



## 3 Stocks to Beat the S&P/TSX Composite Index in 2019

### Description

The **S&P/TSX Composite Index** is quickly approaching all-time highs, and with this, we have many [top stocks](#) also trading at or near all-time highs.

The TSX Index is up 14% year to date. That's 14% in an only three-month period, which is pretty extraordinary.

In this article, I will talk about three stocks that are actually up more than the market, and I will go over why I think we can expect this outperformance to continue.

With a year-to-date return of 20%, **Alimentation Couche-Tard** (TSX:ATD.B) is trading at 52-week highs and it continues to head higher as a result of strong and growing cash flows and shareholder returns.

With a global network of 10,000 stores globally, the company has a history of profitably growing both organically and through acquisitions.

Strong cash flows is one of the key characteristics of the company's business model, as demonstrated by the company's free cash flow generation (excluding acquisitions) of approximately \$3 billion in the last three years, its 8.6% five-year compound annual growth rate in operating cash flow, and its respectable free cash flow margin of over 2%.

**Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) has also returned 20% year to date, as this stock continues to reward investors with a strong and [growing dividend](#) (current dividend yield is 3%), strong free cash flow yields, and a solid balance sheet providing flexibility and acquisition potential.

In the most recent quarter, the company increased its dividend by 11%, as it continues to report better-than-expected results amid a competitive environment.

The company has a free cash flow yield of 6% and we can expect that going forward, this will be used to continue to pay down debt for share repurchases and/or further dividend increases.

It also provides the flexibility to further expand both organically and via acquisitions.

With an 18% year-to-date return, **Canadian Utilities** ([TSX:CU](#)) has made a comeback as the market digests the fact that interest rate hikes are not in the near-term future.

Its 4.58% dividend yield makes this safe and defensive stock an attractive place to be in this highly uncertain market.

I like that the company's capital-expenditure program is being mostly funded by its funds from operations, and it's 7.5% dividend-growth rate in 2019, which reflects a healthy payout ratio of 75%.

## Final thoughts

The stocks discussed in this article have beat the TSX Index so far in 2019 and can be expected to continue to do so as these high-quality names continue to drive shareholder value and income through dividends and capital gains.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:QSR (Restaurant Brands International Inc.)

### PARTNER-FEEDS

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