



## 3 Top TSX Index Stocks to Buy on the Market Dip

### Description

The recent weakness in the TSX Index is finally giving investors an opportunity to scoop up some [top-quality stocks](#) at reasonable prices.

Let's take a look at three companies that deserve to be on your radar today.

#### **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#))

CNRL is a leader in the Canadian energy industry with assets spread out across the top plays in the country covering a full range of products, including oil sands, heavy oil, light oil, natural gas, and natural gas liquids. The company also has assets in the North Sea and Offshore Africa.

Management does a good job at allocating resources to the highest-return prospects and CNRL is swimming in cash now that oil prices have recovered.

The company raised the dividend by 22% earlier this year and more gains should be on the way in 2019. At the time of writing, the stock is trading at a six-month low and provides a [yield](#) of 3.4%.

#### **TransCanada** ([TSX:TRP](#))([NYSE:TRP](#))

TransCanada just announced it will move ahead with its \$6.2 billion Coastal GasLink pipeline project in British Columbia to transport natural gas from producers to the massive \$40 billion LNG Canada project. Construction is expected to begin in 2019 and be completed by the end of 2023.

The company is already working through a \$28 billion near-term capital program and has an additional \$14 billion in longer-term projects under consideration.

This means revenue and cash flow should continue to grow at a steady pace for at least the next four years. As a result, TransCanada has said it is targeting annual dividend growth of at least 8% through 2021, and investors should see an upward revision to the guidance.

Investors who buy today can pick up a 5.2% yield and simply sit back and wait for the payout to rise.

### **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#))

Royal Bank is trading at \$101, which is down from the 2018 high around \$108. That doesn't sound like a big selloff, and it isn't, but any chance to pick up Royal Bank on a dip is a good one.

The company earned more than \$3 billion in profit in the most recent quarter, with strong results coming from its balanced revenue stream that includes personal and commercial banking, wealth management, capital markets, insurance, and investor and treasury services.

Rising interest rates and strong Canadian and U.S. economies are good news for the bank and investors should see Royal Bank continue to hit or exceed its target of 7-10% annual earnings growth. Any further downside in the stock should be viewed as buying opportunity for investors who like to sit on their holdings for decades.

Royal Bank provides a yield of 3.9%.

### **The bottom line**

CNRL, TransCanada, and Royal Bank are all market leaders with strong growth potential and rising dividends. An equal investment in the three stocks would serve as a nice start to build a balanced buy-and-hold portfolio.

Other top stocks are also worth considering today.

### **CATEGORY**

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:RY (Royal Bank of Canada)
5. TSX:TRP (TC Energy Corporation)

### **PARTNER-FEEDS**

1. Msn

2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

### Tags

1. Editor's Choice

### Date

2025/08/29

### Date Created

2018/10/11

### Author

aswalker

default watermark

default watermark