



3 Top Stocks for May 2020

Description

The worst may actually be over. After the **S&P/TSX Composite** sunk nearly 40% back in February from peak to trough, the **TSX** is finally on a fairly steady rise. While another drop could be in the works, many analysts believe that we could be back on a slow yet stable market rally. Therefore, now could be the perfect opportunity to start looking at some top stocks.

Next month the markets could look very different as this market rally takes hold. With that in mind, investors should look at these strong buying opportunities for their portfolio.

TD Bank

If there's one solid investment you can make right now for your future, it's buying up Canadian banks. Sure, in the short term, Canadian banks may have a few hurdles left to jump. But if you're buying for the long term, then this market rally couldn't be a better time to buy one of these top stocks.

Canadian banks fared as some of the best in the world during the last recession, and **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) remains one of the top stocks of Canada's Big Six Banks. TD stock is ideal for the investor looking for a solid history and a strong future of growth.

TD offers investors a strong discount from fair value, with a potential upside of nearly 50% as of writing! On top of that, investors get an amazing dividend of 5.55% during this market rally.

This dividend and growth should continue to be stable as the bank continues to expand throughout the United States and into the wealth and commercial management sectors.

Algonquin Utilities

Another area where investors have been flocking is to the [utilities sector](#). Even when the markets were down, utilities remained fairly stable, leaving little time for investors to buy up these top stocks before a market rally. But there is still one utility out there that remains an incredibly strong buy.

Algonquin Power and Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) stock should have behaved like its utility peers, but instead the stock plummeted. Now, it's still climbing back to its pre-crash pricing, with a potential upside of 10% as of writing to get to fair value.

This stock also offers investors a 3.95% dividend while they wait. And again, utility stocks are ones you'll definitely want in your portfolio, because people always need to keep the lights on. Algonquin should continue to bring in stellar earnings reports for years to come.

TC Energy

Finally, some top stocks for long-term shareholders are [pipeline companies](#). There are quite a few out there, and each offers the chance to buy now and win big later on. Pipelines are desperately needed right now to end the oil and gas glut.

Even with Russia and Saudi Arabia agreeing to cut back production, that's a Band-Aid on a broken leg. What we need is a whole new leg — a few of them, in fact.

If there's one company proving to investors that it has what it takes during this market rally, it's **TC Energy Corp.** ([TSX:TRP](#))([NYSE:TRP](#)). While TC Energy may have had a dip with the recent market crash, it's been blazing back on a path to glory, with a potential upside of almost 10% as of writing.

But looking to the future, investors should have major income coming from Keystone XL and other pipelines.

Top stocks like TC Energy don't come around a lot, and with analysts believing shares could reach \$90 in one year, this market rally could be your only chance to buy in bulk.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TRP (Tc Energy)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:TD (The Toronto-Dominion Bank)
6. TSX:TRP (TC Energy Corporation)

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