



2 Top TSX Stocks to Buy Now and Beat the Market

Description

It's been a rough start to the new year already, and investors have already been stung trying to read the markets' reaction to uncertainty. Risk got cranked up to 11 this week, but bargains – and momentum – were hard to find.

Going forward, investors seeking steady growth in cut-price stocks should look to unloved, high-quality market leaders. Let's take a look at two of the best such stocks on the **TSX**.

Unloved consumer staples are a long-term buy

Scraping a 52-week low and with an analyst consensus “strong sell” signal, **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is a diamond in the rough. A contrarian buy for the consumer staples segment of a stock portfolio, the world-class potash miner and agri nutrient input leader is a play for [long-term defensive gains](#). As investors eye choppy markets strewn with plenty of black swan material, Nutrien is a safe bet.

Nutrien's market share is around 20% when it comes to potash production, an astounding figure and a significant boon for a portfolio. The company is still growing through acquisitions, with the news this week that it's buying the Brazilian agri retailer Agrosemá Comercial Agrícola. The buyout makes Nutrien an even stronger buy for investors seeking access to growth in emerging economies.

The auto sector is getting a shake-up

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is down this week as the auto sector faces unfavourable market forces. However, there are a number of [reasons to get in on Magna](#).

Not least of these are such selling points as the company's ubiquity and market share, though other major reasons to stack shares include the company's exposure to the electric vehicle market in China.

The midweek overnight crisis caused a further dip – as it did across the board – but Magna corrected again Wednesday along with the majority of the markets.

Given this week so far and the disappointing auto performance of late, the fact that Magna is down by just 1% in the last five days is testament to the strong market position and popularity of this stock.

A new vision car, the Concept-S, was unveiled by **Sony** at the CES tech gathering in Las Vegas this week, taking electric vehicle pundits by surprise.

The move bumped up Magna's stock price (until the midweek events wiped out brief gains) after it emerged that the prototype was built by an intriguing conglomeration of Magna Steyr and others.

It's a tough time for car makers, with weak sales data combining with trade war headwinds and changes to emission levels. With the two heavyweight auto trade groups, Global Automakers and the Alliance of Automobile Manufacturers, announcing a game-changing merger, investors may want to keep an eye out for another potential M&A news.

The bottom line

Nutrien and Magna are market leaders – but are they a buy? Currently yielding 2.7%, Magna is a standout buy in an embattled sector and a possible source of upside from the green economy. Nutrien could likewise benefit from a sea change in agriculture as the 20s sees crop efficiency take a front seat.

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2. NYSE:NTR (Nutrien)
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