age-related macular degeneration and other eye diseases, Praluent for LDL cholesterol-lowering, and Dupixent for atopic dermatitis, asthma, and nasal polyposis.

The company's key growth driver is Eylea, which continues to generate strong revenues from continued label expansions. The company Eylea is approved in the United States, EU, Japan, and other countries. Demographic trends have driven growth due to an aging population and an increase in the prevalence of diabetes.

REGN also has a deep pipeline of drugs, including fully human monoclonal antibodies generated using the VelocImmune technology. Promising drugs include fasinumab for osteoarthritis pain and evinacumab for homozygous familial hypercholesterolemia. The company has an overall grade of A, which translates into a Strong Buy rating in our POWR Ratings System.

The company has a Growth Grade of A, driven by strong earnings growth. REGN has a five-year average annual earnings growth of 41%. Plus, earnings are expected to rise 144.7% year over year in the current quarter. REGN also has a Value Grade of A, which isn't surprising with a forward P/E of 11.36. In addition, the stock is trading 28% below its average analyst target price.

We also provide Momentum, Stability, Sentiment, and Quality Grades for REGN, which you can find here. REGN is ranked #1 in the Biotech industry. You can find other top-ranked stocks in this industry by clicking here.

ArcelorMittal (MT)

MT is the world's leading steel and mining company. It has a

presence in more than 60 countries, where its products are primarily sold to customers in the automotive, general, and packaging sectors. The company also produces long products consisting of sections, wire rods, rebar, billets, blooms and wire drawing, and tubular products.

The company has been benefiting from increased demand for steel as the economy has been opening up. Since its products serve two key infrastructure sectors, construction and transport, MT should also benefit from any infrastructure bill. MT has also been focused on cost reduction and recently revealed a $1-billion fixed cost reduction program that it expects to complete by the end of next year.

The company is expanding its automotive steel line of products by launching a new generation of advanced high-strength steel. MT has an overall grade of A, which is a Strong Buy in our POWR Ratings system. The company has a Growth Grade of A, driven by its massive growth potential. Earnings are forecasted to soar over 1,000% year over year in this quarter.

MT also has a Quality Grade of B due to a solid balance sheet. As of the most recent quarter, the company had $5.4 billion in cash compared to only $2.8 billion in debt. Like REGN, MT has a high upside potential based on analyst price targets. It is currently trading 23.4% below its average price target. For the rest of MT's grades (Value, Momentum, Stability, and Sentiment), click here.

MT is the #5 ranked stock in the A-rated Steel industry. For more top stocks in this industry, make sure to visit this link.

Boyd Gaming Corporation (BYD)

BYD is a multi-jurisdictional gaming company. The firm owns and operates 29 gaming entertainment properties in multiple states with 36,977 slot machines, 809 table games, and 11,090 hotel rooms. The company has been increasing its brand

presence through expansions into Northern California with Wilton Rancheria resorts. This is expected to open by the second half of 2022.

BYD has also been expanding its online betting offerings. In 2018, the company partnered with MGM Resorts to offer its online and mobile gaming platforms. In 2019, BYD partnered with FanDuel Group to open sports books to multiple properties in the Midwest. It also introduced its mobile app in Pennsylvania. It even announced a partnership with the NFL, where FanDuel will provide endgame and postgame highlights in its Sportsbook app.

BYD sees solid performance in its interactive gaming platform, which bodes well for the company's future in the iGaming industry. Plus, as more people get vaccinated and go out, increased traffic to casinos should drive growth in upcoming quarters. BYD has an overall grade of A, translating into a Strong Buy rating in our POWR Ratings system.

The company has a Growth Grade of A, as its earnings have increased an average of 20% over the past five years. Revenue is expected to soar 494% this quarter. BYD also has a Value Grade of B, which makes sense, given its forward P/E of 21.79. Its stock currently has an upside potential of 22%, based on an aggregate of analyst price targets.

We also grade BYD based on Momentum, Stability, Sentiment, and Quality. You can find those grades here. BYD is ranked #1 in the Entertainment – Casinos/Gambling industry. You can find other top stocks in this industry here.

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This article was written by David Cohne, Chief Value Strategist for StockNews.com. David has helped investors find the most profitable stocks for over 20 years.

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REGN shares were unchanged in after-hours trading Wednesday. Year-to-date, REGN has gained 2.91%, versus a 12.45% rise in the benchmark S&P 500 index during the same period.

About the Author: David Cohne

David Cohne has 20 years of experience as an investment analyst and writer. He is the Chief Value Strategist for StockNews.com and the editor of POWR Value newsletter. Prior to StockNews, David spent eleven years as a consultant providing outsourced investment research and content to financial services companies, hedge funds, and online publications. David enjoys researching and writing about stocks and the markets. He takes a fundamental quantitative approach in evaluating stocks for readers.

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