



The 3 Best TSX Stocks to Own Heading Into 2020

Description

The year 2020 is approaching fast. While we cannot know for sure which stocks are going to perform best during one year, there are some stocks that are better positioned than others to deliver superior returns.

The three best TSX stocks I suggest to own in 2020 are in different sectors: metals and mining, consumer staples, and utilities. These three stocks would make a nice, diversified, defensive portfolio to protect you from an eventual recession.

Kirkland Lake Gold

The price of gold is in a rising trend. You can expect that the prices of precious metals will keep rising, as concerns over a recession are growing. Gold is viewed as a safe haven when the stock market becomes more volatile.

This is beneficial for [mining producers](#) mainly focused on gold production like **Kirkland Lake Gold** (TSX:KL)(NYSE:KL).

Kirkland's 2019 third-quarter results showed record gold production of 248,400 ounces in Canada and in Australia — an increase of 32% compared to the second quarter. This brings the total to 694,873 ounces since the beginning of the year, relatively in line with management's expectation of production which forecasted between 950,000 and 1,000,000 ounces for the full year.

Kirkland's stock has achieved a remarkable performance in the last three years, going from just \$5 to almost \$65. Returns are very impressive, even over a long period. Its 15-year CAGR is 16%, while **Barrick Gold's** 15-year CAGR is 0%.

Kirkland's revenue has grown fast in the last five years, having grown at an average annual rate of 37.6%. Revenue currently amounts to \$1.09 billion.

Kirkland started paying a dividend in 2017, which currently yields 0.3%.

Alimentation Couche-Tard

Retail stores, especially convenience stores, are a natural shield against a recession. So, **Alimentation Couche-Tard** (TSX:ATD.B) should be a good stock to buy to protect your portfolio from a market downturn.

Based on revenues, Couche-Tard is the largest Canadian company. It has 16,072 stores in North America and Europe, which are part of the CAPL network and Circle K branded sites. This represents a huge growth since the company started its operations in 1980. Most of the company's additions have been realized through judicious acquisitions at lower transaction multiples.

Couche-Tard has increased its revenue, currently \$58.5 billion, at a CAGR of 9.3% over five years. Net income has grown at a CAGR of 17.7% and is currently 1.92 billion.

Net earnings attributable to shareholders were \$538.8 million the [first quarter](#) of fiscal 2020, up 18.2% from \$455.6 million for the first quarter of fiscal 2019.

Couche-Tard's stock has an impressive 15-year CAGR of 20%.

Although its dividend yield is only 0.6%, Couche-Tard regularly increases its dividend.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) owns and operates a portfolio of regulated and unregulated generation, distribution, and transmission utilities assets in Canada and the United States. It generates and sells electrical energy through a portfolio of unregulated renewable and clean power generation facilities.

Algonquin also owns and operates hydroelectric, wind, solar and thermal facilities with a combined gross generating capacity of approximately 1.5 gigawatts.

It has increased its revenue, currently \$1.6 billion, at a CAGR of 21% over five years. Net income has grown at a CAGR of 66% and is currently 336.8 million.

If you're seeking reliable income, Algonquin is one of the best stocks to own. The current dividend yield is 4%, and the company has increased its dividend over the past eight years. The dividend has a five-year CAGR of 15.2%, which is very good.

The company expects steady and consistent growth in the future.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

4. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

Date

2025/08/26

Date Created

2019/11/08

Author

sbchateauneuf

default watermark

default watermark